

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 20, 2012
9:17 a.m.

PRESENT:

COUNCILWOMAN MARIAN B. TASC0, VICE-CHAIR
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN BOBBY HENON
COUNCILMAN KENYATTA JOHNSON
COUNCILMAN DENNIS O'BRIEN
COUNCILMAN MARK SQUILLA

BILLS NO.: 120483, 120562

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2 COUNCILWOMAN TASCO: Good morning. The
3 Committee on Finance will come to order. We do
4 have a quorum in the presence of Councilman
5 Henon, Councilman Johnson, Councilwoman
6 Blackwell, Councilman Greenlee, Councilman
7 Squilla and Councilwoman Tasco. We'd like the
8 Clerk to read the Bills, please.

9 THE CLERK: Bill No. 120483, an Ordinance
10 removing certain properties located on the
11 ground bounded by West Thompson Street to the
12 North, North 31st Street to the East, West
13 Girard Avenue to the South, and certain railroad
14 tracks and North 32nd Street to the West from
15 the Philadelphia Keystone Opportunity Expansion
16 Zone, subject to the request and consent of the
17 owners of said properties, all under certain
18 terms and conditions.

19 Bill No. 120562, an Ordinance authorizing
20 the Bond Committee to sell bonds at public or
21 private negotiated sale, to provide funds
22 towards various capital municipal purposes;
23 providing for appropriations to the Sinking Fund
24 Commission for the payment of such bonds;

1 authorizing agreements to provide credit or
2 payment or liquidity sources for the bonds in
3 connection with the issuance of the bonds, and
4 certain other actions; providing for obtaining
5 the consent of the electors to increasing the
6 indebtedness of the City; and fixing a day and
7 providing for arrangements for holding the
8 election for obtaining such consent.

9 COUNCILWOMAN TASCO: Thank you. Let the
10 Chair recognize Councilman Dennis O'Brien who
11 has joined us.

12 We would like to have Mr. Duane Bumb from
13 the Commerce Department to come forward to
14 testify on Bill 120483.

15 Good morning. Would you state your name
16 for the record and please proceed with your
17 testimony.

18 MR. BUMB: Good morning, Councilwoman Tasco
19 and Members of the Committee. My name is Duane
20 Bumb. I am the Senior Deputy Director of
21 Commerce for the City of Philadelphia. I am
22 here today on behalf of the Administration to
23 provide testimony in support of Bill 120483, a
24 Bill authorizing the City of Philadelphia to

1 remove certain properties in the Brewerytown
2 section of the City from the Keystone
3 Opportunity Zone or KOZ.

4 It has been the policy of the City since
5 the start of the KOZ program in 1998 to exclude
6 from the KOZ any residential property. The
7 removal of the parcels from the KOZ under this
8 Bill is consistent with that longstanding policy
9 as a portion of the site will be used for the
10 construction of new residential units.

11 The balance of the properties identified in
12 this Bill will be developed as a supermarket.
13 The developer of that commercial property has
14 indicated that he will not pursue KOZ benefits
15 and has expressed willingness to remove KOZ
16 designation as authorized by this Legislation.

17 Before the properties can be permanently
18 removed from the KOZ program, the property
19 owners must enter into a binding agreement with
20 the City to remove KOZ designation. And that
21 agreement must be approved at the state level by
22 the Department of Community and Economic
23 Development.

24 This concludes my prepared testimony. I

1 would be happy to respond to any comments you
2 have. And also I request a suspension of the
3 rules for reading at the next meeting of
4 Council.

5 COUNCILWOMAN TASCO: Yes. Are there any
6 questions?

7 (No response for questions.)

