

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 COMMITTEE ON COMMERCE and ECONOMIC DEVELOPMENT

4 - - -
5 Room 400, City Hall
6 Philadelphia, Pennsylvania
7 Thursday, May 21, 2009, 1:13 p.m.
8 - - -

9 Bill 090012 - Amending Chapter 19-2600 of the
10 Philadelphia Code, entitled "Business
11 Privilege Tax," by providing for the New
12 Philadelphia Job Creation Tax Credit."
13 Bill 090353 - Re tax rates and credits for the
14 BPT by amending provisions providing a credit
15 for contributions to CDCs to allow two
16 businesses to apply jointly for the credit.

17 Bill 080389 - Authorizing Commerce Director
18 to file application with Department of
19 Community and Economic Development under Main
20 Street Program in an aggregate amount not to
21 exceed \$1,306,000 to support City's various
22 Main Street programs; and authorizing the City
23 to enter into one or more agreements with
24 DCED, in furtherance of grants requirements.

25 COMMITTEE MEMBERS PRESENT:

26 W. Wilson Goode, Jr. Chair
27 Blondell Reynolds Brown, Vice Chair
28 Darrell L. Clarke
29 Frank DiCicco
30 Bill Green
31 Curtis Jones, Jr.
32 Maria D. Quiñones-Sanchez
33 Also Present: Joan Krajewski

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2 COUNCILMAN GOODE: Good

3 afternoon. This hearing is called to
4 order. This is a public hearing of the
5 Commerce and Economic Development
6 Committee on Bill No.'s 090012, 090353,
7 and 090389.

8 My name is W. Wilson Goode,
9 Jr., Chair of the Committee, and a quorum
10 is present. To my immediate left is
11 Councilwoman Blondell Reynolds Brown; to
12 her left is Councilman Darrell Clarke; to
13 my right is Councilman Jones.

14 The title of Bill No. 090012:
15 An ordinance amending Chapter 19-2600 of
16 the Philadelphia Code, entitled "Business
17 Privilege Tax," by providing for the New
18 Philadelphia Job Creation Tax Credit,"
19 under certain terms and conditions.

20 The title of Bill No. 090353:
21 An ordinance amending Section 19-2604 of
22 the Philadelphia Code relating to tax
23 rates and credits for the Business
24 Privilege Tax by amending the provisions
25 providing a credit for contributions to

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2 Community Development Corporations to
3 allow two businesses to apply jointly for
4 the credit, under certain terms and
5 conditions.

6 And the title of Bill No.
7 080389: An ordinance authorizing the
8 Commerce Director to file an application
9 with the Commonwealth's Department of
10 Community and Economic Development under
11 the Main Street Program in an aggregate
12 amount not to exceed \$1,306,000 to
13 support the City's various Main Street
14 programs; and authorizing the City to
15 enter into one or more agreements with
16 DCED, in furtherance of grants
17 requirements, all under certain terms and
18 conditions.

19 The first bill to be considered
20 is Bill No. 090353, the new economic
21 partnership bill amending the City's Tax
22 Credit Program, and our first witness is
23 Kevin Dow from the Commerce Department.

24 (Witnesses come forward.)

25 MR. DOW: Good afternoon.

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2 COUNCILMAN GOODE: Good

3 afternoon, Mr. Dow.

4 MR. DOW: Good afternoon,

5 Mr. Chairman and members of Council.

6 Thank you for the opportunity to testify

7 today. My name is Kevin Dow, and I'm the

8 Deputy Director of Commerce and Director

9 of the Office of Neighborhoods and

10 Business Services. I'm here today to

11 provide testimony regarding Bill No.

12 090353 regarding an amendment to the CDC

13 contribution Tax Credit Program.

14 Since the inception of the

15 program, the Commerce Department has

16 assisted the Revenue Department with

17 determining CDC eligibility and with

18 reviewing new applications and renewal

19 applications. In that specific role, our

20 primary responsibility has been to ensure

21 that the targeted communities are

22 economically distressed and that all

23 participating CDC use contributive funds

24 for eligible economic development

25 activities.

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2 In a broader role of the
3 Commerce Department, as the coordinator
4 of economic development activities for
5 the City, we work closely with many of
6 the participating CDC to assist them with
7 their projects and programs. As such, we
8 are aware of the difficulties of some
9 them that are facing in obtaining and
10 maintaining business partners to meet the
11 current business privilege tax threshold.

12 The proposed amendment would
13 allow two businesses to apply jointly for
14 the program tax credit and provide
15 jointly the \$100,000 contribution to an
16 eligible CDC. The Commerce Department
17 believes that this amendment will reduce
18 barriers to participation in the program.
19 Moreover, the amendment has the potential
20 to further increase the organizational
21 capacity of CDCs if both business
22 partners provide advisory and technical
23 assistance in addition to the funding.

24 For these reasons, we support
25 proposed amendment.

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2 In addition to this proposed
3 amendment, the Commerce Department is
4 supportive of an additional amendment
5 that would change the annual reporting
6 date for the Revenue Department from
7 December 31st to June 30th. We believe
8 that this change will allow for a more
9 thorough and accurate program report.

10 Finally, we would like to
11 report that the Commerce Department is
12 working along with the Revenue Department
13 to develop a new reporting framework for
14 the next renewal cycle that will provide
15 a clearer view of the economic
16 development outcomes generated through
17 this program.

18 Thank you again for the
19 opportunity to testify today.

20 COUNCILMAN GOODE: Thank you,
21 Mr. Dow, for your testimony. If you
22 could stay at the table, we'll bring two
23 more witnesses before we ask any
24 questions.

25 The next two witnesses are

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2 James White and the Honorable Robert
3 Borski.

4 (Witness comes forward.)

5 MR. WHITE: Good afternoon and
6 thank you, Chairman Goode and members of
7 the committee, for the opportunity to
8 testify today. My name is James White,
9 and I am the Policy Coordinator for the
10 Philadelphia Association of Community
11 Development Corporations.

12 PACDC is a citywide association
13 of more than 80 community development
14 corporations and other organizations that
15 have extensive experience revitalizing
16 neighborhoods and meeting the community
17 development needs of local residents. A
18 number of our CDC members are working to
19 strengthen their neighborhood economies
20 and commercial corridors through
21 participation in the City's CDC Tax
22 Credit Program.

23 As you are aware, PACDC worked
24 with Councilman Goode and members of the
25 committee to pass legislation last

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2 November to expand the CDC Tax Credit
3 Program from 25 to 30 partnerships
4 between businesses and CDCs that will now
5 provide \$30 million for neighborhood
6 economic development efforts over the
7 next ten years.

8 The expansion of the program
9 was the first recommendation to
10 strengthen the CDC Tax Credit Program
11 outlined in our report released last
12 October, expanding economic opportunities
13 and revitalizing neighborhoods.

14 I am here today to thank
15 Councilman Goode and the members of the
16 committee for their leadership on this
17 program and to express PACDC's strong
18 support of Bill No. 090353.

19 As you are aware, this bill
20 will expand access to the program for
21 businesses and CDCs by allowing the CDC
22 to partner with up to two businesses that
23 would share the credit for the \$100,000
24 contribution.

25 Especially given the current

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2 economic downturn, this change is need to
3 do ensure the continued success of the
4 program. It will help CDCs seeking to
5 enter the program for the first time who
6 are finding it challenging to line up a
7 business partner and assist CDCs
8 currently in the program who have already
9 lost, or at risk of losing, their
10 business partner as well, as CDCs and
11 businesses that are interested in
12 renewing participation in the program
13 when the current ten-year agreements
14 begin to expire.

15 This change would also open up
16 the program to participation by a broader
17 range of businesses operating in
18 neighborhoods throughout the City versus
19 the relatively few that have business
20 privilege tax liabilities over \$100,000
21 per year.

