

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING
4 BEFORE THE COMMITTEE OF THE WHOLE
5 - - -
6 Room 400, City Hall
7 Philadelphia, Pennsylvania
8 Wednesday, May 31, 2000
9 11:35 a.m.
10 - - -
11 BILL NO. 000179 - Amending Section 12-2809 of The
12 Philadelphia Code, which prescribes civil
13 penalties and costs for violations of the
14 Philadelphia Traffic Code
15 - - -
16 PRESENT:
17 COUNCILWOMAN ANNA C. VERNA, Chair
18 COUNCILMAN DAVID COHEN, Vice-Chair
19 COUNCILWOMAN BLONDELL REYNOLDS BROWN
20 COUNCILMAN W. WILSON GOODE, JR.
21 COUNCILMAN ANGEL L. ORTIZ
22 COUNCILMAN FRANK RIZZO
23 COUNCILMAN FRANK DiCICCO
24 COUNCILWOMAN JANNIE L. BLACKWELL
25 COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN DARRELL L. CLARKE
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILMAN RICHARD T. MARIANO
COUNCILWOMAN DONNA REED MILLER
COUNCILWOMAN MARIAN B. TASCO
- - -
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2 PRESIDENT Verna: May I ask all
3 Council Members to please come to the chamber.
4 Thank you.

5 Good morning. This is the Public
6 Hearing of the Committee of the Whole. I regret the
7 delay. And I would ask Mr. McPherson to please read
8 the title of Bill No. 179.

9 MR. McPHERSON: Bill No. 179, an
10 Ordinance amending Section 12-2809 of The
11 Philadelphia Code, which prescribes the civil
12 penalties and cause for violations of the
13 Philadelphia Traffic Code by increasing the civil
14 penalty for violations of Section 12-1120.

15 PRESIDENT Verna: Good morning.
16 Please identify yourself for the record and proceed
17 with your testimony.

18 MR. JOSEPH S. MARTZ: Good morning,
19 Madam President and members of Council. I am Joseph
20 Martz, Managing Director of the City of
21 Philadelphia.

22 I am joined today by Chief Inspector
23 Richard Bullock, of the Police Department's
24 Automotive Services Bureau, and Sergeant Chris Bea,
25 who is the Supervisor of the Abandoned Vehicle Unit

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2 of the Philadelphia Police Department.

3 I am here today to testify in support
4 of Council Bill 179, which raises the fine for
5 abandoning a vehicle, parking an unregistered
6 vehicle, or parking without a driver's license from
7 \$100 to \$300.

8 I would like to thank Councilman
9 Mariano, Councilman Clarke, Councilwoman Miller, and
10 Councilman Ortiz for sponsoring this legislation.

11 As you may recall, at the initial
12 briefing that we held for City Council in March
13 regarding the city's abandoned vehicle program, the
14 Administration proposed raising the fine for
15 abandoning a vehicle to \$300, the maximum fine that
16 can be imposed by City Council.

17 As you may all know, at that
18 briefing, the Administration outlined its 40-day
19 plan to eliminate the existing backlog of abandoned
20 vehicles from city streets. I am happy to report
21 that this program has been an overwhelming success.

22 Since the program began on April 3,
23 the city has towed over 33,000 abandoned vehicles,
24 almost as many as were towed in all of 1999.

25 In addition, many more vehicles that

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2 were initially believed to be abandoned were
3 identified as stolen and returned to their rightful
4 owners, and more removed from streets onto private
5 lots, were reregistered and reinspected.

6 I want to thank all of you for your
7 support throughout this process. We truly could not
8 have done it without the help of City Council.

9 While the success of this program has
10 been impressive, there is no question that we still
11 have a lot of work to do to help ensure that the
12 number of abandoned vehicles never reaches the level
13 it had prior to this program. I believe that the
14 passage of this bill is an important first step in
15 achieving this goal.

16 By imposing the highest possible
17 fine, you will be sending a powerful message to
18 individuals that when they abandon vehicles on our
19 streets, they will be held accountable for their
20 actions.

21 Enacting this legislation will also
22 reaffirm the city's commitment to improving the
23 quality of life for all city residents and making
24 the city a more livable place to work and raise
25 families.

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2 This concludes my testimony. Thank
3 you for providing me with the opportunity to testify
4 here today, and we are all happy to answer
5 questions.

6 PRESIDENT Verna: Thank you,
7 Mr. Martz.

8 Will this program be ongoing? And if
9 it is not, can you tell us what we will do in the
10 future.

11 MR. MARTZ: Madam President, this
12 program will be ongoing.

13 PRESIDENT Verna: To the extent that
14 it has been for the last several months?

15 MR. MARTZ: Well, the only aspect
16 that would be different is that, for the past 40
17 days, we have been providing a supplemental fee to
18 the towing agencies to help us remove the actual
19 backlog of what we had estimated to be about 40,000
20 vehicles, and what ultimately was 33,000 vehicles.
21 That has stopped.

22 But our efforts in a consolidated
23 unit of the Philadelphia Police Department will
24 continue indefinitely.

25 PRESIDENT Verna: Wonderful. Thank

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2 you.

