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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON PUBLIC PROPERTY AND

5

PUBLIC WORKS

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Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, December 16, 2004
TIME

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10 BILL 040701, an ordinance approving certain
contracts and transactions...

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12 BILL 041045, an ordinance amending Bill No.
990728...

13

PRESENT:

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COUNCILMAN DARRELL CLARKE, Chair

15 COUNCIL PRESIDENT ANNA VERNA

COUNCILMAN FRANK RIZZO

16 COUNCILWOMAN MARIAN TASCO

COUNCILMAN JUAN RAMOS

17 COUNCILMAN JACK KELLY

COUNCILWOMAN DONNA REED MILLER

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I N D E X

BILL 040701	PAGE
JANET PARRISH, Phila. Gas Commission...	3
BILL 041045	
KENNETH SIPOS, Public Property.....	8

1 12/16/04 - PUBLIC PROPERTY - BILL 040701

2 COUNCILMAN CLARKE: Good morning.

3 This is the Committee on Public Property and

4 Public Works. We have a quorum present.

5 Councilman Frank Rizzo, Councilwoman Marian

6 Tasco, to my right, Councilman Juan Ramos, the

7 Council President is also available.

8 Will the Clerk please read the title

9 of the first bill.

10 THE CLERK: Bill 040701, an

11 ordinance approving certain contracts and

12 transactions arising thereunder for the

13 purchase, storage, distribution and

14 transportation and or transmission of natural

15 gas entered into by the Philadelphia

16 Facilities Management Corporation on behalf of

17 the Philadelphia Gas Works, under certain

18 terms and conditions.

19 COUNCILMAN CLARKE: Thank you.

20 Is there anyone to testify on this

21 bill?

22 MS. PARRISH: Good morning, Mr.

23 Chairman. My name is Janet Parrish. I'm the

24 Executive Director of the Philadelphia Gas

25 Commission. Thank you for the opportunity to

1 12/16/04 - PUBLIC PROPERTY - BILL 040701
2 be here this morning on behalf of the Gas
3 Commission to present this testimony in
4 support of Bill No. 040701. We have submitted
5 written testimony, of course, for you
6 committee and that does have three appendices.
7 The first of those is the Gas Commission's
8 order and resolution, dated June 25, 2004.

9 COUNCILMAN CLARKE: Excuse me.

10 Could you please turn up the mic and
11 hold the noise down, please.

12 Thank you.

13 MS. PARRISH: Is the order in which
14 the Gas Commission approved these contracts
15 that are at issue here, and also recommended
16 to Council its approval as well.

17 As you recall, we've been before
18 your Committee several times, a couple times
19 in the past recent months on related issues.
20 Those bills, 040367 in which eight gas
21 contracts were approved after the fact, and
22 also 040558 which was creating the
23 pre-authorization framework for PGW to enter
24 into certain gas purchase contracts were both
25 approved by Council on June 21, 2004. The

1 12/16/04 - PUBLIC PROPERTY - BILL 040701
2 timing is such that with this particular
3 contract that's at issue here. It's in
4 essence an amendment to one of the eight
5 contracts that this Council already approved.
6 However, it was entered into the end of April
7 2004, in other words, prior to the passage of
8 the other two ordinances. So therefore, this
9 one had to be submitted for a separate
10 approval.

11 Without belaboring the approval
12 process, I think you're now familiar with that
13 under the management agreement for
14 pre-approval of certain contracts and
15 post-approval of others. Let me just note
16 that PGW entered into this transaction at the
17 end of April in order to secure gas supply for
18 this winter season that is actually now upon
19 us literally as of today. And the particulars
20 of the transaction are set forth in our
21 written testimony as well as in the ordinance
22 itself.

23 And just very briefly, so you have
24 that before you, we're talking about a
25 purchase of close to \$60 million of gas

1 12/16/04 - PUBLIC PROPERTY - BILL 040701
2 supply. That constitutes about 15 percent of
3 PGW's total firm gas supply. And those
4 volumes have already been delivered. They
5 were delivered in the period of May through
6 September of this year. And rather than
7 paying the cost upfront, this transaction
8 permitted PGW to pay in essence through the
9 winter months as the gas was being used. The
10 total purchase price does include
11 approximately a \$3 million premium on the
12 transaction effectively its interest because
13 of the deferred payment terms.

14 And as I said, the Gas Commission
15 has approved these contracts already and does
16 recommend your favorable treatment of this
17 bill. We also are asking for a suspension of
18 the Rules so that first reading can occur at
19 the next Council Session.

20 I'll be happy to answer any
21 questions you may have.

22 COUNCILMAN CLARKE: Let the record
23 reflect that Councilman Jack Kelly and
24 Councilwoman Donna Miller are also present.

25 Are there any questions of this

1 12/16/04 - PUBLIC PROPERTY - BILL 041045

2 witness by Members of the Committee?

3 (No response.)

4 COUNCILMAN CLARKE: There being
5 none, thank you very much for your testimony.

6 MS. PARRISH: Thank you.

7 COUNCILMAN CLARKE: Anyone else to
8 testify on this bill?

9 (No response.)

