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

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Room 400, City Hall
Philadelphia, Pennsylvania
Monday, May 22, 2000
10:25 a.m.

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BILL 000221 - Creating Net-Works TIF.

9

Board of Directors Appointments Resolutions:

000192 - N. Tissian, So. St./Headhouse Spec. Svcs.

10 000193 - A. Greenberger, Old City Spec. Svcs.

000194 - Bush Bell, " " " "

11 000195 - F. Palmer, So. St./Headhouse Spec. Svcs.

000196 - H. Lander, " " " "

12 000197 - M. Weinberg, " " " "

000198 - A. Sitnick, " " " "

13 000199 - B. Pierson, " " " "

000329 - M. McMahon, City Ave. Spec. Svcs.

14 000330 - H. Wurzak, " " " "

15

RES. 000230 - Confirming the appointment of
Kenneth I. Trujillo, Esquire, as City Solicitor.

16

17

PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILWOMAN JANNIE BLACKWELL, Vice Chair
18 COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
19 COUNCILMAN DAVID COHEN
COUNCILMAN FRANK J. DICICCO
20 COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JAMES F. KENNEY
21 COUNCILMAN W. THACHER LONGSTRETH
COUNCILMAN ANGEL L. ORTIZ
22 COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

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VINCENT VARALLO ASSOCIATES, INC.
Registered Professional Reporters
Eleven Penn Center, Suite 600
Philadelphia, PA 19103
25 (215) 561-2220

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(* - Also provided attached written testimony.)

1 5/22/00 WHOLE COMM. - RES. 000192 thru 199

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

3 COUNCIL PRESIDENT Verna: Good morning,
4 everyone. This is the Committee of the Whole of
5 Council. I would ask Mr. McPherson to please read
6 the titles of Resolutions 000192, 000193, 000194,
7 000195, 000196, 000197, 000198 and 000199.

8 MR. MCPHERSON: Resolution No. 000192,
9 appointing Norman Tissian to the Board of
10 Directors of the South Street/Headhouse District
11 of Philadelphia.

12 Resolution 000193, appointing Alan
13 Greenberger to the Board of Directors of the Old
14 City Special Services District of Philadelphia.

15 Resolution 000194, appointing Bush Bell
16 to the Board of Directors of the Old City Special
17 Services District of Philadelphia.

18 Resolution 000195 appointing Fluffy
19 Palmer to the Board of Directors of the South
20 Street/Headhouse District of Philadelphia.

21 Resolution 000196, appointing Howard
22 Lander to the Board of Directors of the South
23 Street/Headhouse District of Philadelphia.

24 Resolution 000197, appointing Marlene
25 Weinberg to the Board of Directors of the South

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2 Street/Headhouse District of Philadelphia.

3 Resolution 000198, appointing Al
4 Sitnick to the Board of Directors of the South
5 Street/Headhouse District of South Philadelphia.

6 Resolution 000199, appointing Bob
7 Pierson to the Board of Directors of the South
8 Street/Headhouse District of Philadelphia.

9 COUNCIL PRESIDENT Verna: Thank you.

10 Do we have anyone here -- Councilman
11 DiCicco, are any of the candidates here? And if
12 so, would you please ask them to approach the
13 witness table.

14 COUNCILMAN DICICCO: Thank you, Madam
15 President. I believe the majority of the people
16 are here, and I ask that you all come forward and
17 pull some chairs up.

18 (Board of Director nominees come
19 forward.)

20 COUNCIL PRESIDENT Verna: Good
21 morning. Please identify yourself for the record.

22 MR. OSTRANDER: Thank you. I am Dick
23 Ostrander. I am the Executive Director of the
24 South Street/Headhouse Special Services District.
25 I have with me two of our new Board members. Two

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2 of the named people, Fluffy Palmer and Marlene
3 Weinberg are out of town. I've brought with me
4 bios which explain their qualifications and their
5 interest in the Board, if you would like to have
6 those.

7 COUNCIL PRESIDENT Verna: Yes, please.

8 MR. OSTRANDER: Howard Lander was
9 previously a Board member, as announced, and is
10 being up for a second term. And that is also the
11 case with Bob Pierson.

12 With me are two new Board members, Al
13 Sitnick and Norman Tissian, and I'll get out of
14 the way, if I may, and let them speak.

15 Thank you.

16 COUNCIL PRESIDENT Verna: Thank you.

17 (New Board members come forward.)

18 COUNCIL PRESIDENT Verna: Good morning.

19 MR. TISSIAN: Good morning.

20 COUNCIL PRESIDENT Verna: Kind identify
21 yourself for the record.

22 MR. SITNICK: Al Sitnick.

23 MR. TISSIAN: And I'm Norman Tissian.

24 COUNCIL PRESIDENT Verna: Would you
25 tell us something about yourselves, please.

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2 MR. SITNICK: I've been in the area all
3 my life, and I have had A business on South Street
4 for the last eight years and am very interested in
5 seeing the neighborhood get much, much better, and
6 I want to see a lot of younger people be involved
7 in the district.

8 COUNCIL PRESIDENT Verna: And how long
9 is your term for; do you know?

10 MR. SITNICK: Five years.

11 MR. TISSIAN: My name is Norman
12 Tissian. I'm a lifelong Center City resident, in
13 Society Hill about 32 years. I have just
14 completed a two-year term as the president of the
15 Society Hill Civic Association. I've been very
16 actively involved in the community, including all
17 South Street activities, for many, many years. And
18 I'm delighted to play an active role on the Board
19 of Directors.

20 COUNCIL PRESIDENT Verna: Thank you.

21 Are there any questions from members of
22 the committee of the two gentlemen at the witness
23 table?

24 (No questions.)

25 COUNCIL PRESIDENT Verna: Thank you,

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2 gentlemen.

3 MR. SITNICK: Thank you.

4 MR. TISSIAN: Thank you.

5 COUNCIL PRESIDENT Verna: Good morning.

6 MS. FILO: Good morning, Madam

7 President.

8 COUNCIL PRESIDENT Verna: Kindly.

9 Identify yourself for the record.

10 MS. FILO: I'm Cynthia Filo (ph.).

11 I'm the Director of the Old City Special Services
12 District.

13 I'm here today -- to my left is Allen
14 Greenberger, a Board nominee. To my right is Bush
15 Bell, also a Board nominee. And to my far left is
16 John Taxin, who is the Chairman of our Board of
17 Directors and the owner of Old Original
18 Bookbinders, located in the Old City Special
19 Services District.

20 Madam President, I don't know if you
21 would like me to go ahead and describe our two
22 Board members or if you would prefer them to go
23 ahead and give a little brief background on their
24 own.

25 COUNCIL PRESIDENT Verna: It doesn't

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2 matter, whatever you feel more comfortable doing.

3 MS. FILO: Okay. First I'm going to
4 present -- I think it's -- 194 is Bush Bell. Bush
5 is the general manager of the Sheraton Society
6 Hill in the Old City District.

7 MR. BELL: Good morning.

8 COUNCIL PRESIDENT VERNA: Good morning.

9 MR. BELL: My name is Bush Bell. I'm
10 the general manager of the Sheraton Society Hill
11 at Second and Walnut Streets. I've been the
12 general manager there for about 18 months and am
13 new to the area, but I'm very excited to be a part
14 of the vibrant, growing Old City District.

15 COUNCIL PRESIDENT VERNA: And I see
16 that you're approved of the term, your term would
17 end December 31, 2001?

18 MR. BELL: That's correct.

19 COUNCIL PRESIDENT VERNA: Thank you.

20 MS. FILO: Next we have Alan
21 Greenberger.

22 MR. GREENBERGER: Good morning. Alan
23 Greenberger.

24 COUNCIL PRESIDENT VERNA: Good morning.

25 MR. GREENBERGER: I'm a partner of MGA

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2 Partners Architects in Philadelphia. Our business
3 moved to Old City, on the 200 block Market Street,
4 two years ago, from Fourth and Walnut. I've been
5 a resident of the City of Philadelphia for 26
6 years and am past president of the American
7 Institute of Architects 1992.

8 COUNCIL PRESIDENT VERNA: Thank you.

9 MS. FILO: Madam President, I have
10 prepared a statement that does include the resumes
11 of each of these gentlemen, and I have provided
12 copies for you.

13 If you have any other questions, I
14 would be more than happy to answer them.

15 COUNCIL PRESIDENT VERNA: Are there any
16 questions from members of the committee?

17 (No questions.)

18 COUNCIL PRESIDENT VERNA: Thank you.

19 MS. FILO: Thank you very much.

20 COUNCIL PRESIDENT VERNA: Thank you.

21 I would ask Mr. McPherson to please
22 read the titles of Resolution No.'s 000329 and
23 000330.

24 MR. MCPHERSON: Resolution 000329,
25 appointing Michael McMahon to the Board of

1 5/22/00 WHOLE COMM. - RES. 000329, 330
2 Directors of City Avenue Special Services District
3 of Philadelphia and Lower Merion.

4 Resolution 000330, appointing Howard J.
5 Wurzak to the Board of Directors of the City
6 Avenue Special Services District of Philadelphia
7 and Lower Merion.

8 COUNCIL PRESIDENT Verna: Councilman
9 Nutter called me earlier this morning and he
10 indicated that an emergency came up and that he
11 would not be able to be present this morning.
12 However, he does recommend the two gentlemen that
13 are approaching the table very highly and asked
14 the Councilmembers to certainly consider them with
15 a favorable recommendation.

16 (Witnesses come forward.)

17 COUNCIL PRESIDENT Verna: Good morning
18 gentlemen.

19 MR. COHEN: Good morning.

20 MR. MCMAHON: Good morning.

21 MR. WURZAK: Good morning.

22 COUNCIL PRESIDENT Verna: Good morning.
23 Please for identification.

24 MR. COHEN: Yes. I'm David Cohen, the
25 Executive Director of the City Avenue South

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2 Street/Headhouse District. And on my left we have
3 Howard Wurzak and Michael McMahon, who are Board
4 nominees for terms ending December 31, 2004.

5 Briefly, the City Avenue Special
6 Services District is the first district in North
7 America to include parts of two jurisdictions,
8 covering parts of Philadelphia and also Lower
9 Merion Township.

10 COUNCIL PRESIDENT Verna: Gentlemen, do
11 you want to identify yourselves and tell us
12 something about yourselves.

13 MR. WURZAK: I'm Howard Wurzak,
14 President and Chief Executive Officers of the
15 Radisson 12 Caesars Hotel, and I've been involved
16 at that project since 1982, and I've been on the
17 City Avenue Special Services District since its
18 inception.

19 COUNCIL PRESIDENT Verna: Wonderful.
20 Thank you.

21 MR. MCMAHON: My name is Michael
22 McMahon. I'm the general manger of the Adams Mark
23 Hotel. I've been there for two and a half years
24 and have been on the Board that long, also.

25 COUNCIL PRESIDENT Verna: Thank you.

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2 Are there any questions from members of
3 the committee?

4 (No questions.)

5 COUNCIL PRESIDENT Verna: We want to
6 thank you for helping and servicing the area.
7 Thank you so much.

8 No questions from members of the
9 committee?

10 Seeing none, I would ask that Bill No.
11 000221 be read.

12 MR. MCPHERSON: Bill No. 000221, an
13 ordinance creating the Networks Tax Increment
14 Financing District and approving the project plan
15 of the Philadelphia Authority for Industrial for
16 Development the development of the Networks Tax
17 Increment Financing District.

18 (Witnesses come forward.)

19 COUNCIL PRESIDENT Verna: Good morning
20 Mr. Fina.

21 MR. FINA: Good morning, President
22 Verna and members of the Council. My name is
23 Robert Fina, and I'm Senior Vice President of
24 Philadelphia Industrial Development Corporation,
25 PIDC, and I'm appearing on behalf of the

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2 Philadelphia Authority for Industrial Development,
3 PAID. I am here today to continue PIDC's
4 testimony of Bill No. 221 that William Hankowsky,
5 President of PIDC, initiated last week when this
6 public hearing commenced.

7 Briefly, Bill No. 221 will create the
8 Networks TIF to assist in financing the one
9 million square foot vacant former SmithKline
10 building at 15th and Spring Garden Streets into a
11 state-of-the-art telecommunications e-commerce
12 office complex. The TIF will be structured to
13 attract e-commerce companies to locate in the
14 City.

15 The City and the School District are
16 being requested to approve \$15 million TIF loan
17 for the \$85 million project. The TIF note would
18 be repaid from new real estate, City sales, and
19 business privilege taxes. No use and occupancy
20 taxes will be dedicated to the TIF fund.

21 Projected benefits from this project
22 include 590 construction jobs, 1500 clerical jobs,
23 and new annual tax revenues of \$1.2 million to the
24 School District and \$2.1 million to the City.
25 Another benefit would be the unique relationship

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2 that the Networks will have with Philadelphia
3 Community College.