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

5 Thank you very much.

6 MR. MARTZ: Thank you.

7 PRESIDENT VERNA: Do we have anyone
8 else to testify on this bill?

9 (No response.)

10 PRESIDENT VERNA: At this time I
11 would ask Mr. McPherson to please read the title of
12 Bill No. 260.

13 MR. MCPHERSON: An Ordinance creating
14 the Silver City Tax Increment Financing District and
15 improving the project plan of the Philadelphia
16 Authority for Industrial Development for the
17 redevelopment of the Silver City Tax Increment
18 Financing District.

19 PRESIDENT VERNA: Good morning. I am
20 sorry you were kept waiting so long.

21 Good morning. Identify yourself for
22 the record, please.

23 MR. WILLIAM P. HANKOWSKY: I am Bill
24 Hankowsky, President of the Philadelphia Industrial
25 Development Corporation.

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2 If you would like, I will proceed
3 with my testimony.

4 PRESIDENT VERNA: Please.

5 MR. HANKOWSKY: Good morning,
6 President Verna and Members of City Council.

7 I am here to testify on behalf of the
8 Philadelphia Authority for Industrial Development
9 and in support of Bill No. 260, creating the Silver
10 City Tax Increment Financing District, which is
11 located at the northeast corner of Broad and
12 Washington in South Philadelphia.

13 Creation of the Silver City TIF will
14 enable the developer, an affiliate of Treyball
15 Development, Inc., to development a
16 500,000-square-foot studio and office complex that
17 will include television studios and offices for Fox
18 Television, music studios for Will Smith, a
19 155,000-square-foot high-technology office building,
20 30,000 square feet of retail and public areas, and
21 approximately 650 public parking spaces.

22 The city and school district are
23 being asked to approve a \$9 million TIF loan for
24 this approximately \$70 million project.

25 This TIF would be repaid from the new

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2 real estate, city sales, and business privilege
3 taxes, and we are not proposing to use use and
4 occupancy taxes for this project.

5 I should note, just for the record,
6 that we are also proposing a four and a half million
7 dollar economic stimulus loan as an additional city
8 support for this project.

9 Completion of this project represents
10 \$70 million of investment and a 6.2 acre vacant
11 piece of land which is currently valued at around
12 four and a half million dollars.

13 This investment translates into new
14 annual revenues of \$695,000 for the Philadelphia
15 School District and \$715,000 for the city.

16 Over the term of the district, new
17 revenues will total 14.8 million for the school
18 district and 17 million for the city.

19 Additional public benefits include
20 anchoring the southern edge of the Avenue of the
21 Arts, construction of an E-commerce adaptable office
22 space, and the creation and retention of 700
23 construction jobs and 460 full-time equivalent
24 permanent jobs.

25 Since introduction of this bill on

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2 April 27, PIDC has met with City Council, Council
3 staff, and representatives of the school district to
4 review the project plan.

5 On Monday, May 8, 2000, the school
6 district agreed by resolution to participate in the
7 district, should it be created by this Council.

8 Several changes have also been made
9 to the project plan since introduction to
10 accommodate the addition of surface parking and the
11 reduction of certain projected financing costs.

12 The total square footage has
13 increased from 410,000 square feet, to 500,000
14 square feet, with the addition of the surface
15 parking.

16 The finance and cost savings of
17 approximately 370,000 have reduced the project
18 budget from 70.2 million, to 69.8 million and
19 reduced the, quote, funding gap from 6.4 million, to
20 6.1 million.

21 The plan requires the developer to
22 finance this gap with either additional private
23 funding or noncity public funds.

24 Finally, language in the project plan
25 has been clarified to require a minimum private

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2 investment of 50.3 million and indicate that no
3 Council approval changes subsequent to the
4 settlement of financing will be required.

5 The project plan has been amended and
6 restated to reflect these changes and is on file
7 with the Chief Clerk of City Council for public
8 view.

9 Again, as I often do in closing, just
10 remind members of Council that today's hearing is
11 required by the Pennsylvania Tax Increment Financing
12 Act to create a TIF district, and the Act requires
13 that Council within three weeks from final
14 consideration, which would imply action, hopefully,
15 should this body deem it appropriate, at Council's
16 meeting of June 22, 2000.

17 Again, I would ask your approval of
18 Bill 260, and I am happy to answer any questions
19 that you may have at this time.

20 PRESIDENT Verna: Thank you.

21 Mr. Hankowsky, based upon PIDC's
22 analysis, this \$70 million project can support \$50
23 million in private equity and/or debt, which leaves
24 a funding debt of approximately \$20 million; is that
25 correct?

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2 MR. HANKOWSKY: That's correct.

3 PRESIDENT VERNA: PIDC has proposed
4 that this remaining gap be reduced to \$6.5 million
5 by a TIF note of \$9 million supported by real estate
6 taxes, sales tax, and the business privilege tax,
7 and a \$4.5 million loan from PIDC; is that correct?

8 MR. HANKOWSKY: That is also correct.

9 PRESIDENT VERNA: How do you propose
10 that this remaining gap be closed?

11 MR. HANKOWSKY: Well, in our
12 discussions with the developer, it has been proposed
13 that it be closed in one of two ways or a
14 combination of the two ways.