22 Authorized in 2002, the CDC tax
23 credit program's impact has been
24 profound, leveraging tens of millions of
25 dollars in private and public investment,

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2 attracting new businesses to our
3 neighborhoods to expand local access to
4 goods, services, and jobs, and growing
5 the City's tax base. Additionally, this
6 program has encouraged many businesses to
7 become engaged in community development
8 for the first time.

9 One of the most encouraging
10 findings of our research is the strength
11 of the partnerships being formed between
12 businesses and CDCs. For instance,
13 Harvey, Branzburg & Ellers helped to fund
14 Project H.O.M.E.'s Honickman Learning
15 Center and Comcast Technology Labs.

16 Coca Cola also provided Impact
17 Services Corporation with in-kind
18 products, hosted community and business
19 meetings, and helped them with key
20 decision-making, and opened up various
21 company-wide trainings to Impact staff.

22 A number of businesses provide
23 professional expertise and institutional
24 oversight by serving on the board of
25 directors of their CDC's partners. The

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2 benefits accruing to the CDCs
3 participating in the program far exceed
4 the \$100,000 annual corporate
5 contribution. These benefits are
6 enabling CDCs to stabilize operations,
7 grow programs, and build institutional
8 clout that is directly benefiting
9 neighborhoods for the long term. CDCs
10 have a long-term commitment to their
11 neighborhoods. The CDC Tax Credit
12 Program provides long-term flexible
13 funding to support their commitment.

14 Several CDCs are here today to
15 testify on the importance of this bill,
16 including those who are already engaged
17 in the program, as well as prospective
18 program participants.

19 We believe that the bill before
20 you today, combined with related
21 modifications that are needed to the
22 program's regulations to address the
23 range of challenges facing participation
24 by CDCs and businesses, will boost the
25 impact of a critical program that should

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2 be an integral part of the City's overall
3 economic development strategy. We urge
4 the Committee on Commerce and Economic
5 Development to release this bill today
6 with your full support and to work with
7 us to ensure that program's continued
8 successful implementation.

9 Thank you

10 COUNCILMAN GOODE: Thank you
11 for your testimony, Mr. White.

12 Congressman Borski.

13 CONGRESSMAN BORSKI: Thank you,
14 Mr. Chairman. I am Robert E. Borski, and
15 I am the Chairman and Acting CEO of the
16 Delaware River City Corporation, and I am
17 here today to present testimony in
18 support of Bill No. 090353, allowing for
19 two businesses to apply jointly for a tax
20 credit for contributions to community
21 development corporations such as ours.

22 Allow me to begin by giving you
23 some background on our nonprofit
24 organizations.

25 (Interruption by sound system

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2 difficulties.)

3 CONGRESSMAN BORSKI: Do you
4 want me to start over again? I was just
5 at a point where I was going to praise my
6 councilwoman, Joan Krajewski.

7 (Laughter.)

8 COUNCILMAN GOODE: The
9 stenographer actually has copies of your
10 testimony.

11 CONGRESSMAN BORSKI: The
12 Councilwoman has been a guiding force and
13 our strongest supporter, and we wouldn't
14 have been anywhere without her, and I
15 appreciate both her attendance, her help
16 on this, and her long, distinguished
17 career, here in City Council.

18 Our corporation, our CDC, with
19 the Councilwoman's help, is set to guide
20 and facilitate implementation of the
21 North Delaware Riverfront Greenway in
22 order to enhance the City's quality of
23 life, support investment in economic
24 development, and provide recreational
25 opportunities and community open space,

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2 and sustain the riverfront's environment.

3 The North Delaware Riverfront
4 is a valuable and virtually untapped
5 resource for the entire City of
6 Philadelphia as well as many Northeast
7 Philadelphia neighborhoods fronting on
8 the river. Our city began at the banks
9 of the Delaware River; and over the
10 centuries, from our beginning to the
11 present time, we used and abused this
12 resource. We finally came to realize the
13 potential we had nearly destroyed by
14 pollution, and are moving to restore its
15 beauty and value.

16 With over 700 acres of vacant
17 and underutilized land, the riverfront
18 has enormous potential for greenway
19 development, in concert with both present
20 and proposed mixed-use, commercial, and
21 residential development.

22 A properly developed,
23 continuous greenway and trail system can
24 provide a significant public recreation,
25 open space, and economic development

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2 asset for new and existing riverfront
3 neighborhoods, the City region, and the
4 Commonwealth of Pennsylvania.

5 This revitalization, or
6 renaissance, to the Delaware Riverfront
7 has not happened overnight. The
8 Pennsylvania Environmental Council of
9 various elected officials -- again, led
10 by great Councilwoman with State
11 Representative McGeehan, State Senator
12 Stack, Congresswoman Allison Schwartz,
13 Senator Specter -- we met way back in
14 1996 to discuss and try to implement a
15 new initiative. We had a lot of fight at
16 the time with PIDC, who was looking to
17 development -- to develop more business
18 use. And, unfortunately, it looks like
19 industry and that kind of business are
20 not coming back, so this new plan is out
21 there.

22 It is my belief that our North
23 Delaware project led City leaders to take
24 a fresh look at the riverfront
25 possibilities of the entire Delaware

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2 shoreline and Philadelphia that has led
3 to the Central Delaware Plan now
4 underway.

5 Philadelphia has a great
6 opportunity to transform the Delaware
7 Riverfront into a place where industrial,
8 recreational, commercial, and residential
9 uses can all coexist. State and federal
10 funds have been allocated for design and
11 construction of several sections of the
12 trail. \$23 million in federal
13 transportation money will be used for
14 construction on the greenway right-of-way
15 for trails in the River Road and for
16 construction of the trail from Allegheny
17 Avenue to Grant Avenue at the county
18 line.

19 An additional \$1 million in the
20 state Department of Conservation and
21 Natural Resources funding is being used
22 for construction of the trail in
23 Pennypack on the Delaware in Holmesburg;
24 construction that was completed last
25 November; and for a new park at Lardner's

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2 Point, just south of the Tacony-Palmyra
3 Bridge. This project is scheduled to
4 begin construction in the next four to
5 six months.

6 Where we lacked financial
7 wherewithal was for administrative
8 purposes. In 2005, our organization was
9 privileged to be one of the 25 recognized
10 by the City for inclusion in a Community
11 Development Corporation and Business
12 Privilege Tax Program that has allowed us
13 to partner with corresponding
14 corporations given by the City for tax
15 credit for the past three years.

16 However, this partnership was
17 terminated by our sponsor last December,
18 as the corporation no longer had at least
19 \$100,000 in business privilege tax
20 liability to offset the credit.

21 For the past five months, we
22 have been diligently seeking another
23 sponsor; and while many corporations have
24 been interested, they too had not met the
25 \$100,000 threshold.

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2 It has been asked of us on
3 certainly occasions if the business
4 partner could use two of its entities or
5 partner with another corporation to meet
6 the requirement. However, we have had to
7 give a negative response.

8 If the City's requirement were
9 amended to allow for this stipulation, as
10 outlined in the bill before you today, it
11 would make it a great deal easier to find
12 corporate sponsorships within this
13 program. This amendment would allow
14 worthy corporate development projects
15 such as ours to move forward without
16 financial constraints on our ability to
17 do so.

18 And this long-held vision for a
19 riverfront greenway is taking shape.
20 With the availability of funds for
21 corporate partnership from the Business
22 Privilege Tax Program, the Delaware River
23 Greenway will not just be a vision, but
24 it will become a reality in the very near
25 future.

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2 I would urge your support for
3 the change in legislation and be happy to
4 respond to any questions.

5 COUNCILMAN GOODE: Thank you
6 for your testimony, Congressman.

7 Mr. Dow, would you please
8 approach the witness table again.

9 (Mr. Dow returns to witness
10 table.)

11 COUNCILMAN GOODE: Let me note
12 for the record that we've been joined by
13 Councilman Green, Councilwoman Sanchez,
14 and Councilman DiCicco.

15 (Witnesses come forward.)

16 COUNCILMAN GOODE: Actually, if
17 Congressman Borski and Mr. White could
18 remain at the table, we'll take questions
19 as a panel.