4 First, the sixth floor of the Networks
5 will contain meeting space and a presentation
6 area. This floor is intended to be used for
7 recruiting and educational purposes, including the
8 recruiting of Community College graduates by
9 network businesses, through recruiting seminars,
10 job fairs, and direct recruitment presentation.

11 Second, it is anticipated that
12 Community College will develop customized training
13 programs for from network businesses.

14 Third, the Networks has already
15 developed a Web site job Board to post available
16 jobs, with the ability to create a link to
17 Community College.

18 Fourth, Community College presently
19 uses fiber optic for Internet access, known as
20 ISDN. Due to the Networks bringing various and
21 multiple fibers to this property, Community
22 College could gain Internet access from faster,
23 less expensive fiber lines that would be
24 cost-effective as the result of the switches that
25 will be available in the Networks.

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2 Finally, a net play center has been
3 proposed for the first floor, wherein the
4 developer would provide computers free of charge
5 with high-speed Internet access for the public.
6 This would be available to both Community College
7 and nearby residents.

8 Since introduction of the Networks
9 project plan, there has been an amendment to
10 clarify several issues, none of which will alter
11 the amount of the note or the incremental taxes
12 used to pay the TIF loan, as was described in Mr.
13 Hankowsky's testimony last week.

14 In addition to those amendments, the
15 following change to the project plan is proposed.
16 The project design has not been finalized and the
17 figures present are based on estimates. The total
18 amount in the line items may vary as the project
19 design is refined and are not intended as
20 limitations.

21 The initial project cost and/or the
22 size of the project are not intended -- also has
23 limitations. The initial project and/or size of
24 the project, excluding the addition of structured
25 parking and/or electricity generation, if any, may

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2 change by up to 15 percent prior to settlement of
3 the financing, without an amendment to the project
4 plan. Additional increases shall not be funded
5 from any public financing source, except for
6 increases with respect to environmental
7 remediation, site preparation, or utility
8 infrastructure and generation, which shall not be
9 limited by the 15 percent cap or the source of any
10 public funding.

11 Structured parking may be added to the
12 project without amendment to the project plan, if
13 it is financed with private funds. Private debt
14 and equity may not be decreased below \$60 million
15 without approval of City Council. After
16 settlement of the financing, no further amendment
17 shall be required.

18 This language was agreed to by the
19 District Councilman, technical staff of City
20 Council, the developer, PIDC, and the developer's
21 legal counsel. Previous language concerning the
22 limitation on size and cost of this project was
23 considered too broad and did not reflect the
24 distinct nature of the Networks project. The
25 project has been amended and restated to reflect

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2 these changes and is on file with the Chief Clerk
3 of City Council for review by the public.

4 In closing, I would like to remind
5 member of the City Council that today's hearing is
6 required by the Pennsylvania Tax Increment
7 Financing Act, and that Act requires Council to
8 wait at least three weeks for final consideration,
9 which would imply action at Council's meeting of
10 June 15, 2000. I respectfully request favorable
11 consideration of Bill No. 000221.

12 Thank you.

13 COUNCIL PRESIDENT Verna: Thank you.

14 We did hear most of the testimony last
15 week, and you indicated that with a change of
16 language, that everyone is in agreement?

17 MR. FINA: Yes, that's correct.

18 COUNCIL PRESIDENT Verna: The Chair
19 recognizes Councilman Goode.

20 COUNCILMAN GOODE: Thank you, Madam
21 President.

22 Mr. Fina, is there any new
23 documentation on this project, or other projects
24 submitted to this committee, demonstrating
25 financial need on the part of any of these

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2 developers?

3 MR. FINA: No, we have not submitted
4 that to this committee.

5 COUNCILMAN GOODE: Is it still your
6 contention that all projects requesting TIFs have
7 demonstrated financial need?

8 MR. FINA: Absolutely, yes.

9 COUNCILMAN GOODE: It's kind of
10 interesting that you say that. I have a copy of a
11 Philadelphia Daily News article from Wednesday,
12 November 18, 1998, and it says that one of the
13 proposals submitted on the agenda that day was a
14 parking garage near the Convention Center. It
15 said it might have been profitable without a TIF,
16 Fina said. The City didn't want to see a garage
17 on that site without a TIF. The developer was
18 willing to include retail on the first level and
19 beams that are strong enough to support a rooftop
20 hotel.

21 So in that case, it seems that the TIF
22 was added to that project to influence the
23 development; is that correct?

24 MR. FINA: The TIF was added to that
25 project so that the developer would provide an

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2 over-build structure as well as provide retail at
3 the ground level because we thought that was a
4 very important urban area, and that we just did
5 not want to have a parking garage, which he could
6 have built, as a matter of right, but we wanted to
7 include other features for that project. Those
8 other features made the project in feasible as
9 just a parking garage without the TIF support.

10 COUNCILMAN GOODE: But you were willing
11 to forego \$6.6 million in tax revenue just to
12 influence development of that project?

13 MR. FINA: I think that was the public
14 purpose at that time, and that's what this City
15 Council previously approved.

16 COUNCILMAN GOODE: Although the project
17 would have been profitable without the TIF.

18 MR. FINA: Not the way it's figured
19 today, it would not be profitable. I think that
20 article --

21 COUNCILMAN GOODE: But you're quoted in
22 here as saying that it might have been profitable
23 without a TIF.

24 MR. FINA: If it would have been a
25 garage only, but I really can't debate the nature

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2 of -- that quote was some time ago, and I'm not
3 sure what the question was or how I responded in
4 that article that occurred, I guess. When was
5 that date, sir?

6 COUNCILMAN GOODE: November 18, 1998.

7 The article was written by Erin Einhorn.

8 MR. FINA: Yeah, I know the reporter.

9 COUNCILMAN GOODE: Thank you very much.

10 MR. FINA: You're quite welcome.

11 COUNCIL PRESIDENT Verna: The Chair
12 recognizes Councilwoman Brown.

13 COUNCILWOMAN BROWN: Good morning.

14 Mr. Fina, I want to go again on record
15 and restate what I shared with Mr. Hankowsky, that
16 though I am currently persuaded by the net job
17 growth and the limited benefit that the School
18 District receives from TIFs, I am not yet fully
19 persuaded that they are in the best interests of
20 our city.

21 And so as I look to complete my
22 homework and research around what New York, San
23 Francisco, and Maine are currently doing with
24 regards to things like child care and after-school
25 programs and those kind of things being folded

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2 into the entire TIF package at some juncture, I
3 will be using that information and finding out how
4 PIDC is going to respond favorably to those kinds
5 of projections that we see happening in other
6 cities.

7 MR. FINA: Councilwoman, I'd be very
8 happy to meet with you at anytime to discuss the
9 TIF program and other aspects of it that you find
10 appropriate.

11 COUNCILWOMAN BROWN: So what does that
12 mean when you say that, that you are willing to
13 discuss in detail, in full how upcoming TIFs, or
14 future TIFs that are going to be coming to City
15 Council, will indeed factor in benefits over and
16 beyond what the School District and the City
17 currently receives? Is that what I hear you
18 saying?

19 MR. FINA: I'm very happy to meet with
20 you to discuss the program in total and any aspect
21 of it that you deem appropriate.

22 COUNCILWOMAN BROWN: Very well. Thank
23 you.

24 MR. FINA: You're welcome.

25 COUNCIL PRESIDENT VERNA: Thank you.

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2 The Chair recognizes Councilman Ortiz.

3 COUNCILMAN ORTIZ: Yeah, Mr. Fina, did
4 I hear you say that there was no letters
5 establishing financial need --

6 MR. FINA: No, sir.

7 COUNCILMAN ORTIZ: -- from the
8 developer.

9 MR. FINA: No.

10 COUNCILMAN ORTIZ: Did you request
11 any?

12 MR. FINA: Oh, we do. We do a
13 substantial analysis, we meet with each District
14 Councilperson to explain that analysis of how we
15 determine the TIF, and we meet with technical
16 staff of City Council to discuss how we determine
17 the TIF and the amount for every --

18 COUNCILMAN ORTIZ: Well, I think that's
19 all good and fine. You know, we obviously need
20 development.

21 The key issue is, do we give the
22 developer these tax breaks if they can do it by
23 themselves?

24 MR. FINA: No, we do not.

25 COUNCILMAN ORTIZ: Well, did you ask

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2 them for a request of need, financial need in this
3 case?

4 MR. FINA: Yes, we did.

5 COUNCILMAN ORTIZ: Did they give you
6 one?

7 MR. FINA: Yes.

8 COUNCILMAN ORTIZ: Did they establish
9 it?

10 MR. FINA: Yes.

11 COUNCILMAN ORTIZ: Do we have copies of
12 that?

13 MR. FINA: I believe members of the
14 technical staff may have some information. We
15 have not made a formal presentation to City
16 Councilmembers on that analysis.

17 COUNCILMAN ORTIZ: Well, I think this
18 is the issue here, and I think this is the forum
19 to make a formal presentation of the financial
20 need and state what is it that they say why they
21 need this money.

22 MR. FINA: I could briefly discuss why
23 this particular project needs that, if you wish,
24 or I could provide you with the analysis we did at
25 a later time.

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2 COUNCILMAN ORTIZ: Well, and I would
3 like it from the developer to come in and
4 establish his financial need, before this forum.
5 'Cause I think that's what this forum is for.

6 MR. FINA: If that's the wish of
7 Council, we could ask the developer to come
8 forward and talk about his financial need, yes.

9 COUNCILMAN ORTIZ: Because I agree with
10 my colleagues Wilson Goode and Blondell Reynolds
11 Brown, in which we seem to be just approving these
12 TIFs without even a thorough analysis, a thorough
13 discussion, and of the impact that they have on
14 the school system and the funding of the school
15 system over the long run, and I think -- I think
16 it's about time that we began to have that
17 discussion here.

18 MR. FINA: Councilman, I'd be very
19 happy to do that. We do provide a project plan,
20 as required under the State act. Each member of
21 Council, as you are aware, has that project plan,
22 and it talks about the impact on the City and the
23 School District as it exists today in the TIF
24 District and after the TIF is approved for the
25 20-year term of the TIF.

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2 COUNCILMAN ORTIZ: Have you been
3 keeping up with the headlines about the school
4 system in the last week?

5 MR. FINA: Yes, I have.

6 COUNCILMAN ORTIZ: There's some money
7 needed.

8 MR. FINA: Yes. And we proved that
9 this particular TIF project that presently
10 produces little taxes for the School District will
11 provide over the next 20 years \$1.2 million
12 annually to the School District that presently
13 does not receive those funds, if this project
14 moves forward. That's 1.2 million annually.

15 COUNCILMAN ORTIZ: I think that
16 discussion is still to be held, and I think that
17 opinion is still to be confirmed.

18 Thank you, Madam Chair.

19 COUNCIL PRESIDENT Verna: Thank you.

20 The Chair recognizes Councilman
21 Kenney.

22 COUNCILMAN KENNEY: Thank you, Madam
23 President.

24 Perhaps I want to approach this
25 discussion from another direction. I recognize

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2 that over the last eight years now, going into the
3 ninth year, we've approved a large number of
4 TIFs. All of those projects, I believed, when I
5 voted for them were things that were necessary for
6 the City and necessary for us from a competitive
7 standpoint as it relates to our surrounding
8 neighbors and competitors. And I think in this
9 particular project, that is more evident, that
10 this kind of operation, this kind of high-tech
11 development could be done in another county
12 surrounding Philadelphia or in New Jersey at a
13 much lower overall tax rate.

14 And I think, therefore, offering TIFs
15 and other types of incentives for this type of
16 development levels the playing field in many ways
17 for us vis-a-vis the suburbs. If you look at
18 wage-tax issues and utility-cost issues and other
19 things that developer and business people weigh in
20 the decision whether to come and locate in one
21 area or another, I think that this particular tool
22 is a way in which to balance the playing field
23 between us and places like the corridor out in
24 Montgomery County that, you know, was eating our
25 lunch for a long, long time.

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2 I think it's important also, and I've
3 said this before in other public hearings on TIFs
4 -- and I don't want the public to misunderstand.
5 This is not a tax giveaway, this is not taking
6 money from the General Fund or from some pot of
7 money in the City and saying, Here it is, take it,
8 in order to incentivize this project. We are
9 basically forbearing taxes that would be accrued
10 or would amass as a result of the development
11 itself.

12 And if I look at this particular and
13 this particular site, not too long ago, the last
14 administration was suggesting that we build ball
15 field I recognize that building ball field here.
16 I recognize that the building of a ball field
17 there would create jobs and other types of things
18 to improve the economy of the City, but it
19 wouldn't, I don't think, improve the tax situation
20 for the School District or necessarily the real
21 estate tax issue for the City, if the City would
22 wind up owning that particular facility.