15 One is the possibility of obtaining
16 additional public funds from sources other than the
17 City of Philadelphia; for example, the Commonwealth
18 of Pennsylvania.

19 And discussions have been underway
20 between the developer and the Commonwealth about the
21 potential for the state to provide certain funding.

22 So one would be other noncity public
23 sources.

24 And then, to the degree those are not
25 available, or not available to close it in its

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2 entirety, the developer would provide additional
3 either private debt or equity to, quote, close the
4 gap.

5 PRESIDENT Verna: The Chair
6 recognizes Councilman Goode.

7 COUNCILMAN GOODE: Thank you, Madam
8 President. Good morning, Mr. Hankowsky.

9 MR. HANKOWSKY: Good morning,
10 Councilman.

11 COUNCILMAN GOODE: Is this bill still
12 amendable timewise?

13 PRESIDENT Verna: I am sorry; I
14 didn't hear your question.

15 COUNCILMAN GOODE: Is this bill still
16 amendable timewise?

17 MR. HANKOWSKY: Yes. In other words,
18 if Council would wish to amend it at today's
19 hearing, you know, reporting it out.

20 COUNCILMAN GOODE: But subsequent to
21 today's hearing, it is not amendable?

22 MR. HANKOWSKY: Well, let me answer
23 it technically and then practically.

24 Council can always do it what it
25 wants, but then we would lose the schedule of having

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2 it done by the 22nd. I think that's where you were
3 going with your question. That's right.

4 COUNCILMAN GOODE: Yes. TIF
5 districts are areas that are certified as blighted;
6 is that correct?

7 MR. HANKOWSKY: Right. That's right;
8 by the Planning Commission.

9 COUNCILMAN GOODE: That was my next
10 question. For the record, certified by whom?

11 And what are the boundaries of the
12 area that was certified as blighted?

13 MR. HANKOWSKY: For this district?

14 COUNCILMAN GOODE: No; in the blight
15 certification, what was the area that was certified
16 as being blighted?

17 MR. HANKOWSKY: Oh, I honestly can't
18 say that immediately off the top of my head.

19 I believe it is an area wider than
20 this project area.

21 COUNCILMAN GOODE: So is the entire
22 area certified as blighted given a tax incentive, or
23 your just your client?

24 MR. HANKOWSKY: No. Let me just be
25 clear.

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2 The Planning Commission, pursuant to
3 a state statute that has six criteria, can make an
4 ascertainment of an area being blighted. And the
5 Planning Commission does that periodically. And
6 there are area of the city that have been, quote,
7 unquote, deemed blighted, certified. There is a
8 certain certification.

9 COUNCILMAN GOODE: So a larger area
10 than the project area was certified?

11 MR. HANKOWSKY: I mean, citywide,
12 that happens. That's the case here.

13 COUNCILMAN GOODE: But for the
14 purpose of this TIF district, an area larger than
15 the TIF district was certified as being blighted?

16 MR. HANKOWSKY: It is called the
17 South Central Redevelopmentment Area. Which was
18 done previous to this project.

19 In other words, it was an existing
20 area that had been determined blighted. Then this
21 project came along, and it is within that area.

22 We didn't blight this for this
23 project, is what I'm saying.

24 COUNCILMAN GOODE: I understand
25 that. But as proposed, this only project receiving

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2 a tax incentive within that blighted area is your
3 client; is that correct?

4 MR. HANKOWSKY: I'm not sure
5 that's -- honestly, I'm not sure I could answer that
6 or that's accurate.

7 In other words, it is conceivable --
8 for example, immediately adjacent it is the school
9 district's Creative and Performing Arts School,
10 which there was a recipient of city capital dollars,
11 state redevelopment assistance dollars, private
12 fundraising to renovate what we all used to call the
13 Ridgeway Library. So there have been other public
14 dollars committed in the area.

15 COUNCILMAN GOODE: Maybe I shouldn't
16 use the word "tax incentive." Let me say, the only
17 project receiving tax increment financing within
18 that blighted area is your client?

19 MR. HANKOWSKY: No. We also did one
20 just a week ago, when we did the one at 9th and
21 Washington, the 9th Street Retail Project. It is in
22 the same South Central Redevelopment Area.

23 COUNCILMAN GOODE: How large is that
24 area, the redevelopment area.

25 MR. HANKOWSKY: I don't know off the

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2 top of my head.

3 The whole redevelopment area? I
4 don't know off the top of my head. I would have to
5 get that for you.

6 COUNCILMAN GOODE: Has PIDC or PAID
7 ever established a TIF district before taking on a
8 client, decided there is a blighted area, such as
9 the south --

10 MR. HANKOWSKY: Right. There is one
11 instance of where that was done, and that was the
12 Philadelphia Naval Business Center.

13 COUNCILMAN GOODE: That's the only
14 time it was done.

15 Have you ever considered as a
16 strategy actually developing a TIF district first?

17 MR. HANKOWSKY: No.

18 Let me be precise about why I say it
19 the way I say it. And, actually, there is one other
20 instance where we established the district before we
21 had the project done.

22 So one is the Naval Business Center,
23 the other is the West Parkside Retail Area, where we
24 established a TIF, and then went through an RFP to
25 select a developer, where we proactively said, we

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2 think there should be a neighborhood retail shopping
3 center, actually went out and acquired property to
4 create the site, created the incentive package, said
5 to the development community, you know, who was
6 interested.