10 COUNCILMAN CLARKE: Thank you.

11 Will the Clerk read the title of the
12 next bill?

13 THE CLERK: Bill No. 041045, an
14 ordinance amending Bill No. 990728, approved
15 December 6, 1999, entitled "An ordinance
16 authorizing the Commissioner of Public
17 Property to convey to the Redevelopment
18 Authority of Philadelphia certain premises
19 located at 1823-35 Callowhill Street, and
20 authorizing the Commissioner of Public
21 Property to enter into or execute such other
22 instruments that may be necessary or desirable
23 to effectuate the provisions of this
24 ordinance; all under certain terms and
25 conditions," by extending the time for

1 12/16/04 - PUBLIC PROPERTY - BILL 041045
2 compliance with conditions until December 31,
3 2005.

4 COUNCILMAN CLARKE: Please proceed.

5 MR. SIPOS: Good morning, Chairman
6 Clarke and Members of the Committee. My name
7 is Ken Sipos. I'm with the Department of
8 Public Property.

9 This bill will permit an extension
10 of time for the City to transfer a certain
11 property located at 1823-35 Callowhill Street
12 to the Redevelopment Authority for further
13 transfer to the Children's Crisis Treatment
14 Center who have been the sole tenant of this
15 building since November 30, 1978, and they
16 will become the ultimate owner of the
17 building.

18 The property consist of a
19 three-story masonry building with 12,166
20 square feet. The Department acquired the
21 property in 1947.

22 The Department supports the measure
23 and I ask that Council approve the Bill
24 041045. I also ask the Rules be suspended so
25 the ordinance may be passed upon the second

1 12/16/04 - PUBLIC PROPERTY - BILL 041045

2 reading at Council.

3 COUNCILMAN CLARKE: Thank you.

4 Are there any questions of this
5 witness by Members of the Committee?

6 (No response.)

7 COUNCILMAN CLARKE: There being
8 none, thank you for your testimony.

9 Anyone else to testify on this bill?

10 (No response.)

11 COUNCILMAN CLARKE: There being
12 none, I'd also recognize Council President
13 Verna is present at this particular Committee
14 hearing.

15 No one else to testify on either of
16 the bills, we will now go from our public
17 hearing into our public meeting.

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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC MEETING
COMMITTEE ON PUBLIC PROPERTY
AND PUBLIC WORKS

- - - -

Thursday, December 16, 2004

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Public meeting conducted by the
Committee on Public Property and Public Works,
held in Room 400, City Hall, Philadelphia,
Pennsylvania, on the above date, to consider
action on the following:

BILL 040701, 041045.

PRESENT:

COUNCILMAN DARRELL CLARKE, Chair
COUNCIL PRESIDENT ANNA VERNA
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN TASCO
COUNCILMAN JUAN RAMOS
COUNCILMAN JACK KELLY
COUNCILWOMAN DONNA REED MILLER

1 12/16/04 - PUBLIC PROPERTY - PUBLIC MEETING

2 COUNCILMAN CLARKE: I ask
3 Councilwoman Tasco to make a motion on Bill
4 No. 040701.

5 COUNCILWOMAN TASCO: Mr. Chair, I
6 move that Bill 040701 be voted out of
7 Committee with a favorable recommendation and
8 that the Council Rules be suspended so as to
9 have first reading on this bill at the next
10 Council Session.

11 COUNCILMAN CLARKE: Is there a
12 second?

13 (Duly seconded.)

14 COUNCILMAN CLARKE: There being a
15 second, all in favor?

16 (Aye.)

17 COUNCILMAN CLARKE: All opposed?

18 (No response.)

19 COUNCILMAN CLARKE: The ayes have
20 it.

21 Councilman Ramos, please make a
22 motion on Bill No. 041045.

23 COUNCILMAN RAMOS: Thank you, Mr.
24 Chairman. I move that Bill No. 041045 be
25 reported out of Committee with a favorable

1 12/16/04 - PUBLIC PROPERTY - PUBLIC MEETING

2 recommendation, and further move that the
3 Rules of Council be suspended to permit first
4 reading of this bill at our next Council
5 Meeting.

6 (Duly seconded.)

7 COUNCILMAN CLARKE: All in favor?

8 (Aye.)

9 COUNCILMAN CLARKE: All opposed?

10 (No response.)

11 COUNCILMAN CLARKE: Thank you.

12 Let the record reflect that Bill No.
13 040701 and Bill 041045 will be reported out of
14 this Committee with a favorable recommendation
15 and the Rules will be suspended as to allow
16 reading at the next Session of Council.

17 Thank you very much. This concludes
18 the public meeting.

19 (Council adjourned at CK.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Thursday, December 16, 2004,
were reported fully and accurately by me, and
that this is a correct transcript of the same.

RE: COMMITTEE ON PUBLIC PROPERTY AND
PUBLIC WORKS

Lisa C. Bradley, RPR