20 Are there any questions for any
21 members of this panel?

22 Councilman Jones.

23 COUNCILMAN JONES: Thank you,
24 Mr. Chair, and thank you for having this
25 hearing on this worthwhile bill.

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2 My question is for the Commerce
3 Department. Could you be a little more
4 elaborate as to what your sense of the
5 demand for this program is by way of
6 businesses that want to participate?

7 MR. DOW: I think there's a
8 relatively decent demand for it. I would
9 say that the threshold of a \$100,000 has
10 prevented some companies from going on
11 and joining into the program, and so that
12 demand at that level is not where we
13 would like for it to be and, thus, why
14 companies haven't signed up.

15 So I think the threshold,
16 reducing it to 50,000, would open it up
17 to a lot more businesses, not only the
18 larger businesses, but we think that some
19 smaller businesses that are -- that have
20 the capacity for a \$50,000 type of level
21 would be able to join in, therefore
22 broadening the scope of businesses that
23 would like to participate and support
24 their community development corporations.

25 COUNCILMAN JONES: And a lot of

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2 these community development corporations
3 are, in effect, synergistic to
4 development in their respective areas by
5 providing certain services through these
6 partnerships and able to stimulate more
7 business development based on their
8 existence and involvement.

9 MR. DOW: Absolutely. The work
10 of the CDCs and their involvement in all
11 of our neighborhoods along the commercial
12 corridors and creating a more inviting
13 place and improving the fabric of the
14 business corridors result in more people
15 wanting to come, which generates the
16 economic activity that is the cyclical
17 effect that these businesses then take
18 advantage of themselves and starts the
19 whole trickle-down type of philosophy
20 that if do this, then these other things
21 will come along with it.

22 And as the program has
23 demonstrated that, we feel very, very
24 confident about that. And so, yeah, I
25 would absolutely say yes in that regard.

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2 COUNCILMAN JONES: Thank you,
3 Mr. Chairman.

4 COUNCILMAN GOODE: Thank you,
5 Councilman.

6 Other questions from any other
7 members of the committee?

8 (No further questions.)

9 COUNCILMAN GOODE: Thank you,
10 gentlemen.

11 Our next three witnesses are:

12 Gina Snyder, East Falls
13 Development Corporation.

14 I don't see John McDonald from
15 Impact Services.

16 I don't see Bill Salas. Is
17 there someone from HACE?

18 Cicely Peterson-Mangum, Logan
19 CDC.

20 And John Ungar of Mt. Airy
21 Revitalization Corporation.

22 (Witnesses come forward.)

23 COUNCILMAN GOODE: Please state
24 your name for the record and proceed with
25 your testimony. Good afternoon.

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2 MS. SNYDER: My name is Gina
3 Snyder. I'm the Director of the East
4 Falls Development Corporation, and I am
5 here to testify in support of this
6 amendment.

7 Thank you very much for this
8 opportunity to allow me to testify.
9 Also, I want to note that East Falls
10 Development Corporation is in the 4th
11 Councilmatic District, and I want to
12 thank Councilman Jones for his support of
13 us.

14 We are currently in the program
15 with our partner, the Pep Boys, and this
16 program has made sense to really attract
17 private-sector investment into our
18 neighborhood to give long-term benefits
19 for the City and expand the City's tax
20 base.

21 Even in this economy, we have
22 had several new businesses open up in
23 East Falls that I am working on. We've
24 also had two new current businesses that
25 are taking the opportunity to expand and

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2 improve their business. We've helped
3 them with marketing in the area, finding
4 properties, and marketing their
5 businesses more widely.

6 We also work with existing
7 businesses on events, marketing, and
8 resolving issues with government
9 relations. We've moved our streetscape
10 project forward, we've undertaken a
11 feasibility study for a business
12 improvement district, and we've done
13 large-scale events for the neighborhood,
14 and done other work to support our local
15 businesses.

16 All of this is due to Business
17 Privilege Tax Credit Program, and we are
18 very thankful for it and think that it
19 has been very effective.

20 Allowing some modification of
21 the program really makes sense because
22 letting two businesses meet the goal of a
23 \$100,000 will engage more businesses to
24 partner with community development
25 corporations.

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2 Our partner, the Pep Boys, has
3 assisted us in non-monetary ways. They
4 have committed staff to work on us, they
5 serve on the board, and they've done
6 other non-monetary contributions to us
7 and to the neighborhood as a result of
8 their participation in the program.

9 The downturn in the economy has
10 lowered sales for businesses and, thus,
11 has lowered the business privilege tax
12 obligation to the City. This may
13 threaten future participation of
14 businesses in the program because of the
15 downturn. And because the downturn has
16 shown how difficult it can be to make
17 such a long-term ten-year commitment, the
18 flexibility in this bill will enable us
19 to continue our neighborhood economic
20 development efforts in this economic
21 climate.

22 And the change will also enable
23 our continued participation in the
24 program when our business partner's
25 ten-year agreement expires.

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2 So we are strongly in support
3 of the bill and thank you for the
4 amendments introduced.

5 COUNCILMAN GOODE: Thank you
6 for your testimony.

7 Good afternoon. Please state
8 your name for the record and proceed with
9 your testimony.

10 MS. MANGUM: Good afternoon.
11 My name is Cicely Peterson Mangum. I am
12 the Executive Director of Logan Community
13 Development Corporation, and I want to
14 thank you, Chairman Goode and members of
15 the committee, for the opportunity to
16 testify today.

17 I am here to express Logan
18 CDC's strong support of Bill No. 090353,
19 which will expand access to the CDC Tax
20 Credit Program for businesses and
21 community depositions corporations.

22 Logan CDC, formally known as
23 Logan Assistance Corporation, opened its
24 doors in July of 2008. Our mission is to
25 enhance the quality of life for residents

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2 and businesses through a broad range of
3 revitalization efforts, including
4 transformative community development,
5 residential housing programs, and
6 community-focused education and
7 organizing.

8 We have accomplished a lot and
9 have made significant contributions to
10 the Logan neighborhood in a short period
11 of time. After years of silence, our
12 neighborhood finally has a strong,
13 unified voice. The momentum is strong
14 and continues to build. So the time is
15 ripe to seek partners that will support
16 our core operations so that we can
17 continue to deliver services and enhance
18 our programs.

19 To date, our key initiatives
20 have included the following:

21 The Logan Neighborhood Advisory
22 Committee promoting collaboration and
23 cooperation among Logan CDC, the City of
24 Philadelphia, residents, area businesses,
25 and community leaders;

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2 A commercial corridor face lift
3 for the 4800 to 5,000 blocks of North
4 Broad Street;

5 Free application assistance to
6 low- and moderate-income residents
7 seeking federal and state tax credits
8 through the Benefit Bank;

9 A community technology center
10 providing Logan residents free computer
11 and Internet access;

12 A comprehensive commercial
13 corridor revitalization program and plans
14 for a mixed-use real estate development
15 project in the Logan Urban Renewal Area.

16 Logan CDC is seeking a tax
17 credit partner to assist with our
18 neighborhood economic development
19 efforts. Funding through the tax credit
20 partnership will provide a reliable and
21 flexible stream of revenue to help us
22 build our organizational capacity and
23 support our operations. With only one
24 year of guaranteed funding remaining, we
25 have reached a critical point in our

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2 growth, where we urgently need the
3 support of a tax credit partner.

4 The CDC Tax Credit Program is
5 an investment in our communities. To
6 date, the program has leveraged tens of
7 millions of dollars in public and private
8 investment to bolster neighborhood
9 economies and grow the City's tax base.

10 CDC tax credits funds are used
11 to support the strengthening of our
12 neighborhood commercial corridors,
13 helping startup businesses with site
14 selection, marketing and business plans,
15 providing technical assistance, marketing
16 a neighborhood's assets, and helping
17 local residents obtain jobs. All of the
18 foregoing initiatives have resulted in
19 significant positive economic impact on
20 the communities that are currently
21 participating in the program -- or the
22 CDCs, rather.