23 So I think -- while I recognize that it
24 seems that every major project now lines up for a
25 TIF, I still think we have to weigh that against

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2 the disadvantages that developers and business
3 people have in establishing businesses in the City
4 as opposed to other areas around the City of
5 Philadelphia. So I don't view it as giveaway; I
6 view it as a way in which to capture jobs and
7 capture development that may be done in the
8 suburbs as opposed to in Philadelphia. And then
9 down the road, as they've established and created
10 jobs and paid taxes, the School District and the
11 City would be benefitting long-term from the
12 long-term establishment of this business.

13 I think what happens is, is when
14 companies like Disney and others come into the
15 fray and start requesting TIFs, people start
16 wondering whether or not that's the kind of
17 company that has economic stress or economic
18 disadvantage, and I don't think anyone here would
19 argue that. But, again -- the question, again, if
20 you back to Disney is, they can go anywhere. If
21 you want them here, then you have to create the
22 incentives.

23 If you're not going to fix the wage tax
24 over an accelerated period of time, if you're not
25 going to fix other kinds of issue -- the business

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2 privilege tax and other things -- over an
3 accelerated period of time, I think you're going
4 to have to continue to use this kind of a tool in
5 order to level the playing field against the
6 suburbs and the East Coast.

7 And I don't really have a problem
8 voting for it. I recognize that some of our
9 colleagues here who are new members but have been
10 involved with government a while have some
11 concerns about the speed and the number which we
12 approve, but I do believe in every issue that I
13 voted on, I think we would have had a danger of
14 losing that developer or that company or those
15 jobs to the suburbs or to another state or another
16 jurisdiction.

17 Thank you, Madam President.

18 COUNCIL PRESIDENT Verna: Thank you.

19 The Chair recognizes Councilwoman
20 Tasco.

21 COUNCILWOMAN TASCO: Thank you very
22 much. Good morning.

23 MR. FINA: Good morning.

24 COUNCILWOMAN TASCO: The developer at
25 15th and Spring Garden, where could that project

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2 possibly be constructed other than that in area?
3 We are competing with the suburban counties, but
4 they chose that site for a special, I guess, for a
5 particular reason and that met its needs, but
6 where would you see that project going if we did
7 not provide a TIF?

8 MR. FINA: Well, I think Councilman
9 Kenney said it very well, that actually a project
10 like this could go anywhere, to any suburban, any
11 East Coast location; and with that would go the
12 businesses that we expect will move in here, and
13 the jobs, the 1500 jobs.

14 So this particular enterprise could go
15 anywhere there is fiber optics, anywhere there are
16 these lines and access to them. There is this
17 fiber optic in Broad Street, which makes this
18 building somewhat more attractive to run that, but
19 they could put this anywhere in the City or
20 anywhere else outside the City. And this is a
21 vacant building at this point, and it's a
22 blighting influence because of its vacant nature.

23 COUNCILWOMAN TASC0: If the wage tax is
24 a deterrent for businesses to develop in
25 Philadelphia and there's difficulty getting people

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2 to work in Philadelphia because of the wage tax,
3 is the TIF an overriding factor to continue to
4 build, to develop here, as opposed to going
5 someplace else?

6 MR. FINA: It helps them mitigate the
7 wage tax. It is not the solution for the problem
8 that the wage tax causes employees and employers,
9 as they see that as a reason.

10 What the TIF does is, it makes the
11 e-commerce space more economical for start-up
12 e-commerce businesses, that makes it an
13 attraction, an incentive to come into the City by
14 having this. Presently, to bring e-commerce-type
15 businesses in this market, the range is about \$15
16 per square foot, is what the rent would be
17 charged. That's the most you could charge.

18 The economics of the project do not
19 allow you to bring this building on line and make
20 it available with fiber optics that will attract
21 e-commerce businesses. So the TIF helps to keep
22 that dollar amount to improve the building at a
23 marketable rate to result in a \$15-per-square-foot
24 rental.

25 COUNCILWOMAN TASCO: If I remember

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2 correctly, last week, there was some discussion
3 about the increase in square footage costs. If
4 they are successful in attracting, would it be the
5 commercial space on the first floor or some other
6 space? If they got a per-square footage increase,
7 they would accelerate the payment of the --

8 MR. FINA: Councilwoman, that's exactly
9 what we said last week. We said that if the rents
10 go up by more than 5 percent a year above the \$15,
11 there is "a claw-back provision," as call it,
12 meaning that the difference of that \$15 net
13 increase -- say it's \$1 per square foot, 50
14 percent of that, 50 cents of that would be used
15 per square foot to pay down the TIF note so that
16 the note would be completely repaid that much
17 sooner if the rents go above the 5 percent
18 increase per year on \$15 per square foot.

19 COUNCILWOMAN TASC0: Could we take that
20 instead of accelerating the TIF note, could we
21 take that and put those dollars in a youth fund?

22 MR. FINA: I don't, believe under the
23 State Act, we can we can do that with TIF
24 revenue. It only could be used to pay off a TIF
25 note or pay for infrastructure within the TIF

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2 District.

3 COUNCILWOMAN TASC0: Now, you stated
4 that they could accelerate the payment of the TIF
5 note. I noticed that the TIF exists for a 20-year
6 period. Is there any reason why we couldn't lower
7 the period and instead of having 20 years, have 15
8 or 10 on the TIF note?

9 MR. FINA: We have done that on other
10 projects when the economics warrant that. We've
11 tried that on a housing project, known as St.
12 James Court, that this Council's approved. We did
13 it for 12 years. However, the economics were too
14 tight on that project and that project has not
15 closed, the financing has not closed yet.

16 So when it is feasible, we do provide
17 the provision to pay off the note early. And if
18 the revenue is there, it will occur, the TIF
19 revenue. But we try and keep it at 20 years
20 because the economics always warrant that a
21 20-year term, and many times a longer term, but
22 under the Act, we can't create that and a longer
23 term than 20 years is needed.

24 COUNCILWOMAN TASC0: Okay, thank you
25 very much.

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2 MR. FINA: Thank you.

3 COUNCIL PRESIDENT Verna: Thank you.

4 The Chair recognizes Councilman Clarke.

5 COUNCILMAN CLARKE: Thank you, Madam
6 President.

7 Good morning, Mr. Fina.

8 MR. FINA: Good morning.

9 COUNCILMAN CLARKE: Mr. Fina, you
10 recall last week's conversation about the types of
11 jobs created by these various TIFs. Over the last
12 seven or eight years, some are on the lower end of
13 the pay scale and some are on the higher end?

14 MR. FINA: Yeah. Most of them -- many
15 of the TIFs were used to create hotel jobs, and
16 although there's a vast diversity of jobs in the
17 hotels, the majority of those jobs at hotels are
18 low- to moderate-income-paying jobs.

19 COUNCILMAN CLARKE: And where would
20 these fall, these types of jobs created?

21 MR. FINA: The e-commerce
22 telecommunications business are the higher end of
23 the pay scale, from everything we understand.

24 COUNCILMAN CLARKE: And can you give me
25 an approximate of the average wage? Maybe the

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2 developer can help us. A guesstimate.

3 MR. FINA: The average is \$75,000
4 annually.

5 COUNCILMAN CLARKE: 75,000.

6 MR. FINA: That's on average.

7 COUNCILMAN CLARKE: Okay. These jobs
8 that will be created, hopefully, by the Networks,
9 are these jobs currently in the City of
10 Philadelphia by and large? Or will these be jobs
11 that will be created above baseline?

12 MR. FINA: These are currently jobs not
13 in the City of Philadelphia.

14 COUNCILMAN CLARKE: Okay. So we'll be
15 bringing in additional workforce?

16 MR. FINA: We expect all 1500 to be new
17 jobs.

18 COUNCILMAN CLARKE: New jobs. And
19 paying approximately \$75,000 per job, we're
20 talking about a substantial increase in the wage
21 tax that we will create?

22 MR. FINA: Yes. We've projected that
23 based on our analysis that there will be -- no,
24 all City wage tax -- all City taxes we project new
25 to be \$2.1 million per year, 2.1 million per

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2 year.

3 COUNCILMAN CLARKE: 2.1?

4 MR. FINA: Wage tax alone could be --
5 over the 20 years, we projected -- and, again,
6 this is an estimate -- \$40.6 million over 20
7 years.

8 COUNCILMAN CLARKE: Okay.

9 MR. FINA: Just wage taxes alone.

10 COUNCILMAN CLARKE: So realistically --
11 and I understand that you're not a member of the
12 School Board or necessarily with the
13 Administration. Realistically, we could maybe
14 have 2 million of those dollars in the foreseeable
15 future go towards the School District, 'cause we
16 often -- particularly here of late -- have been
17 asked to contribute to the School District out of
18 the City's General Fund.

19 MR. FINA: Well, certainly that is
20 within the province of this Council and the
21 Administration to determine how much money out of
22 the General Fund would go to the School District.

23 COUNCIL PRESIDENT VERNA: How much
24 would the U-and-O generate? I'm sorry,
25 Councilman.

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2 COUNCILMAN CLARKE: That's quite all
3 right.

4 MR. FINA: The U-and-0 taxes --
5 presently, there are no U-and-0 taxes being paid
6 on the building. Over the 22 years, there will be
7 \$22.2 million of use-and-occupancy tax. That does
8 go to the School District directly, all 100
9 percent of that.

10 COUNCILWOMAN VERNA: Thank you.
11 Councilman?

12 COUNCILMAN CLARKE: Thank you, Mr.
13 Fina. Thank you, Madam President.

14 COUNCIL PRESIDENT VERNA: Thank you.
15 The Chair recognizes Councilman Goode.

16 COUNCILMAN GOODE: Thank you, Madam
17 President.

18 Mr. Fina, I'm in complete agreement
19 with Councilman Kenney about the fact that we have
20 a poor tax structure here, that we are not
21 competitive with regard to tax structure, but it
22 is my understanding also that this Council has
23 only approved 19 projects with TIFs; is that
24 correct?

25 MR. FINA: That is correct.

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2 COUNCILMAN GOODE: So giving a tax
3 break to 19 business has done nothing to change
4 the environment for the other businesses
5 throughout Philadelphia; is that correct?

6 MR. FINA: I couldn't agree with that,
7 Councilman. I think the environment has
8 improved. If you take a look at the Loews and
9 PSFS Hotel, that was a TIF. The Marriott
10 Courtyard was a TIF, the Marriott Headhouse was a
11 TIF. There are three hotels that have huge impact
12 on Center City and other businesses, as well as
13 job creation and taxes for the City.

14 COUNCILMAN GOODE: That was actually a
15 trick question.

16 MR. FINA: Thank you.

17 COUNCILMAN GOODE: Essentially, if
18 you've only given 19 TIFs, and we're assuming
19 there's been jobs created by those projects, there
20 are many other projects, many other businesses
21 that located in Philadelphia because of its
22 location, because of its market, without the need
23 to forego tax dollars to finance those projects.
24 Beyond that, any business or any major developer
25 coming into this town to do business is going to

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2 assume that Philadelphia's less competitive and is
3 going to request a TIF. Because once a TIF has
4 been give, people are going to keep asking for
5 TIFs.

6 My question really is now -- I have
7 some information based on an article written about
8 15 months ago, that this City has done \$185
9 million in TIFs. I'm assuming at this point that
10 it could be upwards of a quarter of a billion
11 dollars. Do you know what figure we've done in
12 terms of foregoing taxes, just from doing TIFs?

13 MR. FINA: I have that information. I
14 may not have it with me today at this point, but I
15 have it in my office.

16 COUNCILMAN GOODE: And I asked that
17 question last week. At what point are we,
18 quote/unquote TIFed out? At what point do we
19 realize that the U.S. economy is generally good,
20 things have moved somewhat economically in
21 Philadelphia, there are many projects that do not
22 require TIFs and exist and thrive with the
23 existing tax structure.

24 MR. FINA: I agree with you, there are
25 many projects that do. At any given time, PIDC's

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2 looking at maybe 100 different projects. People
3 are coming for requests for financial assistance,
4 and we evaluate those projects to determine
5 whether that request is real or not.

6 COUNCILMAN GOODE: Because,
7 essentially, everyone is going to request a TIF,
8 because no one is going to want to exist under
9 this tax structure, but many businesses locate
10 here, there's a market here where they could be
11 profitable, they continue to make money, and don't
12 necessarily require the TIFs.

13 MR. FINA: And we do not provide TIFs
14 to every business that requests those TIFs. We
15 make an independent analysis to determine whether
16 there is really a gap in financing that, without
17 the TIF, the project would not proceed. And under
18 that evaluation, we then determine whether a TIF
19 is needed and the amount of TIF that's needed.

20 COUNCILMAN GOODE: And how do you
21 determine that? Do you require a refusal letter
22 from a bank or other financial institution?