8 Thank you very much.

9 The next Bill is 120562. Call Mr. Dubow
10 and -- what's her name?

11 COUNCILMAN GREENLEE: Rhynhart.

12 COUNCILWOMAN TASCO: Rhynhart.

13 (Laughter)

14 Temporary moment of lapse in my memory.

15 Good morning.

16 MR. DUBOW: Good morning, Councilwoman
17 Tasco.

18 COUNCILWOMAN TASCO: Would you state your
19 name for the record, please, and proceed with
20 your testimony.

21 MR. DUBOW: My name is Rob Dubow. I'm
22 Director of Finance. With me here today is
23 Rebecca Rhynhart, the Budget Director. And we
24 are here to testify in support of Bill No.

1 120562.

2 The purpose of the Bill is to obtain
3 approval from Council to place a loan
4 authorization question on the General Election
5 Ballot on November 6. The question requests and
6 increase in the indebtedness not to exceed
7 123,670,000. That would be used to fund the
8 City's Fiscal Year 2013 Capital Budget that's
9 pending approval before Council. State law
10 requires that we place the question on the
11 ballot before increasing our borrowing
12 authority.

13 As of July 1, 2012, City's legal debt limit
14 is anticipated to be about 1.62 billion. And
15 the amount of debt applicable to that limit
16 would be about 1.49 billion. That leaves us
17 with a debt capacity of \$128 million.

18 The loan authorization, if approved, would
19 finance capital projects classified for the
20 following purposes in the following aggregate
21 amounts; Transit, 3.3 million; Streets and
22 Sanitation, 31.3 million; Municipal Buildings,
23 46.3 million; Parks Recs and Museum, 25.5;
24 Economic and Community Development, 17.3.

1 In order to provide appropriate time to
2 advertise the ballot question prior to November
3 6, that the Bill should be enacted no later than
4 September 13, 2012. And attached to this
5 testimony is the proposed ballot question
6 requesting the loan authorization. We also
7 would like to introduce an amendment, which I is
8 think attached to testimony. It reflects the
9 changes that were made during the Budget
10 Process; the adding \$5 million for commercial
11 corridors; \$2 million for Councilmembers ITEF
12 lines and we're to reduce the Love Park Project
13 by \$5 million. So, those are the -- that's what
14 the amendment would do.

15 COUNCILWOMAN TASC0: Could we just go
16 through those amendments again?

17 MR. DUBOW: Yes.

18 COUNCILWOMAN TASC0: You have an amendment.
19 Originally, you had 44,241,000 and you raised it
20 46,321,000.

21 MR. DUBOW: Yes.

22 COUNCILWOMAN TASC0: What is that for?

23 MR. DUBOW: That is adding funding to
24 Councilmembers ITEF funds, the recreation

1 members that each Councilmember gets. Right now
2 it's a million each. And Council amended the
3 Capital Budget to make that 1.2 million each.
4 That is a total of 2 million. That reflects
5 that line.

6 COUNCILWOMAN TASC0: That's for rec
7 centers?

8 MR. DUBOW: Yes.

9 COUNCILWOMAN TASC0: Now, how about -- you
10 took it from Parks and Recs?

11 MR. DUBOW: I'm sorry?

12 COUNCILWOMAN TASC0: You took it from Parks
13 and Rec?

14 MR. DUBOW: That is a reduction in the Love
15 Park Renovation Line.

16 COUNCILWOMAN TASC0: How about the
17 Community on Economic Development?

18 MR. DUBOW: That's \$5 million for
19 commercial corridors.

20 COUNCILWOMAN TASC0: Okay. Just so the
21 record will be clear.

22 MR. DUBOW: Yes.

23 COUNCILWOMAN TASC0: Are there any
24 questions?

1 Councilman Squilla.

2 COUNCILMAN SQUILLA: The commercial
3 corridors, are there any particular corridors
4 that are --

5 MR. DUBOW: You know, I think that would
6 have to be developed. That's a proposal that
7 came from Council.

8 COUNCILMAN SQUILLA: Okay.

9 MR. DUBOW: So we will talk to Council
10 about that.

11 COUNCILMAN SQUILLA: And the Park
12 Recreation Museums, the \$5 million that came
13 out, I guess, for the Love Park, is there any
14 additional revenue that's going into Park
15 Recreations and Museums?