23 To date, Logan CDC has met with
24 three potential tax-credit partners.
25 Enthusiastic about the prospect of such a

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2 partnership, each business saw the value
3 of making such an investment and agreed
4 it was a win/win. Unfortunately, the
5 conversation ended when they learned of
6 the \$100,000 threshold. Neither business
7 had sufficient business privilege tax
8 liability to enter a ten-year
9 partnership.

10 Given our recent challenges in
11 finding a tax credit partner that can
12 meet the threshold, the introduction of
13 today's bill is timely. The proposed
14 bill will allow greater participation by
15 a broader range of businesses operating
16 in the City that may not generate the
17 required tax liability but share the same
18 commitment to supporting the work of
19 CDCs. Additionally, with a predictable
20 funding stream, CDCs can continue to plan
21 and implement neighborhood economic
22 activities with confidence.

23 I want to thank you, Councilman
24 Goode, for creating such an innovative
25 solution to the fiscal challenges that

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2 CDCs face and for introducing this recent
3 bill that will enhance the Tax Credit
4 Program.

5 I also want to thank all of you
6 members of the committee for investment
7 in the work of CDCs and your support of
8 this legislation. The City of
9 Philadelphia's fortunate to have such
10 innovative and progressive leadership.

11 To conclude, I'd like to thank
12 you again for your time, attention, and
13 interest. Community housing and economic
14 development initiatives are important
15 vehicles for continued growth and
16 stability in our neighborhoods, and I
17 welcome any opportunity to continue this
18 conversation.

19 Thank you.

20 COUNCILMAN GOODE: Thank you
21 for your testimony.

22 Good afternoon. Please state
23 your name for the record.

24 MR. UNGAR: Good afternoon. My
25 name is John Ungar, and I'm the Executive

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2 Director of Mt. Airy Revitalization
3 Corporation.

4 First, I want to thank
5 Councilman Goode and the rest of the
6 Councilmembers for providing all of this
7 opportunity to testify on behalf of Bill
8 No. 090353 to expand the City's CDC Tax
9 Credit Program.

10 First, I want to start by
11 thanking you for the original
12 legislation, which established the CDC
13 Tax Credit Program. It's been one of the
14 most valuable tools in sustaining the
15 efforts of CDCs.

16 As you may know, there are very
17 few places where CDCs can turn to to find
18 operational dollars. Most private
19 foundations will only fund -- provide
20 grants for programs or projects. Very
21 few will pay for any administrative costs
22 not related directly to those projects.

23 Securing these operating
24 dollars has always been difficult, but in
25 these difficult times it's been much

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2 harder. So the time is ripe now for a
3 bill like this to really help us find
4 these scarce dollars.

5 I won't go into all of the
6 benefits of the Tax Credit Program
7 because PACDC already documented that
8 pretty thoroughly in their October 2008
9 report, "Expanding Economic Opportunities
10 and Revitalizing Neighborhoods." But I
11 do want to point out that in that report,
12 PACDC encouraged the expansion of the
13 program, and they specifically mentioned
14 our organization, Mt. Airy Revitalization
15 Corporation, as well as some of my peers
16 here as, you know, organizations that
17 would really benefit by the expansion of
18 the program.

19 Mt. Airy Revitalization
20 Corporation is a relatively new CDC;
21 we're a little over a year old. And we
22 currently do not have a tax credit
23 partner. We've reached out to a number
24 of potential partners, and the current
25 threshold of a \$100,000 commitment

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2 annually for ten years makes it extremely
3 difficult. We have not found anybody who
4 has that liability willing to partner
5 with us.

6 However, by allowing CDCs to
7 work with two corporations, this really
8 opens up some opportunities. We're
9 actually in discussions with one
10 corporation that's fairly interested at
11 the \$50,000 level for ten years. While
12 it doesn't get us there completely, at
13 least the goal is now in sight, and we
14 feel that it's a possibility.

15 Now, I've spent the first part
16 of the testimony talking about how this
17 benefits us, but now I want to tell you
18 why this benefits the City, which is,
19 obviously, more important.

20 CDCs have played a vital role
21 in revitalizing Philadelphia's
22 neighborhoods. We do this through a
23 number of different ways, depending on
24 what suits our neighborhood -- developing
25 affordable housing, housing counseling,

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2 workforce development, community
3 organizing, economic development,
4 small-business assistance; and this is
5 just to name a few of the activities we
6 all engage in.

7 Expanding the CDC Tax Credit
8 Program to invest in supporting CDCs is
9 to invest in the City's neighborhoods,
10 residents, and small businesses.

11 In our neighborhood, in East
12 Mt. Airy, we've helped revitalize the
13 Wadsworth Avenue Commercial Corridor a
14 little bit over a year. Thanks to
15 support from elected officials at both
16 the State and City, we've transformed
17 Wadsworth with a major streetscape
18 improvement project as well as providing
19 assistance to several businesses who need
20 storefront improvement.

21 The result is not just a
22 prettier neighborhood; the result is an
23 increase in the surrounding values of the
24 properties. The result is an increase in
25 sales for our businesses. The result is

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2 more shoppers coming to our neighborhoods
3 rather than going to the competing malls
4 in Montgomery County across the border.

5 The result is also businesses
6 that we've helped secure grants for
7 investing their own money into their
8 businesses, investing in the City. All
9 of this benefits our neighborhoods and
10 benefits the City.

11 So, in conclusion, in order to
12 strengthen the City's neighborhoods, CDCs
13 need this type of flexible funding.
14 Therefore, I encourage you to pass this
15 legislation and expand the CDC Tax Credit
16 Program.

17 COUNCILMAN GOODE: Thank you
18 again for your testimony.

19 Are there questions for any of
20 these witnesses?

21 (No questions.)

22 COUNCILMAN GOODE: Thank you.

23 PANEL MEMBERS: Thank you.

24 COUNCILMAN GOODE: Paul
25 Aylesworth, Korean Community Development

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2 Services Center.

3 (Witness comes forward.)

4 COUNCILMAN GOODE: And Matthew
5 Walker, Wynnefield Overbrook
6 Revitalization Corporation.

7 (Witness comes forward.)

8 COUNCILMAN GOODE: Good
9 afternoon. Please state your name and
10 continue with your testimony.

11 MS. BISHOP: I'm Barbara
12 Bishop, and I am here representing the
13 Korean Community Development Services
14 Center, which is a multi-service CDC
15 agency in the Olney section of
16 Philadelphia, and I'm here to voice our
17 support of the proposed bill to modify
18 the CDC Tax Credit Program.

19 And I would first like to thank
20 Councilman Goode for his support of this
21 from the very beginning and especially
22 for bringing this latest recommendation.

23 Our agency has been in
24 operation since 1984, giving support to
25 business centers and community residents

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2 in various ways since our inception. In
3 2006, we received funding with the
4 support of our councilwoman, Marian
5 Tasco, through the City's Commerce
6 Department, allowing us to initiate a
7 project for the revitalization of our
8 commercial corridor. This corridor area
9 on North Fifth Street, radiating from the
10 intersection with Olney Avenue, has over
11 200 establishments and is a vibrant
12 pedestrian- and public-transit-friendly
13 shopping area.

14 For the first two years, I and
15 a volunteer advisory board were the only
16 people doing the work. In 2008, we were
17 fortunate to hire a corridor manager,
18 Paul Aylesworth, a graduate of Penn's
19 Urban Planning Department.

20 Our work has progressed, albeit
21 slowly, with a two-person office,
22 reorganizing the business association,
23 providing a daily cleaning service,
24 assisting businesses in securing the
25 required licensing for their businesses

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2 and their signage, providing technical
3 assistance through workshops, and
4 one-to-one meetings, organizing a holiday
5 marketing event, and providing business
6 services. We are like a one-man band.