7 And, in fact, currently the
8 community, by its financial trust institution and
9 the developer, are negotiating their agreement.

10 But generally we want to -- you
11 generally would want to keep the establishment of
12 the district fairly coterminus with the capacity to
13 proceed with the development.

14 Because the district can only be 20
15 years. So you are sort of burning down, you know,
16 the notion of the benefit, the incentive. And so
17 you want to be able to have it available to get sort
18 of the highest investment you could get.

19 But we have thought about it, yes.
20 So we have done it twice.

21 COUNCILMAN GOODE: And that is
22 consistent with how TIFs are done in other areas of
23 the country; is that correct?

24 MR. HANKOWSKY: TIFs are done in a
25 variety of ways throughout the country.

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2 The sort of stereotypical,
3 traditional TIF, so to speak, was take a generally
4 undeveloped or blighted area, establishing a
5 district, often having the public bond for streets
6 and infrastructure to create the physical plant, and
7 then soliciting development subsequent.

8 COUNCILMAN GOODE: And that would be
9 the most equitable access to tax increment
10 financing, would it not?

11 MR. HANKOWSKY: No, I don't agree
12 with that.

13 COUNCILMAN GOODE: That would not be
14 the most equitable way to do it?

15 MR. HANKOWSKY: No.

16 COUNCILMAN GOODE: Why not?

17 MR. HANKOWSKY: Well, I think there
18 are a variety of issues. One is that, history of
19 TIFs done that way is a spotty history. Because
20 there are a number of instances where the public did
21 that, bonded for it, put in the infrastructure, and
22 the development did not happen, and subsequently
23 those bonds defaulted or the public had to pick it
24 up.

25 And, therefore, you actually find

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2 scenarios where Wall Street is somewhat cautious
3 about bonded TIFs.

4 So the model that has been used in
5 Philadelphia, which has now become a model for other
6 cities that have come to us, is actually using a TIF
7 where we actually said to the developer, you go find
8 the capital which the TIF revenues will support, and
9 the lending risk is now in the hands of the
10 developer, not in the hands of the public. So, one,
11 we think it is a better risk apportionment model.

12 Secondly, I think the question of
13 equitable, if there were other scenarios where it
14 would make sense to TIF an area to induce
15 development, we can do that. I don't think this is
16 an either/or proposition.

17 So we can both do it in situations
18 where we might see the advantage of inducing
19 development to happen, and private development, by
20 using the advantages of this program, but we can
21 also use it in a situation where the private sector
22 brings forth projects that the public deems are
23 appropriate to support.

24 So we can do it either way.

25 COUNCILMAN GOODE: Have you had an

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2 opportunity to discuss the TIF program with our new
3 finance director?

4 MR. HANKOWSKY: I'm sorry?

5 COUNCILMAN GOODE: Have you had the
6 opportunity to discuss the TIF program with our new
7 finance director?

8 MR. HANKOWSKY: I have not.

9 COUNCILMAN GOODE: She happens to be
10 an expert on how TIFs are done by district first.

11 At any point did PIDC or PAID consult
12 with Universal Community Homes regarding this
13 project?

14 MR. HANKOWSKY: Regarding this
15 project?

16 COUNCILMAN GOODE: Regarding this
17 project.

18 MR. HANKOWSKY: I think the answer is
19 no.

20 We are in dialogue with them about
21 some projects they are looking at, but I don't
22 believe we have talked to them about this project.

23 COUNCILMAN GOODE: That is, actually,
24 the developer within that area probably most
25 aggressively dealing with blight; is that correct?

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2 MR. HANKOWSKY: That's correct.

3 COUNCILMAN GOODE: So why wouldn't
4 PIDC or PAID consult with Universal Community Homes
5 about other projects or the development that should
6 be taking place?

7 MR. HANKOWSKY: We have.

8 Your question was whether we talked
9 to them about this project. We have talked to them
10 about other potential projects in that area.

11 COUNCILMAN GOODE: Is there
12 coordination?

13 MR. HAKOWSKY: Yes.

14 COUNCILMAN GOODE: Well, I mean,
15 essentially, this is a \$70 million project?

16 MR. HANKOWSKY: That's what it is
17 anticipated to be.

18 COUNCILMAN GOODE: And you have not
19 talked to Universal Community Homes about this
20 project, as a major developer there trying to
21 eliminate blight?

22 PRESIDENT VERNA: The Chair
23 recognizes Councilman DiCicco.

24 COUNCILMAN DiCICCO: Thank you.
25 Maybe I can answer that a little bit.

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2 I have had several conversations with
3 Kenney Gamble and Raheme Ism, who are principals at
4 Universal Studios. And, yes, they are doing a great
5 job in eliminating blight. In fact, this Council
6 recognized the fine work of Kenney Gamble a few
7 weeks ago.

8 And I had suggested to Kenney Gamble,
9 and I have also suggested to Harry Smith, who is one
10 of the principals in Trade Law, that they continue
11 to talk about some possible joint venture there.

12 I can't make those decisions for
13 developers. The numbers obviously have to work for
14 both parties.

15 But I asked them to engage in
16 conversation. And maybe we can ask that question of
17 Mr. Smith and his attorney when they come up to
18 testify.