23 MR. FINA: We normally look at
24 proformas and then test the assumption --

25 COUNCILMAN GOODE: But do you require a

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2 refusal letter from a private financing
3 institution?

4 MR. FINA: No, we do not.

5 COUNCILMAN GOODE: Okay, thank you very
6 much.

7 COUNCIL PRESIDENT VERNA: Thank you.

8 The Chair recognizes Councilman
9 DiCicco.

10 COUNCILMAN DICICCO: Thank you, Madam
11 President.

12 First, I want to say that obviously I
13 concur with all the statements made by my
14 colleague Councilman Kenney.

15 Councilmember Goode just mentioned
16 something about all of the people who are going to
17 come to Philadelphia or thinking about coming to
18 Philadelphia who will obviously ask for TIFs. We
19 have some cases, at least I think in four years
20 I've been here, where there have been some
21 companies that haven't required or requested a
22 TIF, and I think -- is it Marriott; am I correct
23 in that? One of the hotel chains, I think, if it
24 was not Marriott --

25 MR. FINA: The Sofftel was built and

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2 opened without a TIF or without any --

3 COUNCILMAN DICICCO: I mean, it's not a
4 fact that everyone who --

5 MR. FINA: Sheraton did request a TIF
6 on Rittenhouse Square; we did not provide that TIF
7 to the Sheraton.

8 COUNCILMAN DICICCO: But there are
9 companies -- and my question is, are there
10 companies or businesses that have come here that
11 have not even requested a TIF?

12 MR. FINA: That is correct; many have
13 not.

14 COUNCILMAN DICICCO: So it's not
15 necessarily that that's the only reason they're
16 coming here, because TIFs are available.

17 MR. FINA: That's correct. If you
18 consider the number of businesses in the City of
19 Philadelphia, only 19 have received TIFs to date,
20 and that's going back 5 years.

21 COUNCILMAN DICICCO: Thank you.

22 I think the other thing that is missing
23 when we get into the discussion of TIFs is, we
24 always speak to the number of jobs that are
25 directly created by the TIF, and when you look at

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2 the hotel industry, we look at the 4,000-plus jobs
3 that have been created there, but we don't look at
4 the other jobs that are the feeder industries into
5 the hotel industry -- the linen companies, the
6 food purveyors, the maintenance people, who, after
7 the hotel is built, are brought in to maintain
8 elevators and repair windows, that may not
9 necessarily be employees of the hotel.

10 I would probably suspect that it's very
11 difficult to come up with a number of those jobs
12 that are being created and maybe what the impact
13 on existing businesses who are feeder industries
14 into those businesses have to employ additional
15 people. We don't look at those numbers, I guess,
16 and maybe it's because we have no way of knowing.
17 So in addition to those direct jobs, there may be
18 hundreds of other jobs, if not thousands of jobs,
19 that are being created.

20 MR. FINA: Councilman, you are
21 correct. I am not an economist, but economists
22 would normally say that there are two indirect
23 jobs for every one direct job created in any given
24 industry, particularly some of the intensive
25 employment that we have in TIF projects, that the

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2 nature of those hotels, retail, those types of
3 projects create a lot of indirect jobs, as will
4 the e-commerce building that we're proposing to.

5 COUNCILMAN DICICCO: And I think the
6 other thing that we sometimes maybe are not paying
7 attention or losing sight of is the fact that when
8 look at Networks and the potential for 1500 new
9 jobs, there's going to be, I would assume, a
10 significant amount of those people who are coming
11 in to be employed that will become new residents
12 of the City of Philadelphia. They will begin to
13 occupy apartments, maybe purchase homes, and they
14 will become a part of the fabric of the
15 Philadelphia, they will become a part of the
16 community. Their wages will be reinvested in our
17 community.

18 We have no way of knowing what that
19 number will be or determining that, but I think
20 it's fair to say that that will occur, and it has
21 occurred.

22 MR. FINA: Yes, I agree with you
23 completely that it will occur. In fact, the very
24 nature of e-commerce business and the people that
25 work in there, I'm told -- you could use the words

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2 a "little quirky," and I hope I don't offend
3 anyone, but they like to live and very close in
4 proximity of each other. They want to live near
5 the place they're working, I'm told. They want to
6 be able to have the 24-hour city available to
7 them.

8 COUNCILMAN DICICCO: And I agree 'cause
9 I've read some articles on that, and I know out in
10 the King of Prussia area, I read about a year or
11 two ago where the companies that have either left
12 Philadelphia or other urban areas and relocated
13 out to the suburbs because of the some of the
14 advantages that were offered to them out there,
15 they're having a problem with their employees,
16 most of whom are young folks, who really enjoy the
17 lifestyle of living and/or working in a city, and
18 they actually started structuring social
19 activities out in King of Prussia at some of the
20 chain restaurants so that their employees wouldn't
21 have to drive in to Philadelphia.

22 Because when they're out, even though
23 they're young and maybe could handle a little bit
24 more of the night life than I can handle anymore,
25 the productivity the next day was down. There was

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2 a very scientific way of doing this. And after
3 the third or fourth time that these folks go to
4 these structured social environments, they tend to
5 come back to the city anyway because they like the
6 diversity.

7 So what we're finding is, and I've been
8 dealing with some of the e-commerce kind of
9 companies on a smaller scale, they want to locate
10 here, or if they're already here, they want to
11 stay here and expand for the very reason that you
12 just pointed out, that their employees want to
13 live in the city, they want to stay in the city,
14 they don't want to live in Suburbia. And I think
15 this is an opportunity for us not only to create,
16 again, those permanent jobs for the business, but
17 to begin to maybe re-populate some of our
18 neighborhoods with people who are now
19 wage-earners. And there's this whole ripple
20 effect that goes on.

21 And I could recall -- and I think
22 Council President Verna, there's a friend of mine
23 who has one of the largest wholesale fish
24 businesses at the Food Distribution Center. And
25 for the last two or three years, he's been really

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2 trying desperately to remain in the City of
3 Philadelphia because he needed to expand. The
4 State of New Jersey was offering to build him a
5 new facility free of charge, put in roads coming
6 off of the Jersey turnpike at the State's expense,
7 just to get his business there, but he'd rather
8 stay here.

9 He used to live in Suburbia, he lives
10 in Rittenhouse Square, he loves the City, his
11 employees are here. He understands that if he
12 leaves, he'll have a difficult time attracting
13 employees to his business, but it was very
14 tempting to him for a very long time, and still is
15 very tempting for him to think about relocating
16 because he doesn't have to pay for a building. He
17 can get a free building and free roadways, and
18 there were other tax advantages that they were
19 going to give him in wages and everything else.

20 So I think when we look at these
21 things, we shouldn't just look at this box that we
22 will call a hotel or a networks facility and what
23 we are giving up, although I don't particularly
24 agree with that term "giving up," because if we
25 don't have anything, everything we get going

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2 forward is a plus for us.

3 And I think the other thing the people
4 look at is when they look at these corporations
5 and they look at the portfolio and they see the
6 value of the portfolio and they're \$300 million
7 companies or whatever, everyone thinks that it's
8 cash in pocket, that some big business person
9 could just dump his or her money on the table and
10 say, I'm going to build a hotel for \$150 million,
11 or I'm going to build a company and put out all my
12 cash.

13 They're no different than the rest of
14 us. I mean, I never had \$100,000 at my disposal
15 at any given time, but even if I did, I don't
16 believe that I would buy a house and buy it for
17 cash. You do finance because there are reasons
18 for that, there are advantages for that.

19 And when look at the tax abatement that
20 we did a couple years ago, we understand that the
21 ten-year exemption that we afford the developers,
22 most of the 31 vacant buildings that are now being
23 converted for residential uses would still be
24 vacant. And I know many of those developers and
25 they're wealthy -- at least compared to who I am

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2 and what I have, they're very wealthy guys. But
3 they couldn't make it work without that
4 exemption. And I think we did a good thing.

5 So some of what I just said is more in
6 the line of a statement, I guess, than a
7 question. But thank you, thank you, Madam
8 President.

9 COUNCIL PRESIDENT Verna: Thank you,
10 Councilman.

11 You know, as you were speaking, I
12 couldn't help but think of the first TIF that we
13 had, and that was for PNC.

14 MR. FINA: That's correct.

15 COUNCIL PRESIDENT Verna: And I think
16 we had to do it three times before we got it
17 right.

18 MR. FINA: That is correct, five years
19 ago.

20 COUNCIL PRESIDENT Verna: And I think
21 that most of the Councilmembers were very
22 skeptical about what we were doing. And I can
23 tell you that that has been a wonderful success
24 story. I believe they were thinking of moving out
25 of the City. They have now completed Phase II of

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2 PNC, and how many people do they now employ,
3 Mr. Fina? Do you know, off the top of your head?

4 MR. FINA: I believe 1500 seems to be
5 the number there. There were 1100 initially, and
6 I think there was a 400-increase with Phase II.

7 And, also, there's been a huge
8 development boom that occurred around that
9 business ever since it went in there --
10 restaurants and hotels that we did not assist in
11 any way. I think there are seven new developments
12 of hotels or restaurants that have occurred since
13 the PNC Bank Operations Center moved to the
14 airport area.

15 COUNCIL PRESIDENT VERNA: Mm-hmm, thank
16 you.

17 At this time, the Chair recognizes
18 Councilman Ortiz.

19 COUNCILMAN ORTIZ: Thank you, Madam
20 President.

21 Suburbia is boring, very boring. And I
22 think Councilman Kenney's statement about our tax
23 structure is correct, but the issue is not whether
24 one TIF or two TIFs or one or the other has been
25 successful, because some of them have. The issue

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2 is overall, what is the return on the investment?
3 And I think we act here as a corporate board. We
4 are giving away in essence some economic benefits
5 to corporations, and we have to begin asking if
6 there is a return on the investment for us, for
7 the City.

8 I haven't seen the impact of any TIFs
9 on the Barrio, I haven't seen the unemployment
10 rate in the Barrio go down. Over the last 8 years
11 that we have been giving TIFs, over 155,000 people
12 have left the City, okay? And I know that some
13 people have gotten employment.

14 The issue is, what is the economic
15 impact overall in terms of the City, what is the
16 return on the investment? Does it create more new
17 taxes, does it stimulate new private investment?
18 And I don't see any empirical proofs of that. And
19 if you have it, please let us see it. You know, I
20 want to see in data, because we have gone through
21 a process already of enough TIFs over the last
22 eight years in which we should have, we should
23 have proof of the economic social impact of these
24 taxes.

25 And if we don't -- that should be the

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2 return on investment, that's what you should be
3 talking about right now, not in hypothetical
4 terms. Because all I heard from my colleagues and
5 everybody else is hypotheticals, no proof, no
6 empirical aspects as to the return on investment.
7 And I'd like to see that. I would like to see
8 what has been that return.

9 And, Mr. Fina, if you have it, please
10 let us see it.

11 MR. FINA: I can get those
12 calculations. We've had -- so far 19, TIFs have
13 been approved, 8 have closed, the most recent,
14 last week. So the oldest one is the one that
15 Council President noted, which is the PNC, which
16 you approved five years ago.

17 COUNCILMAN ORTIZ: Which they say is a
18 success.

19 MR. FINA: And we could provide that
20 information to you.

21 COUNCILMAN ORTIZ: You will provide
22 it?

23 MR. FINA: Yes.

24 COUNCILMAN ORTIZ: Thank you.

25 COUNCIL PRESIDENT VERNA: Thank you.

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2 The Chair recognizes Councilwoman

3 Brown.

4 COUNCILWOMAN BROWN: Thank you, Madam

5 Chair.

6 Mr. Fina, I needed have to follow up to
7 a couple questions raised by Councilman Darrell
8 Clarke, where I didn't hear the answer. How many
9 new jobs did you say are being created by the TIF
10 in front of us?

11 MR. FINA: 1500 new permanent
12 full-time-equivalent jobs.

13 COUNCILWOMAN BROWN: And you mentioned
14 that the average salary will be 75,000.

15 MR. FINA: That's what the developer
16 believes the average salary of these type
17 businesses will be.

18 COUNCILWOMAN BROWN: Currently, as TIF
19 packages are constructed, are there provisions in
20 the plan that stipulate that a percentage or
21 X-number of jobs should be set aside for
22 Philadelphia residents, since Philadelphia is
23 indeed the providing the tax incentive?

24 MR. FINA: No. We don't require that
25 language for Philadelphia residents to be hired.

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2 We've found out in our experience, particularly
3 the hotels, that the vast majority of projects
4 that are TIFed is Philadelphia residents.

5 COUNCILWOMAN BROWN: Councilman Nutter
6 requested last week a report from Mr. Hankowsky.
7 Since we're now at 19, he stipulated several
8 categories.

9 MR. FINA: Yes.

10 COUNCILWOMAN BROWN: Add to that, if
11 you will, of those that are active, you mentioned
12 eight? What percentage of those jobs, what number
13 of those jobs are Philadelphia residents?