7 We develop the strategy
8 networking with resource providers
9 providing services and supporting our
10 entrepreneurs, encouraging those who want
11 to open new businesses -- and we've seen
12 a big, big increase in that during this
13 economic downturn -- and, of course,
14 constantly chasing the next funding
15 opportunity.

16 Last fall, we were informed by
17 the Philadelphia Association of CDC
18 Organizations that the Tax Credit Program
19 was being opened to an additional five
20 organizations. We also learned that the
21 Korean Center was identified as one of
22 eight that could benefit from the
23 expansion of this program; and we, of
24 course, agree.

25 The benefit of having a secure

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2 funding source for a ten-year period is
3 immeasurable. You've heard from others
4 why that's so important, because of the
5 difficulty in funding our operating
6 expenses.

7 Secure ten-year funding to an
8 organization providing services in a
9 disadvantaged neighborhood, especially
10 through business development and
11 neighborhood improvement, which then, in
12 turn, can provide new jobs is a win/win
13 for the City, the neighborhood, and the
14 CDC.

15 Secure funding allows the CDC
16 to develop a longer strategy, provide
17 better services, and implement a
18 neighborhood plan more efficiently. The
19 impact to a commercial corridor and its
20 surrounding residents is more than
21 physical, more than economic; it lifts
22 the whole soul of a neighborhood,
23 creating a better place to live, work,
24 and play so that people can honestly say,
25 This is my community, I live here, I work

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2 here, I am responsible for what happens
3 here.

4 And that's exactly why I got
5 involved in this in 2006. I've lived in
6 the community for, oh, I think, maybe 47
7 or 48 years now.

8 Since we were informed of this
9 opportunity, we have been identifying and
10 meeting with possible partners in order
11 to take advantage of this program. The
12 main problem we have encountered in our
13 attempt has been to identify a partner
14 organization that has a yearly BPT
15 liability of a \$100,000. Through the
16 passage of this bill, a much larger
17 audience will be opened up to us as
18 possible partners.

19 Although we have considerable
20 knowledge of large corporations and
21 partnerships in the City, there is no way
22 of determining who is eligible, short of
23 meeting with them. We have found that we
24 often end up at a dead-end with a
25 possible corporation having a large staff

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2 in the City but not actually having their
3 products sold here, with none or an
4 insufficient amount of BPT being owed.

5 Being provided with a list of
6 possible partners would be invaluable in
7 finding our partner. We can share our
8 stories, we can show the need in our
9 neighborhood, we can show the positive
10 outcomes and successes when we're given
11 the right audience.

12 We thank you for expanding the
13 CDC tax credit opportunity to the
14 additional five CDCs, and we encourage
15 you to continue this opportunity by
16 making this change, allowing us to
17 partner with two corporations.

18 And I thank you for your time
19 today.

20 COUNCILMAN GOODE: Thank you
21 for your testimony.

22 Mr. Walker, please state your
23 name for the record.

24 MR. WALKER: Good afternoon.
25 My name is Matthew Walker. I'm the

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2 Executive Director of the Wynnefield
3 Overbrook Revitalization Corporation in
4 Philadelphia. And I'm here today in
5 support of Bill No. 090353, which would
6 amend the City's CDC Tax Credit Program
7 to allow a CDC to partner with up to two
8 businesses that would share the tax
9 credit for the \$100,000 contribution.

10 We appreciate the ongoing
11 attention of the Commerce and Economic
12 Development Committee of the City
13 Council, especially issues concerning job
14 creation and increasing the tax base in
15 the City and the work being done with CDC
16 and neighborhood economic development.

17 The Wynnefield Overbrook
18 Revitalization Corporation is an emerging
19 effort conceived with stakeholders, along
20 with the St. Joseph's University, to
21 leverage public and private resources
22 toward improving the quality of life in
23 the adjacent neighborhood of Wynnefield
24 and Overbrook and to the boundaries of
25 the City Avenue Special Services

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2 District.

3 The Wynnefield Overbrook
4 Revitalization Corporation is focused on
5 commercial and retail economic
6 development, preserving single-family
7 housing opportunities and recreational
8 opportunities in Wynnefield and
9 Overbrook.

10 The CDC Tax Credit Program is a
11 smart investment that makes sense for
12 residents and the whole community. It
13 allows us to attract additional
14 private-sector investment for
15 neighborhood economic development, and it
16 will produce long-term benefits for the
17 City.

18 In our case, the evolution of
19 Wynnefield and Overbrook will depend
20 greatly on how we can integrate and
21 partner with significant establishments
22 like the St. Joseph's University and
23 especially with their vendors. This
24 credit will allow us to be successful in
25 engaging urban assets like higher

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2 education institutions as powerful
3 engines of competitive advantage and to
4 help further differentiate Philadelphia.
5 I believe this is extremely crucial when
6 courting both global companies and talent
7 to the City as well as nurturing
8 homegrown businesses.

9 You've heard today and
10 (indiscernible) agrees that the current
11 economic downturn warrants proposed
12 changes to the program's legislation to
13 help ensure its continued success. The
14 CDC tax credit will allow the Wynnefield
15 Overbrook Revitalization Corporation to
16 tap into a flexible funding source and to
17 increase our capacity to carry out
18 neighborhood economic development work.

19 The Wynnefield Overbrook
20 Revitalization Corporation is seeking to
21 develop and revitalize the North 54th
22 Street commercial corridor with facade
23 and streetscape treatments. Included in
24 this plan is the development of the Wynne
25 Ballroom at 2001 North 54th Street. We'd

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2 like to use conservatorship to work to
3 develop that property.

4 We also seek to develop a green
5 streetscape plan for public space
6 adjacent to the Acme warehouse along
7 Upland Way in order to create an inviting
8 gateway to the new Park Town West Center
9 and also to 54th Street.

10 In addition to partnering with
11 our other neighborhood-based
12 organizations, we would like to
13 facilitate the highest and best-use
14 developments along Lancaster, Lansdowne,
15 and on North 63rd Street.

16 I thank you for your attention,
17 your time, and your consideration in this
18 matter.

19 COUNCILMAN GOODE: Thank you
20 for your testimony.

21 Councilwoman Brown, followed by
22 Councilman Jones.

23 COUNCILWOMAN BROWN: Good
24 afternoon.

25 How old is the Wynnfield

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2 Overbrook Revitalization Corporation?

3 MR. WALKER: The Revitalization
4 Corporation was incorporated in 2005.
5 I've been there since January of this
6 year.

7 COUNCILWOMAN BROWN: And you
8 state in your testimony that one of your
9 goals or missions, or part of your
10 mission, is to preserve single-family
11 housing opportunities.

12 MR. WALKER: That is correct.

13 COUNCILWOMAN BROWN: Can you
14 discuss what those strategies or tactics
15 might be that would allow you to reach
16 that goal.

17 MR. WALKER: Yes. We've
18 identified properties and sources of
19 funding to tackle those challenges.
20 Currently, the Redevelopment Authority
21 has a neighborhood stabilization program.
22 We've also identified a targeted housing
23 preservation program that we would like
24 to bring to Wynnefield and to Overbrook.

25 COUNCILWOMAN BROWN: In

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2 addition to St. Joseph's University, who
3 else sits on the board? What other
4 institutions, I should say, sit on the
5 board?

6 MR. WALKER: The Board of the
7 Wynnefield Overbrook Revitalization
8 Corporation?

9 COUNCILWOMAN BROWN: Yes,
10 mm-hmm.

11 MR. WALKER: We currently have
12 a board comprised of representatives from
13 the St. Joseph's University, the
14 Overbrook Farms Club. We also partner
15 with the Wynnefield Residents
16 Association, among others.

17 COUNCILWOMAN BROWN: And so,
18 what are the boundaries?

19 MR. WALKER: Currently, we --
20 we are generally looking at areas of zip
21 codes 19151 and 19131, but we generally
22 focus on areas closer to the university
23 at this point.

24 COUNCILWOMAN BROWN: Oh, okay.
25 All right, then. Thank you for your

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2 testimony.