19 COUNCILMAN GOODE: My understanding
20 is you talked with Mr. Gamble and Universal
21 Community Homes. I am sure you talked to, as a good
22 district Council person, talked with your
23 constituency.

24 My question was whether PIDC or PAID,
25 as the economic development agency, are coordinating

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2 efforts within that redevelopment area.

3 COUNCILMAN DiCICCO: They can answer
4 that question.

5 COUNCILMAN GOODE: My question,
6 actually, was to PIDC and PAID.

7 MR. HANKOWSKY: And I answered.
8 Which is, we are working with Universal Homes on
9 potential projects they have in this area.

10 COUNCILMAN GOODE: And do you believe
11 that there are projects within that redevelopment
12 area sponsored by Universal Community Homes that
13 could receive tax increment financing?

14 MR. HANKOWSKY: There is a potential
15 that that may occur, yes.

16 COUNCILMAN GOODE: And should this
17 bill be amended now or in the future to probably
18 include some of those development projects, or is
19 there more in that development area?

20 MR. HANKOWSKY: I don't think you
21 could amend it at this moment because you don't have
22 the defined projects, you don't know the size of the
23 TIF Note, you don't know that tax streams. And I'm
24 not sure how you would develop a project plan.

25 COUNCILMAN GOODE: Of course we have

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2 defined projects there.

3 MR. HANKOWSKY: I'm sorry?

4 COUNCILMAN GOODE: Universal

5 Community Homes has a series of defined projects

6 there with financing --

7 MR. HANKOWSKY: Councilman, if I

8 could respond, which I would be happy to do.

9 In order to amend it, you need to
10 amend the project plan. In order to amend the
11 project plan, you need to define which tax streams,
12 which revenue sources. And we don't have those in
13 place.

14 You can easily come back at a point
15 where the project is ready to go and do a TIF
16 district for a project.

17 COUNCILMAN GOODE: You don't have
18 them in place because you never had the appropriate
19 conversation with Universal Community Homes.

20 MR. HANKOWSKY: I don't agree with
21 that.

22 COUNCILMAN GOODE: Okay. We
23 disagree, then.

24 Thank you very much.

25 MR. HANKOWSKY: Sure.

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2 PRESIDENT Verna: Thank you.

3 Councilman DiCicco, your light was
4 on. Do you want to be recognized?

5 COUNCILMAN DiCICCO: Yes. I will be
6 offering an amendment to this TIF. And I am not
7 sure if this is the appropriate time or not. I just
8 would like to speak on it for a moment or two.

9 As you know, Madam President, we have
10 been dealing with the proposal to do the Silver City
11 development at Broad and Washington Avenue for, I
12 guess, the better part of a year, year and a half,
13 because there are two phases to the proposed
14 development.

15 One is on the east side of Broad
16 Street that I represent, and on the west side, as
17 would be Phase Two, and that's the area that you
18 represent.

19 And this TIF and development project
20 plan has been discussed at numerous meetings. In
21 fact, I held the introduction of this bill a couple
22 of months ago because I wasn't comfortable with some
23 of the terms in the project plan as it relates to
24 the financing and the city's participation in the U
25 & O and the other taxes that would have been TIFed.

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2 And originally when this project was
3 presented to us, and if memory serves me correct, I
4 think the developer was looking for 100 percent of
5 the Use and Occupancy to be TIFed at that time.

6 And we were not comfortable with
7 that, given the light of the situation that we were
8 anticipating with the school district and other
9 things that we were working on.

10 And through numerous negotiations and
11 adjustments to the project, the developer had agreed
12 that they would make up some of the gap in the
13 financing, and they could live with a 50 percent
14 TIF, U & O being TIFed up to 50 percent.

15 Subsequent to that and other
16 conversations, I had introduced a bill which brings
17 us here today.

18 For some reason, when the
19 Administration sent up the TIF to be presented by
20 PIDC, or were anticipating sending it up, they
21 indicated to me they would not have any U & O
22 TIFed.

23 I had a conversation with the Mayor a
24 couple of weeks ago in one of our Thursday lunch
25 briefings, asked him as to the reason why it was not

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2 coming up. He thought that Council may not be
3 supportive of the TIF with U & O being TIFed.

4 I was pretty comfortable, having some
5 discussions with several members of Council, that
6 there were the votes to support the Silver City TIF
7 with 50 percent of the U & O.

8 I attempted, since Friday, to have
9 another conversation with the Administration, was
10 unsuccessful in having that conversation, because it
11 was my understanding that the TIF was going to come
12 up exactly the way it was originally prepared,
13 proposed a few weeks ago, and that being that there
14 would be no U & O TIFed.

15 I have concern that this project is
16 in jeopardy if we don't make the adjustments to the
17 proposed TIF that we have this morning, in
18 particular in the area of U & O.

19 The developer will probably be up to
20 testify. They have made an agreement with me that
21 any additional funding that needs to be acquired, if
22 they don't find it through outside city sources,
23 that the developer will in fact make up the
24 difference of about 5.1, if I'm not mistaken,
25 somewhere around \$5 million or so in a -- you are

1 BILL NO. 000179

2 looking at me, Bill. Could you correct that
3 number?