14 MR. FINA: Eight have closed, and we
15 can find that information out. I believe that's
16 what Councilman Nutter had asked for.

17 COUNCILWOMAN BROWN: Okay. Now, since
18 that's not currently a provision, does it make
19 sense for those of you who sit around the table
20 and craft these deals that that should be a
21 provision?

22 MR. FINA: Well, each developer
23 provides an economic opportunities plan that is
24 negotiated with City Council staff and the
25 developer. In that plan, it does talk about

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2 voluntary goals for not only affirmative action
3 but for local employment.

4 So that is part of what we do today.

5 COUNCILWOMAN BROWN: That being what it
6 is, then, does -- example, the Convention Center
7 became a reality X-number of years ago. Those
8 that sat around the table and negotiated that plan
9 made sure that in this specific instance,
10 Philadelphia OIC (Opportunities Industrialization
11 Center) had within it a track, if you will.
12 People who did not have those skills were put on a
13 track to ensure employment opportunity at the end
14 of that and the completion of the Philadelphia
15 Convention Center.

16 Are those kinds of discussions had when
17 the developer comes to you? We're told we're
18 looking here at \$75,000 jobs. Assuming we can't
19 find all those people in Philadelphia, is there a
20 link then with a higher education institution
21 where you can ensure that those jobs go to
22 Philadelphia residents?

23 MR. FINA: Well, again, there is the
24 economic opportunities plan. In this particular
25 TIF, as I mentioned in my testimony, there is a

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2 relationship that is being formed with Spring
3 Garden -- with Community College on Spring Garden
4 Avenue, that the employers will have access and
5 the students at the Community College will have
6 access to the jobs that are offered at the
7 Networks. We're trying to create that unique
8 situation with this particular TIF.

9 COUNCILWOMAN BROWN: That's
10 encouraging. Is that the norm or is that the
11 exception?

12 MR. FINA: This is the exception, with
13 the Community College, yes.

14 COUNCILWOMAN BROWN: So, okay, I need
15 to get back to my question again.

16 COUNCIL PRESIDENT VERNA: The Chair
17 recognizes Councilman Clarke.

18 COUNCILMAN CLARKE: Thank you, Madam
19 Chair. I'd like to respond, if I can, to
20 Councilwoman Reynolds Brown's question.

21 It may not be the norm as it relates to
22 the arrangements between the university
23 institution and a developer/employer, but it's the
24 norm for the 5th Councilmatic District. We sat
25 down with both the developer, we sat down with the

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2 new president and one of the assistants from
3 Community College, and we talked about at this
4 point, an informal arrangement.

5 One of the things that was attractive
6 about this particular development is that
7 Community College had already started in a process
8 that was going to be to provide somewhat of a
9 feeder system to these high-paying
10 e-commerce-related jobs. And lo and behold, we
11 found a developer who was willing to locate
12 adjacent to Community College, so it was a match
13 made in heaven, so to speak.

14 So I think we're going to craft some
15 formal language as we move ahead, although the
16 developer cannot guarantee, because they are in
17 fact just the developer, but we will craft some
18 language that will allow opportunities for the
19 tenants of this particular development to have a
20 feeder system directly next door. So we have work
21 very diligently on that.

22 COUNCILWOMAN BROWN: Thank you,
23 Councilman.

24 COUNCILMAN CLARKE: You're welcome.

25 MR. FINA: It should be noted also for

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2 the record that PIDC has always -- not only do we
3 have a policy about the affirmative economic
4 opportunities plan, but we also notify, which was
5 the PIC, and now I believe it's Philadelphia
6 Workforce Development Corporation, of every TIF
7 that we close, and we make formal contact between
8 the TIF developer and those agencies.

9 COUNCILWOMAN BROWN: I appreciate that,
10 and that counts. Making contact is one thing; the
11 follow-through that comes with ensuring that
12 something happens beyond that contact is another
13 thing.

14 And my hope is that in the report that
15 your office is preparing for the Chair, at the
16 request of our colleague Councilman Nutter, that
17 it's reflected what happens after the contact is
18 made with agencies that can exercise or practice
19 the feeder approach that Councilman Clarke is
20 talking about.

21 Thank you, Madam Chair.

22 COUNCIL PRESIDENT Verna: You're
23 welcome.

24 The Chair recognizes Councilman Cohen.

25 COUNCILMAN COHEN: Thank you, Madam

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2 President.

3 Ever since the tax abatement for the
4 Rittenhouse Hotel ten, twelve, fifteen years ago
5 -- I don't remember how long it is, but it's quite
6 a long time -- the City has either granted
7 abatements or granted this newest version of what
8 I think is the same basically as an abatement, the
9 TIFs. Am I right in comparing abatements to TIFs
10 in theory? And tell me how they differ, if they
11 differ.

12 MR. FINA: Well, you could define the
13 TIF program as a 20-year real-estate tax
14 abatement, providing those dollars go and pay for
15 improvements within the property. So it's a form
16 of abatement, yes, Councilman.

17 COUNCILMAN COHEN: A basic question
18 that I think Councilman Goode has been raising is
19 the question of need. Is there an element of need
20 related to the decision-making process as to
21 whether or not you grant either an abatement or a
22 TIF?

23 MR. FINA: Yes.

24 COUNCILMAN COHEN: Whose need, and how
25 do you define that need?

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2 MR. FINA: We look at a project and the
3 revenues and the cost of that project, the source
4 of the funds for that project, and we determine
5 what the market rate is for financing and what a
6 return on equity would be. And then if there
7 seems to be adequate revenue from the project, we
8 will not propose a TIF. If there's adequate
9 revenue to support debt and equity, if there is
10 inadequate revenue to support debt and equity, as
11 also stated by the developer in there request to
12 us, and we make an independent calculation that
13 that statement is correct, then we propose a TIF.

14 So we do it on a need basis, on a
15 financial analysis of the project, under current
16 market conditions.

17 COUNCILMAN COHEN: So need is limited
18 to a particular project, not to the financial
19 resources of the developer or the principal in the
20 project who may or may not be the developer?

21 MR. FINA: That's correct. In fact,
22 Councilman DiCicco actually made that statement,
23 that a project has to stand on its own merits, or
24 someone will not make an investment. People are
25 not going to invest in a project if there's not a

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2 return for it -- no more than you and I would put
3 money in a bank if there was no interest earned on
4 that money. We wouldn't just deposit it in a bank
5 if we could another bank that did offer us
6 interest.

7 So a developer will not invest in
8 project unless there's a return. If there's an
9 inadequate return and we the public, you, City
10 Council, want the project to happen 'cause it's
11 going to create 1500 jobs, it's going to create
12 \$2.1 million in City taxes every year and it's
13 going to create 1.2 million of School District
14 taxes every year, then we will incentivize that
15 developer to do that by funding some of the gap
16 that otherwise the developer would not fund and
17 the project would not happen.

18 That's the analysis we make.

19 COUNCILMAN COHEN: See, on every
20 project that's presented to us, PIDC, whether it's
21 through you or Bill Hankowsky, can always made an
22 excellent case. You have a basic command of the
23 facts, you've dealt with the developer, you've
24 investigated the situation. It's difficult to say
25 no on any specific project.

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2 But I wonder and worry about the
3 general impact as to whether or not this is the
4 City of Philadelphia making an investment, or
5 whether it's the City of Philadelphia mortgaging
6 its future. Because we do suffer, from one point
7 of view, losses of tax revenue over the 20-year
8 period. You argue that we make up for it by
9 increased taxes in other situations.

10 It seems to me that you also put every
11 business, every developer in a bind. How come
12 some other developer was able to get assistance
13 from the City of Philadelphia in some form of tax
14 rebate and you weren't it, if you are a developer
15 or businessman that comes up with the project, you
16 know, that indicates it can carry itself? It
17 seems to me that you create a situation in which
18 it's almost inevitable that the requests for these
19 TIFs is going to be increasing. And I have a
20 sense of unease about it, but in any one
21 development, there's nothing we can do.

22 I have a sense of unease, say, about
23 the stadiums in using large public amounts of
24 money to give to very rich people to make them
25 even richer, if everything works out well. In the

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2 same sense, I wonder whether we're not doing the
3 same kind of thing here, that developers have to
4 be, almost by definition, very good business
5 people, and it seems to me that a developer who
6 does not develop his plan so that he get any
7 assistance is not a particularly good developer.

8 And I just wonder about whether that
9 makes sense to have two classes of business
10 projects in the City: those that are subsidized
11 by the public and those that aren't. And I worry
12 about that.

13 Are there any theoretical writings on
14 this subject that you're familiar with? 'Cause I
15 understand that Pennsylvania was not one of the
16 first states that started on TIFs; there have been
17 TIFs in a number of other states first. What is
18 the thinking among the economists generally in the
19 United States?

20 MR. FINA: I think, like anything,
21 Councilman, there are two schools of thought on
22 it. There are those who think there should not be
23 public assistance for businesses, and those who
24 believe, like myself and members of PIDC, who
25 believe that it is essential to have public

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2 assistance to incentivize a business to come into
3 the City to create the jobs and produce the taxes
4 that are needed.

5 We could look at the PSFS building. It
6 was mostly vacant for a number of years. It was a
7 blighting influence in Center City until we
8 provided the incentives that brought the Tish
9 family, who owns Loews, a very, very wealthy
10 family, to Philadelphia to build that hotel. Yes,
11 they expect to make a profit, and yes, we provided
12 a TIF for that project, but for years, no one else
13 could take on that project or wanted to take on
14 that project to try to improve it.

15 And we've created 500-plus jobs. Many
16 of those jobs went to people on welfare to work
17 who have been hired there. We've done -- there's
18 a huge amount of taxes that are generated that
19 does not go into the TIF Fund, that benefits the
20 City from that project. It's a unique success.
21 That's the type of projects that we fund with
22 public assistance. And we do our best and analyze
23 to make certain that it is on a need-basis.

24 And, Councilman, you're right, we do
25 not say yes to everyone. We've only had 19 TIFs

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2 approved, 5 others are before you. Over a term of
3 five years, that's not a lot of projects in the
4 City of Philadelphia. We do not say yes to every
5 business, every developer or every development.
6 Sometimes there are developments that will happen
7 without us saying yes and sometimes those projects
8 do not get built, but we do not say yes to every
9 development.

10 COUNCILMAN COHEN: Well, one last basic
11 comment. Yesterday's Sunday Inquirer carried a
12 feature story on a developer that I had never
13 heard about before, a person who's name is
14 apparently is Tony Goldman. And it was a very
15 interesting story. This is a developer who
16 apparently began in New York, then in Miami Beach,
17 and in the last two years, he came to
18 Philadelphia. And it was a very impressive story
19 about -- kind of on the good side of what he did
20 in these cities, and now he's coming to
21 Philadelphia.

22 And I couldn't help but wonder whether
23 what's attracted him to Philadelphia is the sudden
24 knowledge throughout maybe the whole country that
25 Philadelphia's a good place to go because the

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2 government is ready to give you very substantial
3 savings or will become a partner kind of in your
4 project, but let you have all the profits.

5 And as I read the story, it told about
6 how kind of brilliant he was, how creative, how
7 unique in his thinking, and he's working,
8 apparently, on a series of projects on 13th
9 Street, between Walnut and Chestnut, and he
10 developed the off-Broad Street approach. And it
11 was very impressive to me. I thought, Well, maybe
12 I've been a little wrong about developers; there's
13 room for creativity and uniqueness.

14 And then in the new section of the
15 Inquirer, I noticed that despite his off-Broad
16 Street approach, he just purchased the Divine
17 Hotel, right on Broad Street. And that seemed to
18 me to be reflective of developers. They always --
19 and they have to be to be successful, they always
20 have a good justification for the policy that
21 makes a lot of sense. But when you look for
22 consistency, you don't find it.

23 And so I wonder here whether the real
24 situation is, are they milking the City of
25 Philadelphia or are they producing good benefits?

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2 I worry about the points that Councilman Ortiz
3 made. If it was so good and we've been so
4 generous over the last eight, ten, twelve or more
5 years on these abatements, why is it that there's
6 such a heavy net loss in population and a loss in
7 the number of businesses?

8 And so I'm troubled by that, and I hope
9 that in your analysis, the need that you look for
10 is a real need, that you're really convinced that
11 the project would not be able to get off the
12 ground, you know, or be successful without this
13 aid, 'cause I think we're paying a heavy price,
14 and I don't know how you're going to resist the
15 heavy demands the more it gets to be known that
16 Philadelphia has kind of an open approach on these
17 TIFs.

18 Thank you. Like Councilman DiCicco,
19 maybe the last comment was a comment and not
20 really a question.

21 But we would like that information and
22 we'd like it -- we'd like to be able to challenge
23 it so that if it's accurate, it stands up; and if
24 not, all of us benefit from the knowledge that
25 there have to be changes in the way we address the

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2 program.