3 COUNCILMAN GOODE: Councilman

4 Jones.

5 COUNCILMAN JONES: Thank you,

6 Mr. Chairman.

7 Mr. Walker, first, thank you

8 for your service to the district, the 4th

9 District in your prior capacity over at

10 Allegheny West and some of the fine work

11 you did over there both on commercial and

12 housing rehabilitation on the northern --

13 North Philly side of my district so --

14 and welcome to your new responsibilities.

15 For full disclosure,

16 Mr. Chairman, the Mayor, Mayor Nutter,

17 and myself were on the board of this

18 corporation for one day, and we resigned

19 because of the potential conflict of

20 interest, but it was a great day to have

21 served on that board for one day.

22 (Laughter.)

23 MR. WALKER: I agree.

24 COUNCILMAN JONES: And if I

25 could add some points to your inquiry,

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2 it -- the corporation kind of came out of
3 a effort from Congressman Brady, a lot of
4 the elected officials, the now-Mayor
5 wanting to kind of fill a void for
6 economic development in the Overbrook
7 Wynnefield area and making a strategic
8 partner out of the university, St. Joe's
9 University, and Father Lannon over there
10 is a key stakeholder in that regard.

11 And in a short period of time,
12 they've managed to make an impression on
13 the landscape of Overbrook and Wynnefield
14 by pulling together some groups,
15 inclusive of the Wynnefield Residents
16 Association, Overbrook Farms, and others
17 that heretofore had not talked to one
18 another.

19 One of the other aspects of
20 it -- and I'm another -- I think 18 years
21 before I am a "Fallser," but I am a
22 lifelong member of that 54th Street strip
23 that you're dedicating. And the Wynne
24 Ballroom is, like, one of the icons of
25 that neighborhood. And when they decided

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2 to take on that task, I got really
3 excited, along with the Kirschner site,
4 which I won't talk about too much yet
5 until we do a ribbon-cutting.

6 But I've taken a cursory look
7 at some of their plans and, not to
8 mention things like a athletic league,
9 that is sorely needed in that area.

10 My question to you would be:
11 What -- I mean, you're right in the area,
12 you're working with City Avenue Special
13 Services District. What kind of
14 prospective impact will this legislation
15 have on your ability to be sustainable
16 over time?

17 MR. WALKER: Well, just like
18 you said, sustainability is key right
19 now. We would like to bring a planner
20 onboard because planning that process is
21 very important to convince funders of
22 what we'd like to accomplish.

23 We'd also like to be able to
24 bring in additional staff. I'm a one-man
25 show at this point, and what we would

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2 like to be able to do is to create that
3 capacity within the organization to
4 further our agenda.

5 COUNCILMAN JONES: Thank you,
6 Mr. Chair.

7 COUNCILWOMAN BROWN: A
8 follow-up, Mr. Chairman.

9 COUNCILMAN GOODE: Councilwoman.

10 COUNCILWOMAN BROWN: To the
11 notion, then, of seeking to grow and
12 expand, it would be my recommendation
13 that you look to a potential partner,
14 Penn Memorial Baptist Church, which is a
15 large anchor, a religious anchor, in that
16 community that has a business center
17 there and is interested always in how it
18 can be a stronger partner with any and
19 everything that's happening in that
20 community.

21 MR. WALKER: I spoke this
22 morning with a trustee from Penn Memorial
23 today. She explained to me the situation
24 there, and we're also working on some
25 type of agreement so that we can work

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2 together to move that forward also.

3 COUNCILWOMAN BROWN: And for
4 the record, and also in the interest of
5 full disclosure, I'm a member of Penn
6 Memorial Baptist Church and know full
7 well that they've been looking to
8 strengthen their relationship in the
9 community.

10 So that's great news. Thank
11 you.

12 MR. WALKER: You're welcome.

13 COUNCILMAN GOODE: Councilman
14 Jones.

15 COUNCILMAN JONES: A point of
16 information.

17 For the record, what
18 Councilmatic District would your CDC be
19 in again?

20 MR. WALKER: That would be in
21 the 4th Councilmatic District.

22 COUNCILMAN JONES: Okay. I
23 thought you didn't hear him.

24 (Laughter.)

25 COUNCILMAN GOODE: Are there

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2 any other questions for this panel?

3 (No further questions.)

4 COUNCILMAN GOODE: Thank you
5 very much.

6 MR. WALKER: Thank you.

7 COUNCILMAN GOODE: Is there
8 anyone else to testify on this bill?
9 Please come forward.

10 (Witness comes forward.)

11 COUNCILMAN GOODE: Good
12 afternoon. Please state your name for
13 the record.

14 MS. MARTIN: Good afternoon,
15 Mr. Chairman and members of Council. My
16 name is Patty Martin, and I am the
17 Director of Government and Community
18 Relations at St. Joseph's University.

19 I thank you for the opportunity
20 to testify today in support of City
21 Council Bill 090353, introduced by
22 Councilman Wilson Goode. I would like to
23 bring focus to the newly-formed and
24 still-growing Wynnefield Overbrook
25 Revitalization Corporation, also known as

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2 WORK.

3 This amended Tax Credit Program
4 will bring unlimited opportunities to
5 this important community partner. WORK
6 will help the neighborhoods of Wynnefield
7 and Overbrook continue to grow through
8 economic support and programs. These two
9 neighborhoods are important links along
10 the City Avenue corridor.

11 St. Joseph's University has a
12 vested interest in the success of WORK as
13 well as the growth of our community. As
14 an anchor between the two neighborhoods
15 our faculty, staff, and students live,
16 travel, and shop in Wynnefield and
17 Overbrook.

18 Community is important to the
19 university. We are good neighbors and
20 continue to support the efforts to
21 strengthen and build the areas
22 surrounding our school. Allowing this
23 CDC to partner with multiple businesses
24 in the community can only produce
25 positive results.

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2 The university currently has
3 business relationships with many
4 corporations who may be happy to partner
5 with the CDC. Imagine the possibilities.
6 Wynnefield and Overbrook would benefit
7 from the local access to goods, services,
8 and jobs, and these vibrant community
9 would continue to be desirable places to
10 live, work, and shop. Our CDC works
11 closely with our councilman, Curtis
12 Jones, to ensure success.

13 The City Avenue corridor is
14 also an important link between the
15 Philadelphia and Montgomery and Delaware
16 Counties. Our neighboring suburban
17 communities see the benefit of a strong
18 and vibrant city.

19 Most CDCs struggle with
20 sustainability and operating costs. This
21 Tax Credit Program makes sense in this
22 difficult economy. Businesses get to be
23 partners, CDCs are able to advance their
24 agendas, and the City of Philadelphia
25 remains strong and attractive. With

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2 financial support from tax credit
3 funding, programs grow, people become
4 civically engaged, partnerships are
5 formed, and everyone wins.

6 Long-term funding seems to make
7 the most sense. We all know how
8 difficult startup operations are and how
9 long it can take for organizations to
10 become established. This gives the
11 partners an ample window of time to set
12 priorities and action plans.

13 In closing, I strongly urge you
14 to support Bill No. 090353. Our
15 neighborhoods, our communities are the
16 backbone of this city.

17 Former First Lady Eleanor
18 Roosevelt once said, "You are a great
19 person as long as you are the factor that
20 keeps the community doing the right
21 thing."

22 CDCs are instrumental in
23 helping neighborhoods remain healthy,
24 enduring, and energetic. Do the right
25 thing. They need your support to

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2 succeed.

3 Thank you.

4 COUNCILMAN GOODE: Thank you
5 for your testimony.

6 MS. MARTIN: You're welcome.

7 COUNCILMAN GOODE: Are there
8 questions for this witness?

9 (No questions.)

10 COUNCILMAN GOODE: Thank you
11 very much.

12 MS. MARTIN: Thank you.

13 COUNCILMAN GOODE: Is there
14 anyone else to testify on this bill?

15 (No response.)