4 MR. HANKOWSKY: I think it is five
5 after 50 percent.

6 COUNCILMAN DiCICCO: After 50 percent
7 of the U & O, there is still about a \$5.1 million
8 gap in the funding for this project.

9 And they have guaranteed, if they're
10 not able to, for whatever reason, find it through
11 outside sources, outside of the City of Philadelphia
12 sources, whether they can find it through the state,
13 DRPA, which they are attempting to do, that they
14 will fund that gap, that would be privately funded.

15 Again, I will not certain if I should
16 make the amendment now. I know a couple of other
17 members might want to talk to me about it. I will
18 be over to see you in a moment, Councilman Clark.
19 But I will be proposing that amendment.

20 And, again, from a technical point of
21 view, is it appropriate for me to offer that
22 amendment now or do I wait for the public meeting?

23 PRESIDENT VERNA: We have other
24 Council Members, I believe, who want to be
25 recognized. So maybe we could do that at the

1 BILL NO. 000179

2 conclusion.

3 COUNCILMAN DiCICCO: Okay. I will
4 wait. Thank you.

5 PRESIDENT Verna: Thank you.

6 The Chair recognizes Councilwoman
7 Brown.

8 COUNCILWOMAN BROWN: Good morning.
9 Thank you, Madam Chair.
10 Good morning, gentlemen. How are you
11 both?

12 MR. HANKOWSKY: Good, thank you.

13 COUNCILWOMAN BROWN: I want to again
14 register my broken record on the record with regards
15 to the bridge and the linking that I think we have
16 the potential to do.

17 I guess this is my fourth or fifth
18 opportunity to sit through a TIF. And based on my
19 limited understanding, both formal and informal
20 conversations I have had with the parties around
21 this, this appears to be the first where there is a
22 tangible, clear linkage between the economic
23 development piece and programs for children and
24 youth.

25 And I am encouraged to hear that

1 BILL NO. 000179

2 there will be a linkage with the High School of
3 Performing Arts, which suggests that it is possible,
4 if it is put on the table and talked through.

5 So I want to register that again with
6 you as a preamble to our more lengthy discussions
7 where you will help me understand in greater detail
8 how we can bridge those two worlds.

9 MR. HANKOWSKY: I understand. And I
10 register your registering again.

11 And, as you know, we introduced these
12 all roughly a month ago because there is a
13 requirement for that period of time. And then we
14 had the hearings on the four TIFs before this TIF a
15 week or so ago.

16 But I think we have an opportunity.
17 As I said, these are the last ones for the spring.
18 And we will have an opportunity to have a dialogue
19 before we consider any that we might to bring before
20 this body in the fall, to have this dialogue.

21 COUNCILWOMAN BROWN: Let me just ask
22 a process question. Here a linkage exists. Was it
23 a suggestion, the parties, the Silver City parties,
24 brought to the table a possibility? Where did the
25 spark happen?

1 BILL NO. 000179

2 MR. HANKOWSKY: Well, I think the
3 spark happened, actually, in very early discussions
4 about this potential project.

5 Given its location on the Avenue of
6 the Arts and the various components that sit on the
7 Avenue, you know, Brandywine, the Clef Club, and all
8 the various activities, that there's been at least a
9 consistent thought of urging those various
10 activities to think about, I will use the term, an
11 educational component.

12 So that the Avenue of the Arts,
13 though it is a great hospitality sales piece, is
14 also a vehicle by which Philadelphia youth can enter
15 that industry, so to speak, of entertainment and
16 whatever.

17 And to the degree these facilities,
18 music recording studios and others exist, suddenly
19 you have places where apprenticeships for students
20 at CAPA can happen.

21 You know, now they can be apprentices
22 at the Wilma, if they were interested in stage
23 production. And here they can be an apprentice or
24 in a training regimen for another aspect of that
25 wider entertainment envelope.

1 BILL NO. 000179

2 And this party, being Treball, is
3 very interested in that. And so a simple suggestion
4 was enough to say, yes, we would like to figure out
5 how to do that.

6 COUNCILWOMAN BROWN: And it makes
7 good sense to do it, given where it sits.

8 I also want to underscore, in
9 closing, Councilman Michael Nutter's request of the
10 report, and have a column or something that speaks
11 to the fact that this is one of two.

12 Because the only other one was the
13 TIF in Councilman Darryl Clarke's district that
14 shows linkage. Because that's an important piece of
15 this decisionmaking for me.

16 So I do not recall Councilman Michael
17 Nutter offering up a proposed deadline, for lack of
18 a better word, when we can get that report. So let
19 my ask you, when can we anticipate the full report?

20 MR. HANKOWSKY: Actually, I think,
21 some of the material we actually provided to the
22 Councilperson's office this morning. I don't think
23 it has been distributed.

24 But we didn't have that column, so we
25 can add that.

1 BILL NO. 000179

2 COUNCILWOMAN BROWN: Okay then.

3 MR. HANKOWSKY: We tried to prepare
4 some of that, at least, for this morning.

5 COUNCILWOMAN BROWN: Thank you.

6 Thank you, Madam Chair.

7 PRESIDENT Verna: You are welcome.

8 The Chair recognizes Councilwoman
9 Tasco.

10 COUNCILWOMAN TESCO: Thank you. The
11 other day we were talking about the linkage issue.
12 And you said that the state, enabling legislation is
13 from the state, the TIF legislation is from the
14 state.