16 MR. DUBOW: There is not -- on the capital
17 budget, there is not -- is there additional
18 funding for Parks and Rec?

19 MS. RHYNHART: On the capital?

20 MR. DUBOW: Yeah.

21 MS. RHYNHART: On these changes, no.

22 MR. DUBOW: Well, actually, the one change
23 would be if you look at the Municipal Buildings
24 Line, that is an increase in the amount that

1 goes to Councilmembers. And that's typically
2 used for Parks and Recreation. So, in that way
3 there's --

4 COUNCILMAN SQUILLA: Out of their capital?
5 Out of Councilmembers' capital money?

6 MR. DUBOW: Yes.

7 COUNCILMAN SQUILLA: Okay. Thank you.

8 COUNCILWOMAN TASC0: Any other questions?

9 (No response for questions.)

10 Thank you very much.

11 MR. DUBOW: Thank you. And we would like
12 to ask for suspension of the rules.

13 COUNCILWOMAN TASC0: Sure.

14 MR. DUBOW: Thanks.

15 COUNCILWOMAN TASC0: Is there anyone else
16 here to testify on either of these Bills?

17 (No response for further testimony.)

18 Thank you very much. We will now close our
19 Public Hearing and go into our Public Meeting.

20 Chair recognizes Councilman Greenlee for
21 a -- to report out Bill 120483 with a suspension
22 of the rules.

23 COUNCILMAN GREENLEE: Thank you, Madam
24 Chair.

1 I move that Bill No. 120483 be reported out
2 of this Committee with a favorable
3 recommendation, and that the Rules of Council be
4 suspended to allow for first reading at our next
5 session of Council.

6 COUNCILWOMAN BLACKWELL: Second.

7 COUNCILWOMAN TASC0: It has been moved and
8 seconded that Bill 120483 be reported out of
9 Committee with a favorable recommendation, and
10 that Rules of Council be suspended so this Bill
11 can be heard at Council's next session.

12 All in favor?

13 (Ayes.)

14 Is there an opposition?

15 (No response for opposition.)

16 There being none, the motion is carried.

17 Chair recognizes Councilman Greenlee for an
18 amendment to Bill 120562.

19 COUNCILMAN GREENLEE: Thank you, Madam
20 Chair.

21 I move the adoption of the amendment that's
22 been distributed for Bill No. 120562.

23 COUNCILWOMAN BLACKWELL: Second.

24 COUNCILWOMAN TASC0: It has been moved and

1 seconded that the Amendment of Bill 120562 be
2 adopted.

3 All in favor?

4 (Ayes.)

5 Is there any opposition?

6 (No response for opposition.)

7 There being none, the amendment is
8 approved.

9 Chair recognizes Councilman Greenlee to
10 report out Bill 120562 as amended.

11 COUNCILMAN GREENLEE: Thank you, Madam
12 Chair.

13 I move that Bill No. 120562 as amended be
14 reported out of this Committee with a favorable
15 recommendation, and that the Rules of Council be
16 suspended to allow for first reading at our next
17 session of Council.

18 COUNCILMAN SQUILLA: Second.

19 COUNCILWOMAN TASCO: It has been moved and
20 seconded that Bill 120562 as amended be reported
21 out of Committee with a favorable
22 recommendation, and a request that the Rules of
23 Council be suspended so this Bill can be heard
24 in Council's next session.

1 All in favor?

2 (Ayes.)

3 Is there any opposition?

4 (No response for opposition.)

5 There being none, the motion is carried.

6 That ends our Public Meeting and this Committee
7 is adjourned. Thank you.

8 (Committee Meeting concluded at 9:27 a.m.)

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

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I, hereby certify that the proceedings and
evidence noted are contained fully and
accurately in the stenographic notes taken
by me in the foregoing matter, and that
this is a correct transcript of the same.

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ANGELA M. KING, RPR, Notary Public

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(The foregoing certification of
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unless under the direct control and/or
supervision of the certifying reporter.)

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