16 COUNCILMAN GOODE: Seeing none,
17 we will move to the next bill, 090012,
18 the new Job Creation Tax Credit, and our
19 first witness is Keith Richardson,
20 Revenue Commissioner.

21 (Witness comes forward.)

22 COMMISSIONER RICHARDSON: Good
23 afternoon.

24 COUNCILMAN GOODE: Good
25 afternoon, Commissioner.

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2 COMMISSIONER RICHARDSON: All

3 right. Good afternoon, Chairman Goode
4 and members of Council Community on
5 Commerce and Economic Development. I am
6 Revenue Commissioner Keith J. Richardson.
7 I'm here to testify on Bill No. 090012,
8 which proposes a new tax incentive, the
9 new Philadelphia Job Creation Tax Credit
10 against the business privilege tax.

11 As you know, the current global
12 economic crisis has dealt a devastating
13 blow to Philadelphia and other cities
14 across the nation. Businesses are
15 closing, workers have lost their jobs,
16 and the cities' tax revenues are
17 shrinking. Given this tremendous
18 upheaval, it is clear that the City must
19 take action to attract and grow jobs in
20 Philadelphia.

21 I am -- I and the
22 Administration applaud you for seeking to
23 further stimulate job growth in
24 Philadelphia. Currently, the City of
25 Philadelphia offers the Job Creation Tax

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2 Credit, or the JCTEC. The JCTEC is
3 administered by the Department of Revenue
4 and provides approved companies with a
5 nonrefundable tax credit against their
6 business privilege tax for the creation
7 of certified new jobs in the City of
8 Philadelphia.

9 Application forms and
10 procedures were developed and
11 incorporated in the amendments to the
12 business privilege tax regulations, which
13 became effective at midnight, on March
14 23rd of 2003.

15 The Job Creation Tax Credit
16 Program offers credits against the firm's
17 business privilege tax liability if they
18 create either 25 new jobs or increase the
19 number of employees by at least 20
20 percent within five years of the
21 designated start date.

22 If the Department of Revenue is
23 satisfied that the appropriate number of
24 jobs has been created, then the
25 Department issues a certificate stating

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2 the amount of credit the firm is entitled
3 to -- either \$1,000 or 2 percent of the
4 annual wages for each job.

5 Bill No. 090012 creates a new
6 similar program to incentivize job
7 creation, but with higher credit
8 amounts -- \$3,000 for tax years 2010 and
9 2011, in light of the challenging
10 business environment. We share your view
11 that a higher credit amount is warranted
12 during this period of economic distress.

13 To ensure that the Department
14 of Revenue can quickly and efficiently
15 implement a program to offer larger
16 incentives for this period of time, we
17 respectfully submit an amendment to the
18 bill, which will adjust the current
19 program rather than creating a new
20 stand-alone tax credit. This will allow
21 for a quick and seamless implementation
22 in order to accomplish the goal and
23 vision in your legislation.

24 Amending the current JCTEC will
25 maintain all of the safeguards and

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2 procedures of the existing program,
3 reducing the administrative burden on the
4 Department of Revenue, businesses, and
5 tax professionals. We recommend that the
6 new approved applicants to the existing
7 program to create jobs certified by the
8 Department of Revenue in tax years 2007
9 and 2011 will be eligible for a \$3,000
10 tax credit or 2 percent of the salary
11 paid for the new position.

12 We also request that the due
13 date for the annual report for this
14 program be changed from December 31st to
15 July 31st each year. The Department of
16 Revenue does not have information about
17 the prior year on December 31st, as
18 businesses participating in this program,
19 like all businesses, are not required to
20 file their taxes until April 15th.

21 A later date would ensure that
22 the Department of Revenue has the needed
23 information to prepare the report. This
24 will provide the Department of Revenue
25 sufficient time to receive process and

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2 analyze necessary tax files.

3 Thank you, and I'm happy to
4 answer any questions.

5 COUNCILMAN GOODE: Thank you
6 for your testimony, Commissioner.

7 Only one question. And it's
8 half a joke, half not a joke. Does that
9 mean that we will get a report on July
10 1st of 2009?

11 COMMISSIONER RICHARDSON: Say
12 that again?

13 COUNCILMAN GOODE: Does that
14 mean that we will get a report on July
15 1st of 2009, or we will be waiting until
16 July 1st of 2010?

17 COMMISSIONER RICHARDSON: It
18 would be probably 2010 unless this bill
19 was approved.

20 COUNCILMAN GOODE: Okay. Thank
21 you.

22 Are there questions from
23 members of the committee?

24 (No questions.)

25 COUNCILMAN GOODE: Is there

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2 anyone else to testify on this particular
3 bill?

4 (No response.)

5 COUNCILMAN GOODE: Seeing none,
6 we will move to the last bill to be
7 considered, Bill No. 090389 on Main
8 Street funding.

9 Our first witness is Andrew
10 Frishkoff, Commerce Department.

11 (Witness comes forward.)

12 MR. FRISHKOFF: Good afternoon,
13 Mr. Chairman and members of City Council.

14 Thank you for the opportunity
15 to testify today. My name is Andrew
16 Frishkoff. I'm the Director of
17 Neighborhood Economic Development for the
18 Philadelphia Commerce Department.

19 I'm here to provide testimony
20 regarding Bill No. 090389 regarding an
21 application to the Pennsylvania
22 Department of Community and Economic
23 Development for Main Street Funds.

24 Pennsylvania's Main Street
25 Manager Program is a component of DCED's

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2 new Communities Program. It uses State
3 funds to help economic development of a
4 community shopping district by funding
5 local Main Street organizations dedicated
6 to revitalization efforts. Main Street
7 is a community-driven, comprehensive
8 methodology used to revitalize older,
9 traditional business districts throughout
10 the United States.

11 The National Main Street
12 Center's four-point approach to
13 commercial corridor revitalization
14 includes: Organization, economic
15 restructuring, promotion, and design.
16 Philadelphia has added a fifth point:
17 public safety.

18 For the past four years, DCED
19 has contracted with the City of
20 Philadelphia's Commerce Department to
21 provide Main Street activities in
22 neighborhood shopping areas. The City's
23 Main Street activities are part of its
24 Restore Philadelphia Corridors Program
25 that seeks to revitalize neighborhood

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2 commercial corridors throughout the City
3 and reestablish their historic roles as
4 central places to shop, to work, and to
5 meet neighbors.

6 To date, the City has received
7 \$1.65 million in DCED Main Street
8 funding. For the past four years, the
9 Commerce Department has subcontracted
10 with the following four organizations to
11 serve as Main Street managers: Allegheny
12 West Foundation, Frankford CDC, Mt. Airy
13 USA, and People's Emergency Center CDC.

14 For the past three years, the
15 Commerce Department has subcontracted
16 with two additional organizations: HACE
17 and East Passyunk Business Improvement
18 District.

19 A year ago, the Commerce
20 Department entered into Main Street
21 subcontracts with the Chinatown
22 Development Corporation and the
23 University City District.

24 Collectively, the Main Street
25 groups have reported the following

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2 establishments from 2005 to date:

3 85 net new businesses on their
4 corridors, with 542 new employees;

5 128 vacant storefronts
6 occupied, and a collective vacancy rate
7 lowered from 19 percent to 12 percent;

8 116 facades improved;

9 And a reported \$7 million in
10 private investment leveraging our funds.

11 In order to allow these Main
12 Street groups to continue their
13 accomplishments, I respectfully request
14 that you authorize the Commerce
15 Department to file a new application to
16 DCED for Main Street funds that would be
17 available in the upcoming fiscal year.

18 Thank you for the opportunity
19 to testify today.

20 COUNCILMAN GOODE: Thank you
21 for your testimony.

22 Any questions from members of
23 the committee?

24 Councilman Green.

25 COUNCILMAN GREEN: I apologize,

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2 Mr. Frishkoff for not having been briefed
3 or aware of this issue you just on
4 testified before today, but are we being
5 asked to give approval for an application
6 right now?