15 MR. HANKOWSKY: Yes. Yes.

16 COUNCILWOMAN TESCO: It is it does
17 not allow for linkage to anything else.

18 Will we have to go back to the state
19 for an amendment to the legislation?

20 MR. HANKOWSKY: If I gave an answer
21 that led you to believe that, that's not what I
22 meant to say.

23 And part of the problem, probably one
24 of the issues here is, quote, unquote, what do we
25 mean by "linkage."

1 BILL NO. 000179

2 The state statute tells you what
3 taxes you can TIF and then what are eligible
4 expenses you can use those taxes for in a project.

5 And I'm not a lawyer, and I didn't do
6 legal research on this.

7 So, for example, I'm not sure we
8 could take a TIF dollar from a project and, you
9 know, fund the school district or Community College
10 summer program.

11 On the other hand, you might be able
12 to create a scenario -- and the Councilwoman, I
13 think, was sort of speaking to this -- where in the
14 project you're talking about, the one you are
15 talking about, that you say, let's support having --
16 you know, you develop, or we are going to do X. Why
17 don't you do X plus a daycare center. Why don't you
18 do X plus, for example, the Networks Project up on
19 Spring Garden that we talked about, you know, again,
20 about a week or so ago.

21 They are putting in a computer lab on
22 the first floor for community use as part of their
23 E-commerce. And these are things that developers
24 have been thinking about. Or we say, that's a good
25 idea, why don't you do it.

1 BILL NO. 000179

2 We could think about something what
3 is a more, you know, what is the, I will use the
4 term, community component of your project, which
5 could be an eligible project expense and doable
6 under the current law. We wouldn't have to ask the
7 state's permission.

8 COUNCILWOMAN TASC0: It would be part
9 of the developer's contribution.

10 MR. HANKOWSKY: I think perhaps what
11 I was responding to previously was the notion of
12 taking that TIF dollar out of the project and
13 sending it somewhere else. I'm not sure we can do
14 that under the state statute.

15 COUNCILWOMAN TASC0: Okay.

16 PRESIDENT VERNA: Thank you.

17 The Chair recognizes Councilwoman
18 Blackwell.

19 COUNCILWOMAN BLACKWELL: Thank you,
20 Madam President.

21 I am very happy to support this
22 project and will remind my colleagues that at Penn
23 we are building a center so that we will be number
24 one in the nation.

25 But it means we will be losing the

1 BILL NO. 000179

2 convention center and that part where we made movies
3 like Sixth Sense and Beloved, the Oprah Winfrey
4 movie. And we are really, really, really going to
5 need this facility.

6 So certainly we are very happy to
7 support it, and invite them to come into West
8 Philadelphia, where we can always use a certainly
9 added investment. Thank you.

10 PRESIDENT Verna: We would rather
11 they be in South Philadelphia. Thank you,
12 Councilwoman.

13 Any other questions of Mr.
14 Hankowsky?

15 The Chair recognizes Councilman
16 Nutter.

17 MR. HANKOWSKY: I saw that quick
18 movement.

19 COUNCILMAN NUTTER: I can be very
20 quick, Mr. Hankowsky.

21 MR. HANKOWSKY: You were afraid you
22 were going to miss your opportunity.

23 COUNCILMAN NUTTER: Any opportunity
24 to ask you a question is like missing a day without
25 sunshine.

1 BILL NO. 000179

2 I know there's been some discussion
3 about the report requests that I made some time
4 ago. Unfortunately, I was either out of the room or
5 engaged in other conversations.

6 Could I get the official response on
7 that?

8 MR. HANKOWSKY: I believe that some
9 of the material, perhaps not every information item
10 you requested, we have put together. And I think,
11 hopefully, this morning we provided it to the
12 Council President's office, which is a list of the.

13 PRESIDENT VERNA: Excuse me. It is
14 included with your testimony, Councilman.

15 COUNCILMAN NUTTER: Okay. This is
16 all the stuff that came over today?

17 MR. HANKOWSKY: Yes. There may be
18 still a couple of things outstanding on the job.
19 You wanted what actually what happened on jobs, and
20 that takes a little bit more work.

21 That shows you which ones are done,
22 not done, try to keep track of that.

23 COUNCILMAN NUTTER: So there is a
24 stapled report and then there is a one-pager?

25 MR. HANKOWSKY: I think somebody

1 BILL NO. 000179

2 asked for the application. I think there were a
3 variety of requests.

4 COUNCILMAN NUTTER: All right. So
5 there are really three documents?

6 MR. HANKOWSKY: I think that was
7 right.

8 COUNCILMAN NUTTER: So on the stuff
9 that's outstanding, what's the timetable on that?

10 MR. HANKOWSKY: Hopefully a couple of
11 weeks. I mean, not that long.

12 COUNCILMAN NUTTER: Okay. All
13 right. Thank you.

14 MR. HANKOWSKY: Thank you.

15 COUNCILMAN NUTTER: Thank you, Madam
16 Chair.

17 PRESIDENT VERNA: Are there any other
18 questions from members of the committee?

19 Thank you, Mr. Hankowsky.

20 MR. HANKOWSKY: Thank you.

21 PRESIDENT VERNA: Do we have anyone
22 else to testify on this bill?

23 Is Shelly Yanoff in the room? I know
24 she is down to testify.

25 (No response.)