3 Thank you very much.

4 MR. FINA: Thank you, Councilman.

5 COUNCIL PRESIDENT Verna: Thank you.

6 The Chair recognizes Councilman Goode.

7 COUNCILMAN GOODE: Thank you, Madam
8 President.

9 Let me take this time to agree with
10 Councilman DiCicco, that all developers coming to
11 town looking to develop major projects have not
12 looked toward TIFs. PIDC's preferred clientele
13 has also had access to hundreds of millions of
14 dollars in HUD 108 financing borrowed against
15 future community development block grant dollars,
16 and they've also has access to up to \$100 million
17 and more in economic stimulus fund.

18 My question today is whether TIFs are
19 actually necessary. And beyond that, looking at
20 economic stimulus programs, those economic
21 stimulus dollars. If we're going to forego
22 hundreds of millions of dollars in tax revenue,
23 looking to economic stimulus dollars on top of
24 that, what type of impact could have been had in
25 providing tax relieve across the board? That's a

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2 question not only asked by me, but by PICA and the
3 City Controller, and analyze the way PIDC has
4 wheeled and dealt with tax dollars over the last
5 five to eight years.

6 That was a question.

7 MR. FINA: Okay.

8 COUNCILMAN GOODE: What type of impact
9 would we have had if had used those hundreds of
10 millions of dollars, knowing we were going to
11 forego tax revenue and a hundred million dollars
12 in economic stimulus, that what type of impact
13 would it have had if we had used up a general tax
14 relief for businesses across the board?

15 MR. FINA: I think \$100 million is a
16 lot of money, Councilman. It sounds like a lot to
17 me.

18 COUNCILMAN GOODE: Not a hundred
19 million. It is at least \$300 million in HUD 108.
20 There was \$100 million in economic stimulus.
21 There is, by any estimation, I don't know, 2 to
22 300 million in TIF. The HUD 108 could be used for
23 access to capital beyond that. The other dollars
24 could have been used, if there was an actual
25 economic development strategy that was not a

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2 deal-by-deal basis but actually an economic
3 development strategy for general tax relief for
4 businesses.

5 What type of impact would that have had
6 if that had been employed instead of the TIF
7 strategy and the economic stimulus program
8 strategy?

9 MR. FINA: We haven't done it either
10 or, but HUD 108 could not be used for a tax relief
11 and --

12 COUNCILMAN GOODE: I said if HUD 108
13 were to be used for access to capital. Beyond
14 that, the TIFs and the economic stimulus dollars
15 amount to hundreds of millions of dollars that
16 could have been used for general tax relief.
17 Would that have been a better use of the dollars?

18 MR. FINA: Well, the TIF can't be used
19 for tax relief other than for the specific --

20 COUNCILMAN GOODE: It can be if you
21 decide long-term you're going to forego a certain
22 amount of hundreds of millions of dollars in tax
23 revenue. And at that point, you could cut taxes
24 for businesses, knowing you're going to forego
25 that tax revenue, and that's general tax relief

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2 for businesses across the board.

3 Would that or would that not have been
4 a better strategy than helping 25 or so businesses
5 and projects?

6 MR. FINA: We do not believe that would
7 have been a better strategy, Councilman.

8 COUNCILMAN GOODE: Obviously. Thank
9 you very much.

10 COUNCIL PRESIDENT Verna: Councilman
11 Kenney, you are going to be brief, I hope?

12 COUNCILMAN KENNEY: Yes, ma'am.

13 COUNCIL PRESIDENT Verna: Thanks.

14 COUNCILMAN KENNEY: Just despite all
15 this, I think really good and well-intentioned and
16 civil and decent debate philosophically about all
17 of these issues, which are very, very important, I
18 don't want the people in the room to lose site of
19 the fact that the developers at Networks, we want
20 you here, we're happy you're coming. We want you
21 to develop, we want you to create those jobs, and
22 we'll figure all of this out as we go forward in
23 this Council.

24 But I don't want you to sit here, while
25 listening to this well-intentioned and important

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2 debate think that we don't want you here. We
3 really do. We're excited and enthused that you
4 have chosen Philadelphia, that this is a
5 forward-thinking project, that the jobs you're
6 going to create are well-paid and high-tech and
7 maybe is going to put Philadelphia on the map,
8 similar to what Delaware did with its banking
9 business. And, hopefully, you'll be one of the
10 cornerstones of having that happen.

11 But I just didn't want you to sit here
12 and hear this and think that we didn't want you
13 here.

14 Thanks.

15 COUNCIL PRESIDENT VERNA: And I would
16 like to echo your sentiments. We certainly
17 welcome you and hope you'll be very successful,
18 because if you're successful, we'll be successful
19 with you.

20 Thank you.

21 COUNCILMAN COHEN: Madam President, I'd
22 like to share the same sentiment. As one of those
23 that are debating whether TIFs are an advisable
24 thing, I also join in welcoming the company. We
25 look forward to --

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2 COUNCIL PRESIDENT Verna: I think
3 Councilman Kenney said that.

4 COUNCILMAN COHEN: Yeah. Well, I just
5 wanted to make sure that both sides of the debate
6 are expressing that, but we welcome the --

7 COUNCIL PRESIDENT Verna: Which we will
8 take, I'm sure, another day when the next TIF
9 comes up.

10 MR. FINA: Madam President, I thank you
11 and members of Council. I also wanted to
12 recognize my colleague sitting beside me, Sam
13 Rhoads, who's very instrumental in the TIF program
14 at PIDC.

15 Thank you.

16 COUNCIL PRESIDENT Verna: Thank you.
17 Thank you, Sam.

18 And, Mr. Fina, I understood you to say
19 that the amendments are in the Chief Clerk's
20 Office?

21 MR. FINA: Yes, they are. The restated
22 and revised project plan for all four that we've
23 discussed so far.

24 COUNCIL PRESIDENT Verna: Great.

25 Are there any other questions from any

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2 members of the committee?

3 (No further questions.)

4 COUNCIL PRESIDENT Verna: Do we have
5 anyone else to testify on this bill?

6 MR. Fina: No.

7 COUNCIL PRESIDENT Verna: Thank you.
8 Thank you, Mr. Fina.

9 MR. Fina: Thank you.

10 COUNCIL PRESIDENT Verna: We will now
11 consider Resolution No. 230, and I would ask Mr.
12 McPherson to please read the title of the
13 resolution.

14 MR. MCPHERSON: Resolution No. 320,
15 confirming the appointment of Kenneth I. Trujillo,
16 Esquire, as City Solicitor.

17 (Witness comes forward.)

18 COUNCIL PRESIDENT Verna: Good morning.

19 MR. TRUJILLO: Good morning, Madam
20 President.

21 COUNCIL PRESIDENT Verna: It's still
22 morning? Yes, it is.

23 MR. TRUJILLO: Good morning, Madam
24 President.

25 COUNCIL PRESIDENT Verna: Good morning.

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2 MR. TRUJILLO: Good morning,
3 distinguished members of Council. My name is
4 Kenneth I. Trujillo, and I am serving as acting
5 City Council -- not an acting City Councilperson.

6 (Laughter.)

7 MR. TRUJILLO: I'm acting City
8 Solicitor for the City of Philadelphia. Seated
9 next to me, to the left of me is Donna Mouzayck.
10 Donna is my First Deputy. And to my right is Bill
11 Thompson. Bill Thompson is the Acting Chair of
12 the Litigation Group.

13 First, it's an extraordinary honor for
14 me to appear before you here today, seeking
15 confirmation as City Solicitor for the City of
16 Philadelphia. In the short time that I've served
17 as acting City Solicitor and throughout my career,
18 I've come to value the central role that the Law
19 Department serves in city government. I believe
20 and I am hopeful that I've become sensitive to the
21 often competing interests and the competing roles
22 that the Home Rule Charter seeks to balance
23 through the City Solicitor's Office.

24 I have prepared testimony, which, I
25 believe, has been distributed to all Council. I

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2 am going to skip significant portions of that in
3 the interest of leaving here today.

4 I have attempted to meet with each
5 member of Council, and I've been largely
6 successful in setting up those meetings, and I'd
7 like to thank all of you for your courtesy during
8 that time.

9 I'd also like to, before I complete my
10 testimony, recognize a number of other people who
11 are seated here today. In addition to Miss
12 Mouzayck and Mr. Thompson, I'd like to recognize
13 Irvin R. Siegel, who is seated over to my far
14 right-hand side. Mr. Siegel was a senior partner
15 at the Schnader, Harrison, Siegel & Louis law
16 firm, and was my mentor and taught me more about
17 practicing law than I could ever have hoped to
18 have done, and I thank for him for all of his
19 extraordinary mentorship.

20 I'd also like to recognize -- seated
21 behind me about four rows back on the left-hand
22 side is Bill Martin, who was the acting City
23 Solicitor in January and February of this year,
24 before I came, and was Chair of the Corporate
25 Department. He provided an extraordinary service

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2 for the City while he was here. He recently left
3 to go into private practice, but I would like to
4 publicly thank him for all of his support and his
5 assistance during my transition into the Law
6 Department.

7 I'd also like to recognize the members
8 of Law Department who are here and present here
9 today. As most of you know, the Law Department is
10 an extraordinary place, and I've felt so welcome
11 and made at home since I've come to the City, and
12 I greatly appreciate their support, and they're
13 being here today.

14 And, finally, I'd like to recognize the
15 person who really ends up paying the price of
16 public service, and that is my wife Laura
17 Trujillo, who's seated far, far in the back and,
18 I'm sure, will duck as I recognize her, but I
19 would like to publicly thank my wife, Laura, who
20 truly does exemplify public service because, as
21 many of you know, when you make the sacrifice for
22 public services, most often it's the spouse that
23 makes the sacrifice.

24 COUNCILWOMAN BLACKWELL: Excuse me.

25 Let me also note that State Representative Dwight

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2 Evans was also here all morning, waiting for this
3 moment.

4 MR. TRUJILLO: Yes. I saw State
5 Represent Evans, and thank you very much.

6 During my visits, I tried to
7 familiarize most of you with a little bit of my
8 background, so I'm going to skip the largely
9 boring parts of that, but I do note that I was
10 born -- and I adopted Philadelphia, but I was born
11 in northern New Mexico and came here by way of the
12 University of Pennsylvania and became a hopeless
13 addict of cheese steaks and the Philadelphia
14 Phillies, and so I ended up in Philadelphia by way
15 of law school, and I am deeply grateful to the
16 University of Pennsylvania.

17 My goal for the Law Department during
18 my time as City Solicitor, if I am confirmed by
19 this body, is to provide you and to provide the
20 rest of our clients with the highest possible
21 quality legal services and representation. I
22 share with my predecessors a commitment to
23 providing outstanding client service.

24 Notwithstanding the inevitable conflicts that
25 arise, the Law Department will serve the needs of

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2 its client and will do so in a timely and
3 constructive manner.

4 As I've discussed with many of you, I
5 intend to bring an affirmative and entrepreneurial
6 mindset to the Law Department. It is most
7 uncomfortable to me to always be in a defensive
8 mindset, and those of you who know my practice and
9 my background know that I prefer to be on the
10 plaintiff's side. Accordingly, both with respect
11 to litigation matters and business matters, I am
12 hopeful that we will bring an entrepreneurial
13 mindset and an affirmative mindset to represent
14 the interests of the City of Philadelphia.

15 One example of those types of matters
16 that we recently filed was the handgun lawsuit
17 recently in April of this year. Similarly, the
18 Law Department will continue to investigate legal
19 avenues for the redress of any harms caused to the
20 citizens of Philadelphia, be they financial or
21 otherwise.

22 In addition, given the extraordinary
23 changes that this body has already noted on many
24 occasions in our economy and in the technological
25 advances of our economy, the intellectual property

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2 components of the Law Department must continue to
3 grow and will play a leading role in city
4 government, and we hope to partner with the rest
5 of city government and with this body in that
6 regard.

7 With respect to City Council's
8 relationship with the Law Department, I have tried
9 in my short time to be responsive to all requests
10 from City Council. You are entitled to prompt and
11 courteous service whenever any advice is
12 requested. And as any of you who have dealt with
13 me know, if there's any issue with respect to any
14 matter in the Law Department, I'm always available
15 to discuss those matters with you.

16 As I had mentioned to you in my
17 testimony back in February of this year, all
18 requests for legal advice remain confidential
19 unless and until we are authorized to disclose
20 that advice. City Council will also have the
21 services of the Law Department in connection with
22 the drafting or exploring of any legislation. If
23 there are any reservations about the legality of
24 the provisions of any ordinance, we will raise
25 them with the Councilperson that has requested the

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2 advice, and we will explain any potential issues.
3 We will further suggest alternative grounds and
4 alternative methods to accomplish the goals of any
5 ordinance that is suggested by a City Council
6 person.