7 COUNCILMAN GOODE: (Nods head.)

8 COUNCILMAN GREEN: Have you
9 determined what CDCs are getting the
10 money, how much, or what is the -- at
11 what stage are you in the entire process?

12 MR. FRISHKOFF: We are simply
13 at the stage of the application. We've
14 been, at this point, allowed to apply for
15 up to \$500,000 for the upcoming fiscal
16 year. We've laid out a budget that's
17 larger than that because, often DCED
18 wants to see our plans for multiple
19 years, but we've been tapped at \$500,000.

20 Under the State program, we can
21 subcontract up to \$50,000 per Main Street
22 organization. Those eight groups I
23 mentioned are the current groups. Each
24 of them can receive up to \$50,000 for a
25 Main Street manager position, and they

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2 can receive up to \$25,000 for façade and
3 related physical improvements to their
4 corridors.

5 The application to DCED does
6 not specify that we are applying on
7 behalf of these groups. We have to
8 review their performance year-to-year and
9 determine whether they maintain
10 eligibility.

11 And an additional note beyond
12 your question, Councilman, is that the
13 original four groups will, if you will,
14 graduate at the end of this upcoming
15 fiscal year, and we would be able to
16 obtain new State funds and be looking for
17 additional new groups to enter the
18 program.

19 COUNCILMAN GREEN: Okay. Has a
20 copy of application been provided to us?

21 MR. FRISHKOFF: I believe that
22 that was transmitted. If not, we can
23 make that available.

24 COUNCILMAN GOODE: Please make
25 it available through the Chair.

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2 Any further questions?

3 COUNCILMAN GREEN: Yeah. I

4 mean, I don't -- frankly, I have to keep
5 making this point in every single thing
6 that comes before us.

7 I am not going to vote for
8 something I haven't seen. It has not
9 been provided, and I don't think it's
10 appropriate for us to vote on something
11 that has not been presented to us.

12 And you're asking us to approve
13 an application you haven't provided to
14 us. And I'm sure I'll look at the
15 application and I'll say it's fine.

16 MR. FRISHKOFF: Mm-hmm.

17 COUNCILMAN GREEN: Or I have no
18 comment or answer this question or -- but
19 still, it's just a question of, you know,
20 providing the proper respect and notice
21 to a co-equal branch of government.

22 MR. FRISHKOFF: Understood.

23 COUNCILMAN GOODE: Any other
24 questions?

25 (No further questions.)

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2 COUNCILMAN GOODE: Seeing none,
3 is there anyone else to testify on this
4 bill?

5 (No response.)

6 COUNCILMAN GOODE: Anyone else
7 to testify on any of these bills?

8 (No response.)

9 COUNCILMAN GOODE: Then we will
10 move from our public hearing into a
11 public meeting to consider Bills No.
12 090012, 090353, and 090389.

13 To give a summary, there are
14 two amendments to Bill No. 090012 that
15 allows for a \$3,000 tax credit for Years
16 2010 and 2011. That legislation
17 originally was introduced as a separate
18 program. Instead, that program is being
19 put into the original program, with a
20 provision that allows for a \$3,000 tax
21 credit for two years.

22 Bill No. 090353 is also an
23 amendment that simply changes the
24 reporting requirement date.

25 And Bill No. 090389, I will

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2 note for the record, addressing
3 Councilman Green's concern, that I will
4 definitely make sure the members of the
5 committee have a copy of the application
6 before we vote on it. I'm asking for a
7 vote on it today.

8 And we actually will not take a
9 final vote on this bill. The earliest
10 possible date is June 11th, three weeks
11 from today.

12 So with that said, the Chair
13 recognizes Councilwoman Brown for an
14 amendment to Bill No. 090012.

15 COUNCILWOMAN BROWN: Thank you
16 Mr. Chair. I offer a motion that Bill
17 No. 090012 -- I offer an amendment to
18 Bill No. 090012.

19 (Motion duly seconded.)

20 COUNCILMAN GOODE: All in
21 favor?

22 Those opposed?

23 The ayes have it.

24 The Chair recognizes
25 Councilwoman Brown for a motion on Bill

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2 No. 090012, as amended.

3 COUNCILWOMAN BROWN: Thank you,
4 Mr. Chairman.

5 I move that Bill No. 090012, as
6 amended, be moved out of committee, with
7 a favorable recommendation.

8 COUNCILMAN GREEN: I'd like to
9 speak on the bill.

10 I just want to commend you,
11 Mr. Chairman, for your work on the
12 business tax credits and your work that
13 you've done with tax credits creating
14 jobs, not just this measure but with
15 every other measure. And I want to thank
16 you for allowing me to cosponsor this
17 with you.

18 COUNCILMAN GOODE: Thank you
19 for your cosponsorship.

20 COUNCILMAN JONES:
21 Mr. Chairman, I too would like to echo my
22 colleague's comments on your leadership
23 on this and consistency.

24 I would also like to say that
25 I've seen its good works and I know it

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2 can make a difference in a neighborhood,

3 and I try to get that on the record, but

4 seeing is better than even testifying.

5 And I'm thankful for your efforts on

6 this.

7 COUNCILMAN GOODE: There has

8 been a motion on Bill 090012, as amended,

9 that it be reported out of committee,

10 with a suspension of the rules to allow

11 for first reading at our next session of

12 Council.

13 (Motion duly seconded.)

14 COUNCILMAN GOODE: There's a

15 second. All in favor?

16 Those opposed?

17 The ayes have it.

18 And Bill No. 090012, as

19 amended, is reported out of committee

20 with a favorable recommendation and a

21 suspension of the rules to allow for

22 first reading at our next session of

23 Council.

24 The Chair now recognizes

25 Councilwoman Brown for a motion on the

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2 amendment to Bill No. 090353. The

3 amendment has been circulated.

4 COUNCILWOMAN BROWN:

5 Mr. Chairman, I move that Bill No. 090 --

6 that an amendment be offered to Bill No.

7 090353.

8 (Motion duly seconded.)

9 COUNCILMAN GOODE: All in

10 favor?

11 Those opposed?

12 The ayes have it.

13 And the Chair now recognizes

14 Councilwoman Brown for a motion on Bill

15 No. 090353, as amended.

16 COUNCILWOMAN BROWN:

17 Mr. Chairman, I move that Bill No.

18 090353, as amended, be moved out of

19 committee with a favorable recommendation

20 and a suspension of the rules to allow

21 for first reading at the next scheduled

22 session of Council.

23 COUNCILMAN GOODE: All in

24 favor?

25 Those opposed?

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2 Bill No. 090353, as amended, is
3 reported out of committee with a
4 favorable recommendation and a suspension
5 of the rules to allow for first reading
6 at our next Council session.

7 The Chair now recognizes
8 Councilwoman Brown for a motion on Bill
9 No. 090389.

10 COUNCILWOMAN BROWN:
11 Mr. Chairman, I move that Bill No. 090389
12 be moved out of committee with a
13 favorable recommendation.

14 (Motion duly seconded.)

15 COUNCILWOMAN BROWN: And
16 further move that rules of Council be
17 suspended to permit first reading.

18 (Motion duly seconded.)

19 COUNCILMAN GOODE: All in
20 favor?

21 Those opposed?

22 Bill No. 090389 is reported out
23 of committee with a favorable
24 recommendation and a suspension of the
25 rules to allow for first reading at our

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2 next session of Council.

3 Thank you all for coming.

4 Thanks to the committee for

5 participating.

6 This concludes our public

7 meeting. Thank you very much.

8 (Proceedings end at 2:17 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the
proceedings of the City of Philadelphia
Council Committee on Commerce and Economic
Development are contained fully and accurately
in the stenographic notes taken by me on
Thursday, May 21, 2009, and that this is a
true and correct statement of same.

JOSEPHINE CARDILLO

Registered Professional Reporter

(The foregoing certification of
this transcript does not apply to any
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