1 BILL NO. 000179

2 PRESIDENT Verna: Okay. Councilman
3 DiCicco.

4 COUNCILMAN DiCICCO: Thank you, Madam
5 President.

6 I offer the following amendment to
7 Bill No. 000260. To amend the Silver City Project
8 Plan to authorize 50 percent of the Incremental Use
9 and Occupancy Taxes for the term of the TIF
10 district, to be used by PAID to fund a larger TIF
11 Note of approximately \$11.5 million, from 9 million,
12 to assist in closing the gap in development costs
13 from approximately \$6 million to 3.5 million.

14 And I request PIDC to make this
15 amendment to the project plan and file it with the
16 Chief Clerk of the City Council at the conclusion of
17 this Public Hearing.

18 PRESIDENT Verna: Thank you.

19 We will now go into our public
20 meeting. This concludes our Public Hearing.

21 (Public Hearing adjourned.)

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1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC MEETING
4 of the
5 COMMITTEE OF THE WHOLE
6 - - -
7 WEDNESDAY, MAY 31, 2000
8 - - -
9 Public Meeting conducted by the Committee
10 of the Whole, held in Room 400, City Hall,
11 Philadelphia, Pennsylvania, on the above date, to
12 consider action on the following:
13 BILLS NO. 000179, 000260
14 - - -
15 PRESENT:
16 COUNCILWOMAN ANNA C. VERNA, Chair
17 COUNCILWOMAN BLONDELL REYNOLDS BROWN
18 COUNCILMAN W. WILSON GOODE, JR.
19 COUNCILMAN ANGEL L. ORTIZ
20 COUNCILMAN FRANK RIZZO
21 COUNCILMAN FRANK DiCICCO
22 COUNCILWOMAN JANNIE L. BLACKWELL
23 COUNCILMAN MICHAEL A. NUTTER
24 COUNCILMAN DARRELL L. CLARKE
25 COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILWOMAN DONNA REED MILLER
COUNCILWOMAN MARIAN B. TASCO
- - -

1 PUBLIC MEETING

2 PRESIDENT Verna: The Chair
3 recognizes Councilman Clarke regarding Bill No.
4 179.

5 COUNCILMAN CLARKE: Thank you, Madam
6 Chair.

7 Madam Chair, I move that Bill No.
8 000179 be reported out of committee with a favorable
9 recommendation, and with a suspension of Rules as to
10 be read on tomorrow's calendar.

11 (Duly seconded.)

12 PRESIDENT Verna: It has been moved
13 and seconded that Bill No. 179 be reported out of
14 committee with a favorable recommendation, also a
15 recommendation that the Rules of Council be
16 suspended so as to permit first reading at our next
17 session of Council.

18 All in favor will signify by saying
19 aye.

20 Those opposed.

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

23 The Chair recognizes Councilman
24 DiCicco.

25 COUNCILMAN DiCICCO: Thank you, Madam

1 PUBLIC MEETING

2 President.

3 I move for the adoption of the
4 amendment that was previously read into the record
5 as it relates to Bill No. 000260.

6 (Duly seconded.)

7 PRESIDENT Verna: Amendment to the
8 Project Plan?

9 COUNCILMAN DiCICCO: Amendment to the
10 Project Plan.

11 PRESIDENT Verna: It has been moved
12 and seconded that the amendment be adopted.

13 All in favor will signify by saying
14 aye.

15 Those opposed.

16 The record will indicate that
17 Councilman Goode is voting nay.

18 The Chair recognizes Councilman
19 DiCicco.

20 COUNCILMAN DiCICCO: Thank you, Madam
21 President.

22 I move for the adoption of Bill No.
23 000260, as amended, and be reported out of committee
24 with a favorable recommendation, and that the Rules
25 of Council be suspended.

1 PUBLIC MEETING

2 PRESIDENT Verna: No, we can't.

3 COUNCILMAN DiCICCO: Don't do that?

4 Okay.

5 (Duly seconded.)

6 PRESIDENT Verna: It has been moved
7 and seconded that Bill No. 260 be reported out of
8 committee with a favorable recommendation as
9 amended.

10 All in favor will signify by saying
11 aye.

12 Those opposed.

13 The record would indicate that
14 Councilman Goode is voting nay, all other Council
15 Members are voting aye.

16 Therefore, Bill No. 260 will be
17 reported out of committee with a favorable
18 recommendation as amended.

19 This concludes the public meeting.

20 The Chair recognizes Councilwoman
21 Tasco.

22 COUNCILWOMAN TASCO: Thank you, Madam
23 President.

24 I would just like to say happy
25 birthday to our colleague, Joan Krajewski.

1 PUBLIC MEETING
2 (Public Meeting adjourned at 12:17
3 p.m.)
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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 Wednesday, May 31, 2000, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COMMITTEE OF THE WHOLE

DEBRA A. WHITEHEAD, RPR