7 When City Council adopts legislation,
8 it is entitled to the presumption of validity. We
9 will continue to decline to approve a bill on the
10 grounds of invalidity only in the clearest of
11 cases. In those rare cases, I would generally
12 approve a request by City Council for the
13 retention of City Council to test the legality of
14 the bill by way of litigation.

15 In closing, I am extraordinarily
16 honored to be before you here today, and I commit
17 to you that if I am fortunate enough to be
18 confirmed by you, I will work diligently with you
19 and I will do my best for you and for the City of
20 Philadelphia.

21 I will be happy to answer any questions
22 or supply any additional information.

23 And, Madam President, I would also note
24 that Stephen Presser, the Legal Director of the
25 ACLU, would also like to address this body after

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2 my comments.

3 COUNCIL PRESIDENT Verna: Thank you.

4 Can you tell us how many attorneys are
5 employed by the Law Department?

6 MR. TRUJILLO: At the last count, I
7 believe we had 137.

8 COUNCIL PRESIDENT Verna: And how many
9 vacancies are there at this time?

10 MR. TRUJILLO: Our total budgeted
11 number is 143, so we'd have 6 vacancies at this
12 time.

13 COUNCIL PRESIDENT Verna: Are there
14 particular areas of law in which the Law
15 Department lacks expertise so as to require the
16 use of outside counsel? And if so, is it your
17 intention to try to develop such expertise within
18 the Law Department, or do you intend to continue
19 to rely on outside counsel?

20 MR. TRUJILLO: That depends. There are
21 a number of areas. For instance, there are
22 regulatory matters which will arise and which will
23 arise on an occasional basis and which the
24 development of inside expertise would be far more
25 expensive than going to outside counsel. So for

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2 regulatory matters, a number of municipal finance
3 matters, we will always need to go to outside
4 counsel for those matters.

5 The other kinds of matters that are
6 typically going to need to be referred to outside
7 counsel would be, A, sensitive litigation matters
8 in which there is, for instance, a witness that is
9 -- let's say a Law Department employee may be a
10 witness. There are also going to be a number of
11 matters in which a conflict of interest may
12 arise. For instance, if we represent a police
13 officer or something of the sort and there are
14 multiple defendants, we would need to go to
15 outside counsel in that regard.

16 COUNCIL PRESIDENT VERNA: Some areas of
17 the law are undergoing particularly rapid change,
18 such as the law relating to telecommunications and
19 computer law. Do you anticipate the need for
20 additional staffing in these or in any other
21 areas?

22 MR. TRUJILLO: The two areas that I
23 have identified as requiring additional attention,
24 and we expect in the future additional staffing,
25 are exactly one -- is the area that you just

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2 recognized; that is the high-tech or intellectual
3 property, the IT area. And I think, as this
4 Council has noted recently, a number of vendors
5 are going to be coming in front of Council, and
6 there's a significant change with the
7 Telecommunications Act of 1996, which is a complex
8 act, and which has a very direct impact on city
9 government.

10 So my expectation is that the, quote,
11 high-tech area, or intellectual property area, is
12 an area where we will need to grow.

13 In addition, it is my expectation, and
14 this may be done partly by reallocation of current
15 personnel, but the affirmative litigation area,
16 that is where the City is out as a plaintiff as
17 opposed to a defendant, that is another area where
18 I believe that the Law Department, during my term
19 at least, will need to have additional personnel
20 on the affirmative litigation side.

21 COUNCIL PRESIDENT Verna: How do you
22 describe your management style? Do you tend to
23 delegate or are you a micromanager?

24 (Laughter.)

25 MR. TRUJILLO: I think I would leave

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2 that to everybody who works for me right now to
3 describe. But I'd be happy to tell you how I
4 normally try to work.

5 Jane Collins, my secretary, is here,
6 and she's probably the best one to either affirm
7 or deny this, but my desire on any given day is
8 that any piece of paper that hits my desk, I take
9 the advice of Allen Davis, who is the former City
10 Solicitor, and I try to leave a clean desk at the
11 end of the day. I am clearly not successful at
12 that, but that is my goal.

13 I believe that I am much more of a
14 delegator than a micromanager and, indeed, my
15 expectation and what I try very hard to accomplish
16 is to utilize all of the talents of the 137, soon
17 143, lawyers to their fullest ability. One thing
18 I do recognize is that most of the lawyers that
19 work in the Law Department know more about city
20 government and about their area of expertise
21 than. And I do I do our clients no favor by
22 trying to usurp any of their abilities. So in
23 that regard, I do consider myself to be much more
24 of a delegator.

25 I do, though, in the areas I think I'm

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2 somewhat experienced, such as complex litigation
3 areas, I do become a bit more, shall we say,
4 inclusive; or at least I just become more involved
5 in some of the litigation matters, and on the
6 corporate areas is where I probably tend to
7 delegate even more.

8 COUNCIL PRESIDENT VERNA: I know you
9 said that you have 137 attorneys in the Law
10 Department. Those attorneys that are in the
11 chamber, if they would stand, I would like the
12 record to reflect that probably half of them are
13 here, I assume to really --

14 (Applause.)

15 COUNCIL PRESIDENT VERNA: -- encourage
16 your appointment.

17 And are the other gentlemen also
18 attorneys, or are you here to testify, those of
19 you who are seated?

20 MR. TRUJILLO: Many of them are
21 friends.

22 COUNCIL PRESIDENT VERNA: Oh, they're
23 friends, okay. You have quite a team here
24 cheering for you.

25 MR. TRUJILLO: We have a few foes as

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2 well.

3 COUNCIL PRESIDENT VERNA: Okay. You
4 know, there has always been a concern that the
5 City Solicitor, who is required to provide legal
6 advice for both the Administration and the
7 legislative branches of city government, tends
8 more often than not to favor the Administration on
9 questions of administrative versus legislative
10 concerns are made. Since it is your duty to
11 provide impartial legal advice to City Council, do
12 you require that all requests for legal advice go
13 through you, or do you allow the Mayor's Office to
14 direct the legal work to the Law Department?

15 MR. TRUJILLO: When the Mayor's Office
16 requests legal advice, I certainly allow them to
17 direct the advice that they seek, that's all. I
18 think I've actually been put in an unusual
19 position of having opinions sought by members of
20 this body over the last few months, the results of
21 which have surprised a few people.

22 But the -- as I have stated -- on my
23 first day of work, I appeared before this body,
24 and on my first day of work, I told members of
25 this body that any advice that was sought by a

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2 City Councilperson, even the mere seeking of the
3 advice, I view to be a confidential communication,
4 and that that communication is not shared with
5 anyone, absent permission by the client.

6 And, so, the final part of your
7 question was, do I allow the Mayor's Office to
8 direct advice given? The answer is no. I -- only
9 with respect to their advice is their direction,
10 but with respect to advice to members of this
11 body, there is no direction and, in fact, no,
12 because they don't know about it.

13 COUNCIL PRESIDENT VERNA: Very good to
14 hear that response, and I'm sure that Councilman
15 Cohen is elated by it. Are you not, Councilman?

16 (Laughter.)

17 COUNCIL PRESIDENT VERNA: Can you tell
18 us what the amount of Class 200 appropriations in
19 the Law Department's budget is?

20 MR. TRUJILLO: I do not have the exact
21 number here today, I'm sorry, but we can provide
22 that to you, obviously.

23 COUNCIL PRESIDENT VERNA: Well, I would
24 like you to provide us that information. And of
25 that amount, how much is used for the employment

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2 of outside counsel? And what are the hourly rates
3 paid to the outside counsel? And if any attorneys
4 are hired on contingency fees.

5 And would you also inform us as to
6 what, from your experience, is considered to be a
7 reasonable hourly fee for qualified attorneys in
8 the private sector?

9 I don't want to dominate the hearings.
10 We do have other Councilmembers who want to be
11 recognized.

12 Councilman Ortiz, your light's been
13 on. Councilman Rizzo, did you want to be
14 recognized? Excuse me, I think you want to be
15 excused?

16 COUNCILMAN RIZZO: Yes. First of all,
17 I would like to congratulate the City Solicitor,
18 and I'd like to vote yes on all of the resolutions
19 and amendments today before the Council.

20 COUNCIL PRESIDENT Verna: And the bill,
21 and the bill.

22 COUNCILMAN RIZZO: Yes. And the City
23 Solicitor mentioned that when he first got here,
24 he became addicted to cheese steaks and the
25 Phillies. One of his first opinions I'd like to

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2 have is the future of the Phillies.

3 (Laughter.)

4 MR. TRUJILLO: Only if it would be
5 binding.

6 COUNCILMAN RIZZO: And the amendments.

7 COUNCIL PRESIDENT Verna: And,
8 Councilman, with regard to the TIF bill, are you
9 voting aye on the TIF bill?

10 COUNCILMAN RIZZO: Yes, aye on that and
11 the amendments.

12 COUNCIL PRESIDENT Verna: Thank you.

13 The Chair recognizes Councilman Ortiz.

14 COUNCILMAN ORTIZ: Thank you, Madam
15 Chair.

16 I know Mr. Trujillo now ever since he
17 was an attorney at the U.S. Attorney's Office, and
18 that's going back quite a lot, and that friendship
19 has gone through many nights at Tequilla's
20 Restaurant in discussion of political issues and
21 other relevant matters. But Ken is probably one
22 of the finest attorneys presented to us and one of
23 the youngest attorneys in terms of being City
24 Solicitor.

25 And, hopefully, one of the questions

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2 that I usually ask City Solicitors will be the
3 last time that I ask this question. How many
4 Latino attorneys do you have? And should we
5 expect to see more Latino members as part of the
6 staff of the City Solicitor's? And will Latino
7 attorneys in private practice be a part of the
8 individuals who will be put into the selection
9 process for contracting out of cases and so on?

10 And I hope that this is the last time
11 that I ever have to ask this question of a City
12 Solicitor, and I know that that will be so. Can
13 you give me an answer on that?

14 MR. TRUJILLO: Yes, yes, more, and yes.

15 (Laughter.)

16 MR. TRUJILLO: I'm not going to object
17 to the question; I'm going to happily answer that
18 question.

19 When I started -- the day of February
20 27th, there were 0 Latino lawyers at the Law
21 Department. On February 28th, I was the first.
22 About three weeks after that, Milton Vellas (ph.)
23 joined our office.

24 I am going to continue, as you can
25 imagine, in fact, even at the Hispanic National

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2 Bar Convention this year, which, by the way,
3 Philadelphia will be hosting that convention next
4 year. I'm going to continue to recruit and do
5 everything I can to broaden the diversity, not
6 just with respect to Latinos, but with all other
7 minority groups.

8 And the Law Department does have a
9 significant history and, I think, a very
10 successful history of diversity, but that
11 diversity, as you've noted, does not include
12 Latinos.

13 COUNCILMAN ORTIZ: It does not include
14 Latinos.

15 MR. TRUJILLO: It does not include
16 Latinos. And so, obviously, that's an area that
17 we need to do a better job on. I'm hopeful that I
18 might have a little bit of influence on that
19 front.

20 On the outside counsel role, again, I
21 will tell you that I have reached out, even from
22 my first day of work, to try to refer, and I will
23 continue to do that, and we will continue to refer
24 out work that can be handled by minority lawyers,
25 whether they be minority lawyers in large law

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2 firms, whether they be small law firms, or
3 individual practitioners.

4 But you will see in the report on Class
5 200 funding for over the next year some names with
6 Hispanic last names.

7 COUNCILMAN ORTIZ: Madam Chair, I can
8 only recommend to my colleagues that a unanimous
9 vote be given to Mr. Trujillo for the position of
10 City Solicitor. I know that Councilman Cohen will
11 some questions to ask, but I have no questions as
12 to his ability to exercise the role and to do it
13 in a manner that will make us all proud and will
14 bring honor to the office.

15 So, again, I ask my colleagues to give
16 a "yes" vote to a friend of mine that I think will
17 be a great City Solicitor.

18 COUNCIL PRESIDENT VERNA: Thank you.

19 The Chair recognizes Councilwoman
20 Tasco.

21 COUNCILWOMAN TASCO: Thank you. Good
22 morning, and I enjoy meeting with you and I wish
23 you well.

24 I just have one issue to raise with you
25 that has been brought to my attention, and it's

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2 something that you don't have to respond to now
3 but could look at in your office. I have a person
4 who attempted to buy a building, and their concern
5 was that there was no one person in the Law
6 Department dedicated to the final closings of
7 these housing -- if it's a City-owned building and
8 the building is being sold or given to a community
9 group or a nonprofit, there does not appear to be
10 any one person who might be dedicated to that
11 process, that they could go to any other lawyers
12 in the Department.

13 And that's the issue that I was trying
14 to raise with you some time ago.

15 MR. TRUJILLO: Okay. Well, thank you.
16 I appreciate that, Councilwoman, and I believe
17 Henry Schwartz, who's the head of our Real Estate
18 Department is right behind me, and we will get a
19 response back to you and we will look into that
20 immediately.

21 COUNCILWOMAN TASC0: Okay thank you.

22 I have nothing further, Madam Chair.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 Are there any other questions or
25 comments from members of the committee?

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2 (Councilman Cohen turns indicates he
3 has a question or comment.)

4 COUNCIL PRESIDENT Verna: I would have
5 been very disappointed, Councilman.

6 MR. TRUJILLO: As would I.

7 (Laughter.)

8 COUNCIL PRESIDENT Verna: The Chair
9 recognizes Councilman Cohen.

10 COUNCILMAN COHEN: Thank you, Madam
11 President.

12 I'm probably going to disappoint
13 everybody because my vote's going to be for
14 Mr. Trujillo, and I am very confident that he will
15 be an outstanding City Solicitor. I hope that he
16 is able to move the Department ahead in
17 considering certain matters where this Council
18 often has been unhappy with City Solicitors,
19 whoever they are, because it has seemed to us over
20 time and consistently that whenever there has been
21 an issue between the City Solicitor and the Mayor
22 -- between the City Council and the Mayor, the
23 City Solicitor has seen himself or herself as the
24 representative of the Mayor. We know that that's
25 a natural development that occurs, because most of

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2 the time, you are probably working on matters
3 affecting the Administration much beyond the
4 matter of what to do for City Council.

5 But I would hope that in interpreting
6 the legality of actions taken by City Council,
7 that what you've said about the presumption of
8 legality is kept seriously, because we have -- at
9 least speaking for myself, it has been has not
10 been my thought that City Solicitors generally
11 presume City Council's actions to be legal unless
12 that's okay with the Mayor. But if ever the
13 Mayor's unhappy, it seems the City Solicitors
14 generally tend to find in favor of the Mayor.

15 I did want to question in a very recent
16 matter that I discussed with your office involving
17 the prosaic matter of a newsstand. In the opinion
18 you've given to me, there was a statement that the
19 client of the City of Philadelphia was the
20 government of the City and not the people in the
21 City, and that's distressing, and I would hope
22 that that would be looked at in the future.

23 We hope that you're going to try to do
24 an impossible job that the Home Rule Charter
25 places you under because, obviously, it's

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2 extraordinarily difficult in matters where Council
3 and the Mayor disagree for the City Solicitor to
4 be the attorney for both, and that's going to be a
5 very difficult matter for you to resolve, but
6 that's the fault of the Home Rule Charter and not
7 the fault of the City Solicitor.

8 But we wish you success, and we're
9 looking forward to a period of peace between the
10 Mayor and the City Council, as far as the City
11 Solicitor's Office itself is concerned -- maybe
12 not on the stadium issue or other issues, but on
13 the basic issues. So welcome.

14 And, Councilman Ortiz, unless there's
15 somebody else that's going to object, you will
16 have the unanimous vote for the City Solicitor.

17 Thank you, Madam President.

18 MR. TRUJILLO: Thank you, Councilman.

19 COUNCIL PRESIDENT VERA: You're
20 welcome.

21 Are there any other questions or
22 comments from members of the committee?

23 (No questions.)

24 COUNCIL PRESIDENT VERA: Seeing none,
25 do we have anyone else to testify on this

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2 resolution?

3 (Witness comes forward.)

4 MR. PRESSER: Madam President, my name
5 is Stephen Presser, and I'm the Legal Director of
6 ACLU of Pennsylvania. And I thank the Council and
7 also my colleague Kenneth Trujillo for this
8 opportunity.

9 I came today for one reason, and I'm
10 going to add a second. The first is to urge you,
11 as you seem likely now, to vote unanimously for
12 Mr. Trujillo's ascension as City Solicitor. I
13 think both his background, large law firm, United
14 States Justice Department, the creator of a law
15 firm, makes him uniquely well-qualified for this
16 position. But further, the breadth of his
17 intelligence, the depth of his compassion, and
18 also his gentle good humor will make him, I'm
19 firmly convinced, if not the finest City Solicitor
20 we've ever had, then surely one of them.

21 But, Madam President, I would like just
22 very briefly to pick up on an issue you first
23 raised, and that was the issue of outside
24 counsel. I commend to this City Council, for
25 instance, one of the soon-to-be-new City

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2 Solicitor's underlings, Carlton Johnson. He's a
3 spectacular employee of the City Law Department,
4 and has been so for some time. He runs the Civil
5 Rights Unit.

6 On several occasions in litigation I
7 have been fortunate enough to be a party to, he's
8 made what I think are important contributions,
9 which, if accepted, would have cured
10 Constitutional problems and also moved agencies on
11 in creative ways. Unfortunately, in some of that
12 litigation, previous City Solicitors had retained
13 outside counsel. And sometimes I think there's
14 been a tension between adopting good policies,
15 which might have cut off litigation, which might
16 have cut off the retention of these outside
17 individuals. And I do think this is something
18 that the new City Solicitor needs to take a good
19 look at, and I commend you for having raised it
20 and I commend this City Council for what I am sure
21 will be a unanimous vote on his new position.

22 Thank you.

23 COUNCIL PRESIDENT VERNA: Thank you
24 very much.

25 Do we have anyone else to testify on

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2 this resolution?

3 (No response.)

4 COUNCIL PRESIDENT Verna: Seeing none,
5 this will conclude our public hearing. We will
6 now go into our public meeting.

7 And the Chair recognizes Councilman
8 Clarke regarding Bill No. 000221.

9 COUNCILMAN CLARKE: I make a motion
10 that the amendments to Bill 221, as mentioned in
11 today's testimony, be adopted.

12 (Duly seconded.)

13 COUNCIL PRESIDENT Verna: It has been
14 moved and seconded that the amendments be
15 adopted. And I understand the Chief Clerk's
16 Office has a copy of that amendment in her office.

17 All in favor will signify by saying
18 aye.

19 Those opposed.

20 The ayes have it and the motion is
21 carried.

22 And the Chair recognizes Councilman
23 Clarke.

24 COUNCILMAN CLARKE: Madam Chair, I move
25 that Bill 221, as amended, be reported out of

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2 committee with a favorable recommendation.

3 (Duly seconded.)

4 COUNCIL PRESIDENT VERNA: It has been
5 moved and properly seconded that Bill No. 221 be
6 reported out of committee with a favorable
7 recommendation, as amended.

8 All those in favor will signify by
9 saying aye.

10 Those opposed?

11 COUNCILMAN GOODE: Nay.

12 COUNCIL PRESIDENT VERNA: The record
13 will show that Councilman Goode voted no. And
14 this bill will be reported out of committee with a
15 favorable recommendation.

16 The Chair recognizes Councilman DiCicco
17 regarding Resolution 000192.

18 COUNCILMAN DICICCO: Thank you, Madam
19 President. I move for the adoption of Resolution
20 No. 192.

21 (Duly seconded.)

22 COUNCIL PRESIDENT VERNA: It has been
23 moved and seconded that Resolution No. 000192 be
24 reported out of committee with a favorable
25 recommendation.

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2 All those in favor will signify by
3 saying aye.

4 Those opposed?

5 The ayes have it and the motion is
6 carried.

7 The Chair recognizes Councilman DiCicco
8 regarding Bill No. 000193.

9 COUNCILMAN DICICCO: Thank you, Madam
10 President. I move for the adoption of Resolution
11 193.

12 (Duly seconded.)

13 COUNCIL PRESIDENT VERNA: It has been
14 moved and seconded that Resolution No. 000193 be
15 reported out of committee with a favorable
16 recommendation.

17 All those in favor will signify by
18 saying aye.

19 Those opposed?

20 The ayes have it and the motion is
21 carried.

22 The Chair recognizes Councilman DiCicco
23 regarding Resolution No. 000194.

24 COUNCILMAN DICICCO: I move for the
25 adoption of Resolution No. 194.

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2 (Duly seconded.)

3 COUNCIL PRESIDENT Verna: It has been
4 moved and seconded that Resolution No. 000194 be
5 reported out of committee with a favorable
6 recommendation.

7 All those in favor will signify by
8 saying aye.

9 Those opposed?

10 The ayes have it and the motion is
11 carried.

12 The Chair recognizes Councilman DiCicco
13 regarding Resolution No. 000195.

14 COUNCILMAN DICICCO: Thank you, Madam
15 President. I move for the adoption of Resolution
16 195.

17 (Duly seconded.)

18 COUNCIL PRESIDENT Verna: It has been
19 moved and seconded that Resolution No. 000195 be
20 reported out of committee with a favorable
21 recommendation.

22 All in favor will signify by saying
23 aye.

24 Those opposed?

25 The ayes have it and the motion is

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2 carried.

3 The Chair recognizes Councilman DiCicco
4 regarding Resolution No. 000196.

5 COUNCILMAN DICICCO: Thank you, Madam
6 President. I move for the adoption of resolution
7 196.

8 (Duly seconded.)

9 COUNCIL PRESIDENT VERNA: It has been
10 moved and seconded that Resolution No. 000196 be
11 reported out of committee with a favorable
12 recommendation.

13 All those in favor will signify by
14 saying aye.

15 Those opposed?

16 The ayes have it and the motion is
17 carried.

18 The Chair recognizes Councilman DiCicco
19 regarding Resolution No. 1197.

20 COUNCILMAN DICICCO: Thank you, Madam
21 President. I move for the adoption of Resolution
22 197.

23 (Duly seconded.)

24 COUNCIL PRESIDENT VERNA: It has been
25 moved and seconded that Resolution No. 000197 be

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2 reported out of committee with a favorable
3 recommendation.

4 All in favor will signify by saying
5 aye.

6 Those opposed?

7 The ayes have it and the motion is
8 carried.

9 The Chair recognizes Councilman DiCicco
10 regarding Resolution No. 000198.

11 COUNCILMAN DICICCO: Thank you, Madam
12 President. I move for the adoption of Resolution
13 198.

14 (Duly seconded.)

15 COUNCIL PRESIDENT VERNA: It has been
16 moved and seconded that Resolution No. 000198 be
17 reported out of committee with a favorable
18 recommendation.

19 All in favor identify signify by saying
20 aye.

21 Those opposed?

22 The ayes have it and the motion is
23 carried.

24 The Chair recognizes Councilman DiCicco
25 regarding Resolution No. 000199.

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2 COUNCILMAN DICICCO: Thank you, Madam
3 President. I move for the adoption of Resolution
4 199.

5 (Duly seconded.)

6 COUNCIL PRESIDENT Verna: It has been
7 moved and seconded that Resolution No. 000199 be
8 reported out of committee with a favorable
9 recommendation.

10 All those in favor will signify by
11 saying aye.

12 Those opposed?

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

15 The Chair recognizes Councilwoman
16 Blackwell regarding Resolution No. 000230.

17 COUNCILWOMAN BLACKWELL: Thank you,
18 Madam President. I move that Resolution No. 230
19 be adopted.

20 (Duly seconded.)

21 COUNCIL PRESIDENT Verna: It has been
22 moved and seconded that Resolution No. 000230 be
23 reported out of committee with a favorable
24 recommendation.

25 All in favor will signify by saying

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2 aye.

3 Those opposed?

4 The ayes have it and the motion is
5 carried.

6 (Applause.)

7 COUNCIL PRESIDENT VERNA: I'd like to
8 continue, please.

9 The Chair recognizes Councilman Kenney
10 regarding Resolution No. 000329.

11 COUNCILMAN KENNEY: Madam Chair, I move
12 that Resolution No. 329 be approved.

13 (Duly seconded.)

14 COUNCIL PRESIDENT VERNA: It has been
15 moved and seconded that Resolution No. 000329 be
16 reported out of committee with a favorable
17 recommendation.

18 All those in favor will signify by
19 saying aye.

20 Those opposed?

21 The ayes have it and the motion is
22 carried.

23 The Chair recognizes Councilman Kenney
24 regarding Resolution No. 000330.

25 COUNCILMAN KENNEY: Madam Chair, I move

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2 that Resolution No. 330 be reported out of this
3 committee with a favorable recommendation.

4 (Duly seconded.)

5 COUNCIL PRESIDENT Verna: It has been
6 moved and seconded that Resolution No. 000330 be
7 reported out of committee with a favorable
8 recommendation.

9 All those in favor will signify by
10 saying aye.

11 Those opposed?

12 The ayes have it and the motion is
13 carried.

14 This concludes the public meeting of
15 the Committee of the Whole. Thank you all very
16 much.

17 (Adjourned at 12:10 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Monday, May 22, 2000, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COUNCIL COMMITTEE OF THE WHOLE

RESOLUTION NO.'S 000192, 000193, 000194,
000195, 000196, 000197, 000198, 000199,
000320, 000329, 000330

BILL NO. 000221

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter