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

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Room 400, City Hall
Philadelphia, Pennsylvania
Thurs., February 10, 2000
3:15 p.m.

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BILL NO. 000003 - An ordinance to adopt a Capital
Program for the six years 2001 to 2006 exclusive.

9

10 BILL NO. 000004 - An ordinance to adopt a Fiscal 2001
Capital Budget.

11

12 BILL NO. 000005 - An ordinance to adopt an Operating
Budget for Fiscal Year 2001.

13

PRESENT: COUNCIL PRESIDENT ANNA C. VERNA, Chair
COUNCILWOMAN JANNIE L. BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
COUNCILMAN DAVID COHEN
COUNCILMAN FRANK J. DICICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILMAN W. THACHER LONGSTRETH
COUNCILMAN RICHARD T. MARIANO
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN ANGEL L. ORTIZ
COUNCILMAN FRANK RIZZO
COUNCILWOMAN MARIAN B. TASCO

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

3 COUNCIL PRESIDENT VERNA: I'm sorry to
4 keep everyone waiting. We're simply waiting for
5 some documents to be delivered to us, so if you'll
6 please bear with us, we should start very shortly.

7 Thank you.

8 - - -

9 COUNCIL PRESIDENT VERNA: Again, I
10 apologize for the delay.

11 This is the Committee of the Whole, and
12 I would ask Mr. McPherson to please read the
13 titles of Bill No.'s 003, 004, and 005.

14 MR. MCPHERSON: Bill No. 003, an
15 ordinance to adopt a Capital Program for the six
16 years 2001 to 2006, exclusive.

17 Bill No. 004, an ordinance to adopt a
18 Fiscal 2001 Capital Budget.

19 Bill No. 005, an ordinance to adopt an
20 Operating Budget for Fiscal Year 2001.

21 COUNCIL PRESIDENT VERNA: Councilwoman
22 Blackwell, do you care to be recognized?

23 COUNCILWOMAN BLACKWELL: Yes, Madam
24 President. I offer two amendments on behalf of
25 the members of City Council, the first to Bill

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2 003, which --

3 COUNCIL PRESIDENT VERNA: Excuse me a
4 moment, please.

5 COUNCILWOMAN BLACKWELL: Yes, ma'am.

6 COUNCIL PRESIDENT VERNA: Councilman
7 Nutter?

8 COUNCILMAN NUTTER: Thank you, Madam
9 President. Are we about to take action on the
10 matters that are being raised by Councilwoman
11 Blackwell? If we are, I believe we need to move
12 into a public meeting --

13 COUNCIL PRESIDENT VERNA: No.

14 COUNCILWOMAN TASCO: -- for
15 amendments?

16 COUNCIL PRESIDENT VERNA: It's my
17 knowledge we do not.

18 COUNCILMAN NUTTER: Okay. Sorry, Madam
19 Chair. I --

20 COUNCIL PRESIDENT VERNA: Mr. Ereksen
21 informs us we do not. Okay?

22 COUNCILMAN NUTTER: Okay.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 Councilwoman Blackwell?

25 COUNCILWOMAN BLACKWELL: Thank you,

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2 Madam President. I offer two amendments on behalf
3 of the members of City Council, the first to Bill
4 003, to the Capital Program for Fiscal Years 2001
5 to 2006, and the second to Bill 004 to the Capital
6 Budget for Fiscal Year 2001.

7 COUNCIL PRESIDENT Verna: I believe
8 everyone has copies of the amendments.

9 (Duly seconded.)

10 COUNCIL PRESIDENT Verna: The amendment
11 has been offered.

12 All those in favor of the adoption will
13 signify by saying aye.

14 Those opposed?

15 The motion is carried.

16 We will now hear from the
17 Administration.

18 COUNCILMAN COHEN: Madam Chair, is this
19 a public meeting or a public hearing?

20 COUNCIL PRESIDENT Verna: We're in a
21 public hearing.

22 COUNCILMAN COHEN: Well, then I believe
23 Councilman Nutter had to be right and I
24 respectfully disagree with Mr. Erikson.

25 COUNCIL PRESIDENT Verna: Mr. Erikson?

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2 COUNCILMAN COHEN: We have no power to
3 act at a public hearing; we have power only to
4 listen to testimony.

5 COUNCIL PRESIDENT Verna: We will
6 consult with our attorney.

7 (President Verna consults with
8 Mr. Erekson.)

9 COUNCIL PRESIDENT Verna: Mr. Erekson
10 informs me that we are in order in adopting the
11 amendments at this time. We have done it in the
12 past and he said that we can certainly do it now.

13 COUNCILMAN COHEN: Madam President, I
14 don't want to be impolite, but I have never, ever
15 been at a public hearing, knowingly, when a motion
16 of any sort was ever adopted. That's for a
17 meeting purpose.

18 COUNCIL PRESIDENT Verna: Councilman
19 Cohen, there is no Charter requirement on this
20 issue.

21 COUNCILMAN COHEN: I expect, then, the
22 requirement is steeped in the rules of the City
23 Council and in our history. We have never -- as
24 far as my knowledge, not even at a committee
25 hearing do we ever adopt a resolution.

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2 COUNCIL PRESIDENT VERNA: Oh, we have.

3 COUNCILMAN COHEN: We also move into a
4 public meeting stance and then we go back again to
5 a public hearing.

6 I don't want anybody to be able to
7 attack this legally at a later time, and I don't
8 understand the ruling. And that's the reason I
9 have to. . . I never remember ever adopting any
10 past. . .

11 COUNCIL PRESIDENT VERNA: Councilman
12 Nutter, I have seen that you've been looking
13 through our rules. Do you see anything in there
14 that would prohibit us from taking action at this
15 time?

16 COUNCILMAN NUTTER: Madam Chair, I
17 would certainly never want to compete with the
18 likes of legal minds of either Tom Erikson or
19 Councilman Cohen. At the same time, I believe
20 that when I spoke earlier, it was more an
21 instinctive reflex based on what our general
22 practice has been and, I guess, quite honestly,
23 what I thought I was taught at one point in time,
24 that generally we do adopt amendments in the
25 public meeting portion even though they may be

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2 offered in a public hearing.

3 So -- and, again, I apologize for
4 cutting across Councilwoman Blackwell when she was
5 getting ready to get started. So it was merely
6 what generally has been our normal practice.

7 And I guess I assumed today, based on
8 all of our discussions, that we were going to
9 recess from a public hearing adopt into a public
10 meeting, adopt the amendments in the public
11 meeting, and then return to the public hearing
12 portion and continue with the testimony. That was
13 my general assumption about today's activities.

14 COUNCIL PRESIDENT VERNA: This was not
15 advertised as a public meeting.

16 COUNCILMAN NUTTER: Well, that could be
17 another problem.

18 COUNCIL PRESIDENT VERNA: It was merely
19 advertised as a public hearing.

20 COUNCILMAN NUTTER: Right. Aren't they
21 generally advertised as both?

22 COUNCIL PRESIDENT VERNA: This was not,
23 no.

24 COUNCILMAN NUTTER: Well, I guess let
25 me say two things, Madam President -- or Madam

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2 Chair.

3 First, I mean certainly we do have good
4 legal counsel here, and on the one hand, we could
5 proceed with the counsel's advice; on the other
6 hand, we could put forward what the intended
7 amendments are. We will be in session next week
8 in the course of Operating Budget, and whatever
9 advertising opportunity there is for the public
10 meeting, if Members want to proceed in that
11 particular fashion, we can formally adopt them in
12 that time period.

13 I mean, I'm. . .

14 COUNCIL PRESIDENT VERNA: I thought we
15 had that 30-day issue.

16 COUNCILMAN NUTTER: Before we could
17 actually adopt?

18 Could we take a short recess?

19 COUNCILMAN NUTTER: Thanks.

20 COUNCIL PRESIDENT VERNA: Sure.

21 COUNCILMAN COHEN: The amendments could
22 be introduced as they are and we could go ahead
23 with the hearing, and then next Thursday morning
24 or any earlier or at a later time --

25 COUNCIL PRESIDENT VERNA: Let's take a

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2 five-minute recess, please.

3 COUNCILMAN COHEN: -- We could have a
4 brief meeting, but it would have to be advertised.

5 COUNCIL PRESIDENT Verna: Let's take a
6 five-minute recess, please.

7 (Recess taken.)

8 - - -

9 (Proceedings resume.)

10 COUNCIL PRESIDENT Verna: The Chair
11 recognizes Councilman Nutter.

12 COUNCILMAN NUTTER: Thank you, Madam
13 Chair.

14 Madam Chair, at this time, I make a
15 motion to suspend the rules of City Council so as
16 to permit immediate consideration of the
17 amendments that will be proposed for the Capital
18 Budget.

19 (Duly seconded.)

20 COUNCIL PRESIDENT Verna: It has been
21 second.

22 All in favor of a suspension of the
23 rules will vote aye.

24 Those opposed?

25 The ayes have it and the motion is

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2 carried.

3 Jannie?

4 COUNCILWOMAN BLACKWELL: Madam

5 President, this is my day. This is the third
6 time, and I will read it verbatim.

7 (Laughter.)

8 COUNCILWOMAN BLACKWELL: Madam

9 President, I offer two amendments on behalf of the
10 Members of City Council, the first to Bill 03, to
11 amend the Capital Program for Fiscal Years 2001 to
12 2006; and the second to Bill 04, to the Capital
13 Budget for Fiscal Year 2001.

14 (Duly seconded.)

15 COUNCIL PRESIDENT VERNA: It has been
16 moved and properly seconded.

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

19 Those opposed?

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

22 Miss Suber, I'm sorry you were kept
23 waiting. I think we're now ready to hear your
24 testimony.

25 MS. FRANKLIN-SUBER: Good afternoon,

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2 President Verna and Members of City Council. I am
3 Stephanie Franklin-Suber, Chief of Staff for the
4 City of Philadelphia. With me are: Rob Dubow,
5 our Budget Director; Barbara Kaplan, Executive
6 Director of the City Planning Commission; and
7 Richard Dean, Deputy Director of the Program
8 Office.

9 Thank you for this opportunity to
10 present testimony in support of the proposed
11 Capital Budget and Capital Program, as amended by
12 City Council.

13 The Mayor has publicly apologized to
14 City Council for any misperception or confusion
15 with regard to the Capital Program and the Capital
16 Budget. There was no proposed Capital Budget
17 other than the one that the Mayor submitted to
18 City Council. There was, however, a draft
19 \$167 million budget that the staff of the City
20 Planning Commission shared with its Commission
21 members. That draft included funding for some
22 projects in Fiscal Year 2001 that the program
23 submitted to City Council be deferred for funding
24 to Fiscal Year 2002.

25 I would like to take this opportunity

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2 to publicly apologize to City Council. As Chief
3 of Staff, it is my responsibility to ensure that
4 there is coordination between the Mayor's Office,
5 the Capital Program Office, the Budget Office, and
6 the Planning Commission in connection with the
7 Capital Program and the Capital Budgets submitted
8 to Council City Council. In the future, the
9 Administration will have a closer working
10 relationship, and we will ensure that we avoid
11 this kind of situation.

12 The Capital Program that has been
13 amended is smaller than the programs that we're
14 used to seeing. We've been forced to postpone
15 some projects that we may have tried to fund in
16 Fiscal Year 2001, and the simple explanation is
17 that we are fast approaching our debt limit under
18 the State Constitution, and because we're
19 approaching that debt limit, we will have to
20 reduce the amount that we can borrow to fund the
21 capital projects.

22 The proposed Capital Program, as
23 amended, will be financed with general obligation
24 debt, and it now totals, as amended:

25 \$157.4 million in FY 2001;

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2 \$129.7 million for Fiscal Year 2002;
3 \$73.77 million annually for Fiscal Year
4 2003, Fiscal Year 2004;
5 \$72.77 million in Fiscal Year 2005.
6 It then drops to \$26.1 million in
7 Fiscal Year 2006, the final year of the program.
8 The first two years of the program are
9 still relatively consistent, even as amended with
10 previous Capital Budgets. They averaged about
11 \$139.5 million through the years Fiscal Year 1993
12 through Fiscal Year 2000, but the later years of
13 the program are substantially reduced because of
14 our debt limit.
15 While the program projects a reduction
16 in capital funding, the City intends to pursue
17 strategies that will allow it to maintain a
18 reasonably sized Capital Program while not
19 incurring excessive levels of debt. Moreover, the
20 funding levels included in the Capital Program, as
21 amended, are sufficient to maintain the
22 investments made over the past eight years and to
23 implement important new projects.
24 Again, the Administration is pleased to
25 support City Council's amendments to the FY 2001

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2 Capital Budget and the FY 2001 through 2006
3 Capital Program.

4 At this point, we would be happy to
5 answer any questions you may have of the
6 Administration, and Ms. Kaplan will present more
7 detailed testimony. Representatives of all City
8 agencies with Capital Budgets are also here to
9 answer any questions you may have on specific
10 projects.

11 COUNCIL PRESIDENT VERNA: Thank you.

12 COUNCILMAN NUTTER: Point of
13 information, Madam Chair.

14 COUNCIL PRESIDENT VERNA: I beg your
15 pardon?

16 COUNCILMAN NUTTER: Point of
17 information.

18 COUNCIL PRESIDENT VERNA: Yes. The
19 Chair recognizes Councilman Nutter.

20 COUNCILMAN NUTTER: Thank you, Madam
21 President.

22 Madam Chair, as we're probably going to
23 be here for a little while, we had had a
24 discussion not too long ago, and there is a
25 two-page sheet -- not the longer piece that use

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2 for the amendments to the Capital Budget and the
3 Capital Program. Is it possible to have a
4 sizeable number of copies of those available for
5 members of the general public or other
6 Councilmembers so that people can see what was
7 restored by the amendments?

8 COUNCILWOMAN VERNA: We do have them
9 available.

10 COUNCILMAN NUTTER: Okay, great. Thank
11 you.

12 COUNCIL PRESIDENT VERNA: Anyone who is
13 interested, we do have copies available. Thank
14 you.

15 Miss Kaplan, good afternoon.

16 MS. KAPLAN: Good afternoon, Council
17 President Verna and Members of Council. I'm
18 Barbara Kaplan, the Executive Director of the City
19 Planning Commission.

20 Unfortunately, much of my testimony, I
21 think, has been -- kind of been precluded by the
22 amendments that have been offered this afternoon,
23 which add \$17 million to the budget year, so that
24 the overview that I was going to present for the
25 Six-Year Program and even for the summary of the

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2 budget year is no longer accurate. But I would
3 be pleased to answer any questions Members of
4 Council have about the overall budget.

5 And I also wanted to point out that
6 while most of the attention this year, as has been
7 true in past years, has focused on the amount of
8 City tax-supported funding that we have available,
9 this is a budget that is many times greater than
10 the amount of City tax-supported funding because
11 we do have federal funds involved here,
12 particularly for the Airport. We have some state
13 monies available, we have federal funds and state
14 funds for SEPTA projects, for Streets Department
15 projects. We also have self-sustaining funds at
16 the Airport and for the Water Department. So
17 those other sources of funds greatly expand and
18 enhance the capacity of the City to provide for
19 all of our infrastructure needs.

20 So I'd be pleased to answer questions
21 in general and about any of the projects or
22 departments that people have questions about.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 I had a question regarding the Airport.
25 What are the parcels of land that the Airport is

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2 planning to acquire during FY 2001? Will the
3 contemplated acquisitions be through condemnation
4 or through negotiated sales? What are they
5 proposing to do there?

6 MS. KAPLAN: Well, there was a bill, I
7 think, that was introduced in Council that
8 contemplated the acquisition of land for the
9 Airport -- all the land that was still within
10 control of the Redevelopment Authority in the
11 vicinity of the Airport. That bill contemplated
12 acquiring all of that land by condemnation for use
13 of the Airport.

14 And that bill -- I don't whether it did
15 not proceed in the last session of Council. I
16 know when that bill was received at the Planning
17 Commission, the view of the Commission was that
18 since the Airport was undertaking a master plan
19 study for the future of the Airport, that it was
20 premature to move ahead with any acquisition until
21 that study, if not complete, was a lot further
22 along so that we would have a much firmer idea of
23 exactly what was needed and how each parcel of
24 land might be used.

25 There was a particular concern on the

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2 part of some of the Eastwick residents wanting to
3 support the Airport but some of these parcels of
4 lands are within 500 feet of existing single-
5 family residences, so there was a certain about
6 exactly what activity would happen on each parcel
7 of land.

8 COUNCIL PRESIDENT VERNA: No, the City
9 Council did not receive an ordinance, and I was
10 just wondering how we would acquire the land,
11 whether it would be through condemnation or
12 whether it would be through negotiated sales, but
13 I guess that's a conversation for another day.

14 MS. KAPLAN: I think so. I think it's
15 premature at this point, yes.

16 COUNCIL PRESIDENT VERNA: Okay, I
17 notice it's line number 8 on Page 12.

18 On Page 60, OHCD, Line 74, why is the
19 Administration proposing to use City capital
20 dollars in support of PHA projects? Has the City
21 done this in the past? And if so, where?

22 MS. KAPLAN: We have been doing this
23 for the past -- well, for quite some time. I
24 can't remember exactly how long, but probably 15
25 years at least. We have been using City capital

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2 dollars in support of OHCD -- various OHCD housing
3 developments. For example, if rental housing is
4 developed in a particular area, we use City
5 capital dollars to provide the site improvements,
6 whether it's curbside, whether it's trees, lights,
7 or sometimes new streets. And that --

8 COUNCIL PRESIDENT VERNA: For PHA?

9 MS. KAPLAN: That -- well, I'm getting
10 to that. That -- that has -- we have done that in
11 order to make the OHCD dollars go further.

12 In more recent years, as the Housing
13 Authority has been able to receive grants for the
14 public housing modernization and what they call
15 the Hope VI Program that's made it possible to
16 tear down the high-rise towers convert to public
17 housing, we have been using City capital dollars
18 to provide the new streets and the infrastructure
19 that makes that conversion possible.

20 We did it up in North Philadelphia for
21 the conversion of Raymond Rosen after the towers
22 were torn down. That one large plot had to be
23 subdivided and new city streets put in, and we
24 also developed new housing on surrounding streets,
25 and that was done with City capital dollars.

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2 And we had previously allocated dollars
3 in last year's budget and, I believe, the budget
4 the year before, for Schuylkill Falls as well for
5 that purpose.

6 COUNCIL PRESIDENT VERA: Thank you.

7 Page 79, line 92, what are the planned
8 improvements at the --

9 MS. KAPLAN: Excuse me, what was it?

10 COUNCIL PRESIDENT VERA: Page 79, line
11 92. Can you tell me what the planned improvements
12 at 63rd and Lindbergh Boulevard sites are for?

13 MS. KAPLAN: This is a property that
14 was purchased recently. I'm not even sure if the
15 final papers have been signed. The bill went
16 through in the last session of Council.

17 For some time now, there's been a
18 desire to move some Fleet operations and Streets
19 Department operations from Seventh and Pattison in
20 order to expand the Food Distribution Center and
21 also to remove the last of the Streets Department
22 operations from Front and Spring Garden, the
23 former incinerator site, to other locations --
24 well, one, to expand the Food Distribution Center
25 and the property at Front and Spring Garden.

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2 Because it's on the waterfront, people felt there
3 was a better use for it. And we've been looking
4 for a site -- the Capital Program Office has been
5 looking for a site probably three years to be able
6 to accommodate these operations.

7 And this is a property that was
8 purchased -- as I said, it's a pretty new
9 facility. My understanding is that it's about two
10 or three years old and will require relatively
11 little in the way of modification to fit it out
12 for the functions of the City.

13 This money will be used to make
14 whatever improvements are necessary to make it
15 usable for the City functions.

16 COUNCIL PRESIDENT VERNA: But it's a
17 million two over two years.

18 MS. KAPLAN: Right.

19 COUNCIL PRESIDENT VERNA: That's
20 little.

21 MS. KAPLAN: Well, compared to the cost
22 of buying land, building a whole facility from
23 scratch, it --

24 COUNCIL PRESIDENT VERNA: I would
25 appreciate your sending me a breakdown on this,

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2 please.

3 MS. KAPLAN: Okay, we can do that.

4 COUNCIL PRESIDENT Verna: Thank you.

5 The Chair recognizes Councilman Cohen.

6 COUNCILMAN COHEN: Thank you, Madam

7 Chair.

8 Miss Kaplan, recently, the press talked
9 about a \$225 million air strip at the Airport that
10 -- the article reported -- indicated that that
11 air strip was not going to be very useful and that
12 currently was not being useful.

13 Do you remember the article? It was
14 just a few days ago.

15 MS. KAPLAN: Mm-hmm.

16 COUNCILMAN COHEN: That seemed like a
17 kind of a large sum of money to sort of -- say,
18 after many years of planning and many years of
19 building, wasn't going to be useful and that they
20 had sort of just discovered it.

21 Do you have any comment with respect to
22 that? Do we know anything about it?

23 MS. KAPLAN: I'm afraid I --

24 COUNCILMAN COHEN: Who approved it, who
25 was --

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2 MS. KAPLAN: I think it would probably
3 be more appropriate to have somebody from the
4 Airport speak to that point. I believe somebody
5 is here from the Airport.

6 COUNCILMAN COHEN: I would appreciate
7 that, Madam President.

8 (Airport representative comes forward.)

9 COUNCIL PRESIDENT VERNA: Good
10 afternoon. Please identify yourself for the
11 record.

12 MR. BERATAN: Good afternoon. My name
13 is Jay Beratan. I'm the Deputy Director for
14 Aviation at the Airport for Facilities.

15 And in response to Councilman's
16 question, this runway, which was a \$221 million
17 project, was planned approximately ten years ago
18 for small aircraft, propeller-driven aircraft.
19 The state of the art has changed in the last years
20 to a type of aircraft called "RJ," which is a
21 regional jet.

22 However, the article wasn't totally
23 factual. The runway is still very useful; it's
24 being used today as we speak. The savings,
25 although projected to be about 30 percent in

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2 delays, may be closer to 15 or 20 percent at this
3 time. It's still a huge savings, and the runway
4 will more than pay for itself in the next five
5 years.

6 COUNCILMAN COHEN: Which -- whose money
7 is the money that paid for the runway?

8 MR. BERATAN: The \$221 million is made
9 up of various funds. We had federal grants, state
10 grants, revenue bonds, Airport revenue bonds, as
11 well as facility charges, passenger facility
12 charges, which is that \$3 tax that's paid on
13 tickets as you buy tickets.

14 COUNCILMAN COHEN: Do any of the
15 revenue bonds require tax money?

16 MR. BERATAN: No. All the bonds are
17 aviation bonds that are paid off by the airlines.
18 There's no City tax dollars involved in it.

19 COUNCILMAN COHEN: Does that mean there
20 are no City tax dollars involved in those Airport
21 bonds at all?

22 MR. BERATAN: That is correct. They're
23 Airport revenue bonds paid off by the airlines and
24 revenue at the Airport.

25 COUNCILMAN COHEN: What is the City's

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2 involvement with the bonds?

3 MR. BERATAN: The City sells these
4 Airport revenue bonds, which are guaranteed by the
5 airlines.

6 COUNCILMAN COHEN: There's no guarantee
7 by the City?

8 MR. BERATAN: I do not believe there is
9 a guarantee by the City, just by the airlines.

10 COUNCILMAN COHEN: So if there is a
11 blunder and it turns out to have been largely a
12 waste or substantially a waste, the loss would be
13 the airlines' and not the City's?

14 MR. BERATAN: That is correct, although
15 I don't believe it will turn out to be a waste.

16 COUNCILMAN COHEN: Okay, let's hope
17 so. Thank you very much.

18 MR. BERATAN: You're welcome.

19 COUNCILMAN COHEN: One other question.

20 Miss Kaplan, what happened to the
21 budget? For example, is there -- the Planning
22 Commission prepares a draft of the budget, is that
23 what happens?

24 MS. KAPLAN: The Planning Commission --
25 you know, there's a staff as well as the

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2 Commission. And the staff meets with every
3 department that makes a Capital Budget request,
4 usually during the end of November, the beginning
5 of December.

6 We meet with your commission typically
7 about three times on the subject of the Capital
8 Budget, and these are public meetings the first
9 meeting usually happens in the -- it's a -- at a
10 regular Planning Commission meeting, as part of
11 the agenda, we would as soon, as we get the budget
12 request in November, give the Commission a copy of
13 all the projects as requested, without any changes
14 having been made by the staff, and we would review
15 every project with the Commission at a public
16 meeting.

17 COUNCILMAN COHEN: And was that done in
18 this year?

19 MS. KAPLAN: That was done this year.

20 Then we met with every department that
21 made a budget request for at least an hour, and we
22 reviewed their request to understand what they
23 would do with the money if they -- if it were
24 appropriated, how this year's projects related to
25 their ongoing activities, what their goals were

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2 for over the six years of the program in as much
3 as they're able to project that.

4 And then after that, we would
5 typically, in December, meet with -- at the
6 Planning Commission meeting usually toward mid to
7 late December and review with the Commission the
8 draft that the staff would have prepared, which is
9 sort of our first crack at the budget, and discuss
10 that with the Commission at a public meeting.

11 We held up doing that this year because
12 of the, you know, impending change of
13 administration, feeling that a new mayor might
14 want to take a look at that program. And so we
15 didn't -- we didn't discuss it publicly with the
16 Commission in December, and we did not circulate
17 it to all the City departments for comment, which
18 we also did with the first draft.

19 When we found out that we were going to
20 have -- that the budget address initially was
21 proposed as early as January 20th, we scheduled
22 the Planning Commission meeting for a week before
23 that, which was January 13th, and, you know, we're
24 still hoping to have an opportunity to review that
25 with the Mayor.

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2 We did get the word to -- that the
3 Commission -- that the budget message was delayed
4 till the 25th and that we should not vote on the
5 program on the 13th. But we did, on the 13th,
6 review the whole program with the Commission
7 'cause it had not yet seen any first draft as
8 they were used to having seen a first -- would
9 have been used to seeing a first draft in
10 December.

11 So that's what we did on the 13th, and
12 that was a program that had \$167 million in it.
13 We -- in between the 13th and the 18th, when the
14 Commission did vote on the program, the Mayor did
15 have an opportunity to review the program and
16 indicated to the staff that he was concerned about
17 the debt limit and wanted to be conservative and
18 wanted to remove \$27 million and defer it to the
19 second year.

20 So that -- and that was the budget that
21 the Commission voted on.

22 COUNCILMAN COHEN: Did you say that the
23 first meeting was in November?

24 MS. KAPLAN: The first meeting where
25 the Commission discussed the budget. At that

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2 point what they did was review all of the requests
3 from all of the departments as received, without
4 any changes.

5 COUNCILMAN COHEN: And was there a
6 draft at that time?

7 MS. KAPLAN: No, there was no draft
8 until we met with all the departments, which was
9 -- the staff did produce a draft by mid-December,
10 but we did not circulate it either to other
11 departments or to the Commission until a -- until
12 the first week in January.

13 COUNCILMAN COHEN: The first time it
14 was something that you could have call a draft
15 based upon your experience in the Planning
16 Commission, how large was that budget? What did
17 the total of all the items --

18 MS. KAPLAN: 167 million, yeah.

19 COUNCILMAN COHEN: What was that?

20 MS. KAPLAN: That was for the first
21 year.

22 COUNCILMAN COHEN: 167 million?

23 MS. KAPLAN: Right.

24 COUNCILMAN COHEN: In December?

25 MS. KAPLAN: Right.

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2 COUNCILMAN COHEN: And did it, at that
3 time, in December --

4 MS. KAPLAN: No, we had that together,
5 but we did not circulate it.

6 COUNCILMAN COHEN: Now, at that time,
7 did it include basically the same items that later
8 appeared, with the \$27 million missing? Were they
9 basically the same items?

10 Was, for example, the Veterans Stadium
11 in this year's budget for \$40 million?

12 MS. KAPLAN: No, the Veterans Stadium
13 was not in the budget until January. I'm sorry,
14 the -- the budget that we had in December did not
15 have Veterans Stadium, so it was \$127 million.
16 That was the first draft, and that was not
17 circulated to anybody, except the Finance
18 Department.

19 MR. DUBOW: The first budget -- the one
20 that you're considering a draft, the 167 million,
21 that did include the Veterans Stadium money.

22 MS. KAPLAN: But that wasn't until
23 January.

24 COUNCILMAN COHEN: That was in January.

25 MS. KAPLAN: Right.

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2 COUNCILMAN COHEN: That was after there
3 was the change in mayor.

4 MS. KAPLAN: Right, that's right.

5 COUNCILMAN COHEN: Now, when did the
6 Veterans Stadium first appear in the budget?

7 MS. KAPLAN: In January. The first
8 time --

9 COUNCILMAN COHEN: After the
10 inauguration?

11 MS. KAPLAN: Yes.

12 COUNCILMAN COHEN: All right, thank
13 you. I'm sure there will be other questions about
14 the \$40 stadium, but that's all I have at this
15 time on that.

16 COUNCIL PRESIDENT VERNA: Thank you.

17 The Chair recognizes Councilman Ortiz.

18 COUNCILMAN ORTIZ: Ms. Kaplan, in terms
19 of the Defense Conversion Fund, there are three
20 items in the Capital Budget. How much federal
21 monies are in that fund, and what is the process
22 of that -- the expenditures that will take place
23 from that fund? How will they take place?

24 MS. KAPLAN: I think it's probably
25 better to have Bill Hankowsky talk about that,

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2 from PIDC. He's here, and can give you a detailed
3 breakdown about the federal money and the City
4 money and what we use the federal money for as
5 opposed to why we need additional City dollars.

6 (Bill Hankowsky comes forward.)

7 MR. HANKOWSKY: Good afternoon. Bill
8 Hankowsky, President of the Philadelphia
9 Industrial Development Corporation.

10 Councilman Ortiz, we pursue various
11 types of funding for Defense Conversion. There
12 are certain funds available at the federal level.
13 You're correct in asking that question.

14 Basically they are in two places within
15 the federal government. One is the Department of
16 Defense, in an office known as "the Office of
17 Economic Adjustment." That office provides
18 planning grants to help communities plan for the
19 conversion of a former military installation into
20 some other use. Those grants are only permitted
21 over -- basically they're staged over a five-year
22 period from the point when the closure is
23 announced.

24 We are now in a cycle on our closed
25 facilities -- being the Navy hospital, the Navy

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2 Yard and Base, and what most of us call "the Old
3 Quarter Masters," the Defense Personnel Supply
4 Center. We're at the end of that cycle. So we --

5 COUNCILMAN ORTIZ: How much money was
6 it? Did we get --

7 MR. HANKOWSKY: I'd be happy to get you
8 that. I don't know it off the top of my. They
9 basically start you kind of low and let you build
10 it up, then they step you down.

11 So we're at a point now where those
12 dollars, which we use, for example, to do studies
13 and environmental analysis and that kind of, you
14 know, traffic study, planning of that caliber.
15 And that's all you can use it for is planning; you
16 can't use it physically, you can't fix a building
17 with that money. And basically, that money is
18 significantly lower than it had been in previous
19 years.

20 The second source available at the
21 federal level --

22 COUNCILMAN ORTIZ: Excuse me. Do you
23 have a detailed paper and report in how that money
24 was spent?

25 MR. HANKOWSKY: Yes, we do.

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2 COUNCILMAN ORTIZ: And what contracts

3 were --

4 MR. HANKOWSKY: Sure.

5 COUNCILMAN ORTIZ: -- You know, allowed

6 and given out?

7 MR. HANKOWSKY: Sure.

8 COUNCILMAN ORTIZ: And so on?

9 MR. HANKOWSKY: Sure.

10 COUNCILMAN ORTIZ: Could we get that?

11 MR. HANKOWSKY: Sure, yep. And it's --

12 we have it because it's annually audited. You

13 know, we're required annually to provide an audit

14 to the federal government.

15 COUNCILMAN ORTIZ: And do you have the

16 breakdown of federal and City monies that were

17 expended along that line?

18 MR. HANKOWSKY: Yeah, we can do that.

19 The second pot that's available at the

20 federal level is from the Federal Economic

21 Development Administration, and they receive an

22 allocation from Congress, so they have a pot

23 that's set aside for Defense Conversion.

24 So communities that have closed

25 facilities can apply to that pot for projects

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2 specific to -- and in that case, it is usable for
3 physical work, to make something happen.

4 We have aggressively applied -- and,
5 again, I could provide you with a list of EDA
6 grants and --

7 COUNCILMAN ORTIZ: I'll tell you, I
8 want to know how much money has come into the City
9 from the federal government.

10 MR. HANKOWSKY: Mm-hmm.

11 COUNCILMAN ORTIZ: How much has been
12 our participation.

13 MR. HANKOWSKY: Mm-hmm.

14 COUNCILMAN ORTIZ: What have been the
15 contracts.

16 MR. HANKOWSKY: Mm-hmm, mm-hmm.

17 COUNCILMAN ORTIZ: The contracts
18 planning, design, construction, down the line,
19 legal, whatever.

20 MR. HANKOWSKY: Mm-hmm.

21 COUNCILMAN ORTIZ: I would like to find
22 out for the record once again what has been the
23 minority participation.

24 MR. HANKOWSKY: Mm-hmm.

25 COUNCILMAN ORTIZ: And that minority

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2 participation broken down --

3 MR. HANKOWSKY: Sure.

4 COUNCILMAN ORTIZ: -- in terms of the
5 different contracts given out.

6 MR. HANKOWSKY: Mm-hmm. I'd be pleased
7 to that. We have that information, sure.

8 COUNCILMAN ORTIZ: Okay? So we can get
9 that.

10 MR. HANKOWSKY: Sure, oh yeah,
11 absolutely. We have it.

12 COUNCILMAN ORTIZ: But you don't know
13 off the top of your head right now how much money
14 is coming in from the federal government?

15 MR. HANKOWSKY: I -- I -- I'm sorry.

16 COUNCILMAN ORTIZ: That's all right.

17 MR. HANKOWSKY: I could try to do it
18 but then I'll probably find out I mis --

19 COUNCILMAN ORTIZ: No problem.

20 MR. HANKOWSKY: But, I mean, we have a
21 \$5 million EDA grant this year, and in fact, it's
22 a match in the capital -- there's match
23 requirements for the EDA money. So that is one
24 place why we do access the Capital Budget, to do
25 the match requirement, to go get those dollars.

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2 But I'd be happy to provide you all
3 that data, we have it all.

4 COUNCILMAN ORTIZ: Thank you.

5 Now, Miss Kaplan, I want to follow up
6 on a question the President gave you in terms of
7 PHA, and why is City money from our budget going
8 towards PHA for their capital construction when,
9 during the last few years, if the reports that I
10 read in the newspapers are correct, between the
11 Administration of Cisneros (ph) and Cuomo, we have
12 gotten huge amounts of the money for the repairs,
13 the maintenance, and the new building of PHA
14 housing.

15 MS. KAPLAN: But those grants don't pay
16 for the infrastructure costs. So, for example,
17 when we tore down the towers at Raymond Rosen and
18 then we took the land that was the large plot of
19 land where the towers had been and the desire was
20 to put regular city streets through there so that
21 that wasn't kind of an island and it became a part
22 of the regular city street pattern, we had to pay
23 for those streets with City dollars. That wasn't
24 a cost that was eligible from PHA -- from the
25 grant that PHA got.

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2 COUNCILMAN ORTIZ: So our money is not
3 going towards their capital budget?

4 MS. KAPLAN: Our money's not going to
5 the housing; it's going to infrastructure and what
6 we call "site improvements" -- curbs, sidewalks,
7 trees, lights.

8 A lot of the big --

9 COUNCILMAN ORTIZ: Well, when they
10 build new housing in those sites, don't they have
11 to build sidewalks?

12 MS. KAPLAN: The money doesn't cover
13 all of those costs, so we have been using City
14 capital dollars to supplement those costs that are
15 eligible and to pay for those things that are not
16 eligible at all, like brand-new city streets.

17 COUNCILMAN ORTIZ: Well, what is the
18 process, what do they do? Do they write a request
19 or do they submit a proposal to the City?

20 MS. KAPLAN: They submit that request
21 through the Office of Housing, through John
22 Kromer's office. John Kromer's office is one of
23 the City departments that typically makes a
24 request for capital funds, and they include a
25 request from the Housing Authority -- they include

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2 the Housing Authority's needs in their requests to
3 us.

4 They're -- we by no means fund
5 everything they ask for, just as we don't fund a
6 lot of things that the other departments ask for,
7 but they ask us for many times the amount of money
8 that we're able to provide in the Capital Program.

9 COUNCILMAN ORTIZ: So that becomes part
10 of the CDBG budget that we revise every year?

11 MS. KAPLAN: It's the City support for
12 the Community Development Program, but it is our
13 dollars that we're using to supplement the federal
14 dollars, either the regular CDBG Grant dollars or
15 the Housing Authority grant, or sometimes we have
16 Community Development Corporations that get their
17 own funding through one program or another, but
18 that program covers the cost of rehabilitation of
19 housing or new housing but doesn't pay for site
20 improvement, and we have come along and paid for
21 those site improvements as well.

22 COUNCILMAN ORTIZ: SEPTA seems to be
23 having a lot of problems with its infrastructure.
24 What is your proposal -- and they paid out
25 \$8 million in legal penalties in terms of the

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2 lawsuit that they had with the children and so on.
3 Is that money -- where's that money
4 coming from? And is the City going to have to
5 carry the cost of that penalty, or are we going to
6 deduct -- are we going to deduct from the SEPTA
7 budget because of their negligence?
8 MS. KAPLAN: I -- I -- I can't answer
9 that question. I can tell you that it's not
10 included in the Capital Program, but I can't tell
11 you, you know, about, you know, how that money
12 would be paid, you know, out of their Operating
13 Budget.
14 We do have people here from SEPTA.
15 Perhaps they can answer that question.
16 COUNCILMAN ORTIZ: Well, when they
17 come, when it's their turn.
18 MS. KAPLAN: Okay.
19 COUNCILMAN ORTIZ: Yeah.
20 Thank you, Madam Chair.
21 COUNCILWOMAN BLACKWELL: Thank you.
22 The Chair recognizes Councilman Clarke.
23 COUNCILMAN CLARKE: Thank you, Madam
24 Chair.
25 COUNCILMAN CLARKE: Since we're close

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2 to dealing with public housing, I had one quick
3 question about public housing, on the site
4 improvements, and I don't know if you can answer
5 this or not.

6 It's my understanding that there was a
7 request for some infrastructure dollars for
8 Richard Allen, and I don't see it in the budget.
9 Can you tell me why it was not a part of that
10 process?

11 MS. KAPLAN: Because we -- we didn't
12 have enough money to cover everything that the
13 Housing Authority wanted, and these were their
14 highest priorities.

15 COUNCILMAN CLARKE: That was based on
16 the Housing Authority's priorities?

17 MS. KAPLAN: Now, it is possible, and
18 one of the things that happens with the Office of
19 Housing and with the Housing Authority is that a
20 lot of these projects are complicated, they take a
21 long time, as I know you are aware 'cause you've
22 been involved in a number of them. So sometimes a
23 project does not move as quickly to construction
24 or as quickly to completion as, I think, a lot of
25 us would have anticipated.

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2 So very often, you know, the money in
3 this line item, if something else is ready to go
4 and is complete and needs, you know, new curbs,
5 sidewalks, and trees, there is old funding that
6 could be used -- you know there's money from past
7 years in this line item that could be used for
8 that purpose.

9 COUNCILMAN CLARKE: So it --

10 MS. KAPLAN: So what has been happening
11 with this line item is, we are never able to
12 budget anywhere near the amount that's requested.
13 But we've also, because the pace of this has been
14 slow, we've never been in a position where we
15 really needed the site improvement dollars for a
16 project and we weren't able to draw on it from
17 existing funding.

18 And from what I understand now, the
19 Schuykill Falls development has been slowed down
20 to some degree, so it may be possible that those
21 dollars could be reallocated if, say, Richard
22 Allen moves more quickly and requires those site
23 improvements on an earlier schedule.

24 COUNCILMAN CLARKE: So is it possible
25 that the call that I got from the Housing

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2 Authority that asked for the money to be put in
3 the budget --

4 MS. KAPLAN: Yeah, well, they -- yeah,
5 I mean, but -- yeah, you know, I mean it was a
6 question of how much money we could provide to the
7 Housing Authority.

8 COUNCILMAN CLARKE: All right, all
9 right. No, I was wondering 'cause I got a call,
10 and I'm saying, if it's the Housing Authority's
11 priorities, why would they be calling me about
12 Richard Allen if they set the parameters?

13 MS. KAPLAN: Because they wanted it
14 all.

15 COUNCILMAN CLARKE: So they're greedy,
16 in other words.

17 (Laughter.)

18 COUNCILMAN CLARKE: That's what I was
19 trying to get you to say, okay.

20 Actually, I had another question, and
21 it takes me back a couple of years. Around four
22 years ago, we had a swimming pool, it was the
23 former Wright swimming pool that had closed down
24 around ten years ago, and there was finally a
25 decision to actually build a new pool in its

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2 place. And the problem was that the pool
3 ultimately ended up costing about a million
4 dollars, and at that time, I think the Council
5 District's allocation was a million dollars, so we
6 had to forego any restorations of any of our other
7 facilities in the district.

8 Right now, it's my understanding, in
9 talking to the former Commissioner of Recreation,
10 that we may want to think about, on the 26th and
11 Master site, which is called "Athletic Center,"
12 possibly replacing that center totally or
13 partially. And on the initial analysis of that
14 replacement, it came back around 2.1. My concern
15 is that if we make that decision to do that, then
16 I will be looking at two, maybe more, years of no
17 money going to any other part of the District.

18 What is the process, as it relates to
19 the Planning Commission, in the Administration
20 when we had these large-scale projects dollar-wise
21 that triggers what we call among our colleagues as
22 the "big-ticket items" that get funded by you
23 guys, as opposed to our money? I mean, how does
24 that happen?

25 MS. KAPLAN: Well, I -- we usually get

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2 a request from the Recreation Department for those
3 projects over and above what the Councilmatic
4 allocation typically is.

5 We also have had the -- there also has
6 -- it has happened in the past where we've also
7 gotten some state money here and there for some of
8 those major projects. We did get some state
9 money, I believe, for the facility in Germantown
10 -- I can't remember the name of it -- which was an
11 old facility that really had to be rebuilt. And
12 we also got money for the Simon Recreation Center,
13 I know, from the State.

14 So I think it would be good to, you
15 know, talk to the Recreation Department about
16 that. They may be able to, you know, with some
17 lead time, identify, you know, you know, be able
18 to apply for some state money to supplement what
19 we normally would provide in the Capital Program.
20 But we do get requests from the Recreation
21 Department as part of the normal budgeting
22 progress for special projects, large projects over
23 and above the typical Council allocation.

24 COUNCILMAN CLARKE: Well, what -- and I
25 hear what you're saying, but my concern was that

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2 there was actually a schedule associated with that
3 recommendation as to what the replacement would
4 cost, and they gave me that two-and-a-half-year
5 schedule, and that's the Recreation Department.

6 So what you're telling me is that they
7 could have opted to just go to the Administration
8 or go to some other route to fund such a
9 big-ticket item?

10 MS. KAPLAN: They -- they might have
11 suggested it to us in their budget request; they
12 didn't do that. And that's not to say that they
13 could not do that in the future, but they did not
14 do it this year.

15 COUNCILMAN CLARKE: Right, okay. Thank
16 you.

17 Thank you, Madam Chair.

18 COUNCILWOMAN BLACKWELL: Thank you,
19 Mr. Clarke.

20 The Chair recognizes Councilman Nutter.

21 COUNCILMAN NUTTER: Thank you, Madam
22 Chair.

23 Good afternoon, Ms. Kaplan, Ms. Suber,
24 Mr. Dubow, and I'm sorry, I didn't get your name.

25 MS. KAPLAN: Richard Dean.

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2 COUNCILMAN NUTTER: Richard Dean?

3 MS. KAPLAN: From the Capital Program
4 Office.

5 COUNCILMAN NUTTER: Ms. Kaplan, I'd
6 like to go back to an issue that was raised a
7 little while ago with regard to the Veterans
8 Stadium dollars. Was your testimony earlier that
9 this became an item for the Planning Commission or
10 the staff sometime in early 2000? Is that --

11 MS. KAPLAN: That's right.

12 COUNCILMAN NUTTER: Okay. And when the
13 request was made, who made it?

14 MS. KAPLAN: We -- we got that request
15 through the Budget Office, through the Finance
16 Department.

17 COUNCILMAN NUTTER: I thought -- I
18 thought I recalled your testimony earlier being
19 that your staff has discussions with the
20 individual departments or agencies with regard to
21 their requests. Is that what you testified to
22 earlier?

23 MS. KAPLAN: That's right.

24 COUNCILMAN NUTTER: Okay. So is this a
25 request of the Finance Office or was this a

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2 request of the Recreation Department?

3 MS. KAPLAN: We did not get this from
4 the Recreation Department; we got it from the
5 Budget Office of the Finance Department.

6 COUNCILMAN NUTTER: Okay. And that's
7 Mr. Dubow, right?

8 Mr. Dubow, do you -- is it the normal
9 practice that the Budget Office makes requests to
10 the Planning Commission for any and all projects
11 or special projects?

12 MR. DUBOW: It's typical that during
13 the budget process, we'll make some requests of
14 the Planning Commission.

15 COUNCILMAN NUTTER: Okay. And what was
16 the request based on?

17 MR. DUBOW: The request was based on
18 the conceptual agreement reached between the
19 Administration and the Eagles.

20 COUNCILMAN NUTTER: Okay. Now, when
21 the departments or agencies come either to the
22 Planning Commission or, as Mr. Dubow said, in some
23 cases, they go to the Finance Office, I'm assuming
24 that they come with some documents or a piece of
25 paper or a justification where they explain -- I

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2 thought, Miss Kaplan your, testimony earlier was,
3 you ask them what their goals are for that
4 particular budget year or for the program six
5 years; is that correct? Did you testify to that
6 earlier?

7 MS. KAPLAN: When we meet with the
8 departments, yes.

9 COUNCILMAN NUTTER: When you meet with
10 the departments. Is it a different process when
11 you meet with the Budget Office?

12 MS. KAPLAN: Typically, the kinds of
13 requests get from the Budget Office are requests
14 that we kind of understand are coming to us from
15 the Mayor. I mean, whether that's said directly
16 or we just -- it's not even necessary to say it
17 directly, and that's not a new practice. I think
18 that, you know, has been the case in the past.

19 COUNCILMAN NUTTER: Okay. Now, in the
20 current FY '00 Budget, and the FY '00 to '05
21 Program, my reading of the document indicates that
22 for Veterans Stadium, we passed a Capital Program
23 that included \$1 million for FY '01; is that
24 correct?

25 MS. KAPLAN: In last year's budget or

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2 in the current year's budget, that's what was
3 contemplated for the second year of the program,
4 which is the budget year we're now considering,
5 yes.

6 COUNCILMAN NUTTER: So you anticipated
7 last year when we did this budget, you estimated
8 funding a million dollars worth of renovations in
9 FY '01 for Veterans Stadium?

10 MS. KAPLAN: That was the information
11 we had at that time.

12 COUNCILMAN NUTTER: Okay. So did it
13 surprise you at all that that number had gone up
14 by \$39 million this year?

15 MS. KAPLAN: Um, you know, I. . . what
16 could I say? I don't -- "surprised" is probably
17 not the right word.

18 I guess, you know, we certainly knew.
19 We read the newspapers, we follow what goes on in
20 Council and in public discussions that there's
21 been discussion about new stadiums and about the
22 need to, you know, repair the existing facility if
23 we did not proceed to build, you know, something
24 new.

25 So I think we understood that this was

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2 beyond the kind of repairs that we were talking
3 about in the normal course of business.

4 COUNCILMAN NUTTER: Well, when the
5 departments come in, and they come in not only for
6 the upcoming year's budget, but they -- again, I
7 thought your testimony was that they also talk
8 about their program goals for the next six years.

9 For the FY 2000 Budget, did anyone give
10 any indication to you from -- I'm assuming at that
11 time you were talking to the Recreation
12 Department. Did anyone give a hint, a wink, a nod
13 that even though maybe we're only asking for a
14 million for the '01 year, there might be actually
15 be \$40 million worth of renovations needed at
16 Veterans Stadium or upwards of
17 \$80 million?

18 MS. KAPLAN: No, no one talked about
19 anything of that magnitude, but I don't think the
20 Recreation -- in all fairness to the Recreation
21 Department, they were not a part of the stadium
22 discussion.

23 COUNCILMAN NUTTER: I understand that,
24 and I'm not charging them with anything.

25 MS. KAPLAN: Yeah, yeah.

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2 COUNCILMAN NUTTER: I'm just saying
3 that they came in for the '00 Budget, told you
4 what their goals were, and I'm just asking, did
5 anybody give any indication that there might be
6 that level of needed repair out of the facility?

7 MS. KAPLAN: No.

8 COUNCILMAN NUTTER: Okay. Now,
9 Veterans Stadium, as I understand it, opened in
10 April of '71; is that right?

11 MS. KAPLAN: I -- I wasn't here, but I
12 -- I'll take your word for it.

13 COUNCILMAN NUTTER: It's April 10,
14 1971.

15 Now, it's my understanding that the
16 cost of the stadium was \$50 million. Do you have
17 any sense of how much money the City has
18 appropriated to Veterans Stadium over the past 20
19 or so years?

20 MS. KAPLAN: I know how much we did --
21 we appropriated for the last, you know, for the
22 years of the Rendell Administration for the past
23 eight years. I don't know prior to that.

24 COUNCILMAN NUTTER: What was that
25 number?

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2 MS. KAPLAN: About 64 -- a little more
3 than \$64 million.

4 COUNCILMAN NUTTER: And what did some
5 of those repairs cover?

6 MS. KAPLAN: I don't have a breakout,
7 but just from my own memory, I know we put in a
8 new field, you know, new Astroturf, we replaced
9 all the seats.

10 There was a lot of work done. I
11 remember showing Council those slides because
12 there was a lot of (unintelligible) of the
13 concrete, all those steps that -- a lot of work
14 like that was replaced.

15 COUNCILMAN NUTTER: Money's been
16 appropriated to take care of those items?

17 MS. KAPLAN: That was -- all the work
18 was done. There was the purchase of something
19 called "Fanovision," which was kind of a
20 high-tech, you know, display system.

21 COUNCILMAN NUTTER: Mm-hmm.

22 MS. KAPLAN: A video display system,
23 that was put in.

24 And so those are some of the kind of
25 the things that I -- those are some of the major

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2 expenses.

3 COUNCILMAN NUTTER: Right. Is it
4 correct that all of the seats were replaced
5 sometime in 1997?

6 MS. KAPLAN: I don't -- I know it was
7 within the last five years. I think they did it
8 -- they didn't do it all at once; they did it,
9 you know, a section at a time, but I'm pretty sure
10 it was within the last five years.

11 COUNCILMAN NUTTER: It may have even
12 been somewhere with the past two and a half years
13 that all the seats been placed.

14 MS. KAPLAN: Well --

15 COUNCILMAN NUTTER: It's possible.

16 MS. KAPLAN: If you know the date
17 better than I -- I know it was very recently.

18 COUNCILMAN NUTTER: And I think it's my
19 recollection that the Astroturf was completely
20 overhauled in anticipation of the All-Star game?

21 MS. KAPLAN: I think, yeah, before the
22 All-Star game.

23 Greg Grillone is here, and he can
24 answer some of those questions in more detail for
25 you.

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2 COUNCILMAN NUTTER: Okay, sure.

3 (Greg Grillone comes forward.)

4 MR. GRILLONE: You're correct, the
5 Astroturf was replaced before the 1995 season, in
6 anticipation of the All-Star game, which was in
7 1996, but it also had pretty much used, you know,
8 gone through its useful life as well. So in
9 addition to the normal replacement cycle, we were
10 also looking towards the All-Star game the
11 following year.

12 COUNCILMAN NUTTER: That was for 1998?

13 MR. GRILLONE: No, the All-Star game
14 was in '96.

15 COUNCILMAN NUTTER: '96, okay. What's
16 the average life of the Astroturf?

17 MR. GRILLONE: Well, the current state
18 of the art is that most of the fields are now
19 warranted for eight years. So our experience has
20 been anywhere between six and nine years, you
21 would replace it. Some fields are as old as nine
22 or ten years, some of them are only five, six
23 years.

24 COUNCILMAN NUTTER: Okay. What are
25 some of the other major renovations that have been

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2 done to Veterans Stadium over the past ten years
3 or so?

4 MR. GRILLONE: As Miss Kaplan
5 mentioned, we did have a major concrete
6 restoration and waterproofing project. We
7 replaced all the seats throughout the stadium, we
8 replaced the sound system. We did some fire
9 safety code improvement, such as a fire alarm
10 system. We did repurchase the Fanovision board,
11 which was the video board, we put new scoreboards
12 in. We did lighting improvements, electrical
13 upgrades, improvements to the concourses.

14 So it was quite extensive in terms of
15 what we did.

16 COUNCILMAN NUTTER: So it was a fair
17 amount of work.

18 MR. GRILLONE: Yes.

19 COUNCILMAN NUTTER: It's about \$65
20 million worth of work over the past eight years;
21 is that correct?

22 MR. GRILLONE: Yes.

23 COUNCILMAN NUTTER: Okay. Now, that
24 \$65 million represents about 30 percent of the
25 total recreation Capital Budget over that same

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2 eight-year period. How many recreation facilities
3 do we have?

4 MR. GRILLONE: I'm not an expert in
5 that. I think it's about 160.

6 COUNCILMAN NUTTER: Okay. So we have
7 160 facilities, Veterans Stadium is one of them,
8 so one building out of the 100-and -- it's
9 actually more, isn't it?

10 MS. KAPLAN: Excuse me, but Greg is the
11 person for Vets Stadium.

12 COUNCILMAN NUTTER: I understand.

13 MS. KAPLAN: He's not the person for
14 play facilities.

15 COUNCILMAN NUTTER: I understand.

16 MS. KAPLAN: Eric Iffrig is here if you
17 have some questions on the play facilities, if --

18 COUNCILMAN NUTTER: We don't need to
19 get into that level of detail, thank you.

20 MS. KAPLAN: Okay.

21 COUNCILMAN NUTTER: The other item I
22 saw in past some capital budgets was
23 waterproofing. Has there been a waterproofing
24 project at Veterans Stadium at anytime recently?

25 MR. GRILLONE: Are we going to do some

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2 anytime soon?

3 COUNCILMAN NUTTER: Have you done any?

4 MR. GRILLONE: Yeah. That was part of

5 -- that was one of the major projects that we

6 first embarked upon in the early '90s. It was

7 waterproofing in conjunction with the restoration

8 of the concrete surfaces.

9 COUNCILMAN NUTTER: Would that have

10 been out of the FY '93 or '94 dollars, do you

11 think?

12 MR. GRILLONE: Part of it was, yeah. I

13 think some of it was either out of FY '92 as well.

14 COUNCILMAN NUTTER: Okay. So in the

15 past eight years, the Recreation Department has

16 had a total \$207 million in capital funding,

17 30.9 percent of which has gone into Veterans

18 Stadium. In FY '92, the department had

19 \$54 million of capital funding and 31.5 million of

20 it went into Veterans Stadium, 58 percent of the

21 Recreation Department in FY '93 went into Veterans

22 Stadium.

23 Based on what you've shared with us

24 today, what other repairs are needed?

25 MR. GRILLONE: (No verbal response.)

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2 COUNCILMAN NUTTER: I'm sorry?

3 MR. GRILLONE: Well, as it was
4 mentioned before --

5 MS. FRANKLIN-SUBER: Councilman
6 Nutter?

7 COUNCILMAN NUTTER: Yes?

8 MS. FRANKLIN-SUBER: In connection with
9 the conceptual agreement the City of Philadelphia
10 has reached with the Eagles and the Phillies, the
11 Eagles and the Phillies take the position that at
12 least \$80 million worth of capital improvements
13 are needed at Vets Stadium. The conceptual
14 agreement also requires that the City of
15 Philadelphia agree to those repairs.

16 COUNCILMAN NUTTER: What's --

17 MS. FRANKLIN-SUBER: The teams --

18 COUNCILMAN NUTTER: What is the
19 \$80 million for?

20 MS. FRANKLIN-SUBER: There are a list
21 of repairs, which I don't have that information
22 with me, that were originally circulated to us
23 from the Eagles and the Phillies.

24 We have not introduced legislation in
25 connection with the conceptual agreement today.

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2 Legislation -- in the event we proceed with the
3 conceptual agreement, legislation would be
4 introduced to City Council, which would amend the
5 Vets Stadium lease and would have as an attachment
6 the specified improvements, because there would
7 have been agreement and we could get into the
8 details.

9 So in terms of the improvements, the
10 specific improvements that would be covered, the
11 40 million in one year and the 40 million in the
12 subsequent year, those are still being discussed
13 and reviewed. So we don't have the universe
14 today. And --

15 COUNCILMAN NUTTER: Well, I understand
16 that, but hold on for one second.

17 I mean, we're in a Capital Budget and
18 Program, and there is an item for \$40 million in
19 the '01 budget and \$40 million in the '02 program,
20 and virtually every other item in this budget has
21 some detail as to what that project is about. The
22 gentleman has run off a list of a wide variety of
23 very large projects, and I am assuming that there
24 are some smaller ones that have been done that he
25 has not mentioned.

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2 What I am trying to figure out is,
3 based on the litany of things that he says that we
4 have done, just in the past eight years,
5 notwithstanding anything that we have done in the
6 past -- we've put \$85 million since 1978 in
7 Veterans Stadium -- I'm just trying to figure out
8 what is left to do to the place versus the other
9 discussion, which is naturally a stadium
10 discussion, which I'm assuming that we'll have at
11 some time some point in time.

12 So if we've got 65 going in just in the
13 last eight years, major renovations -- and the
14 teams can make their contention, they have a right
15 to make whatever contention they want to make --
16 I'm just trying to figure out what is left to do
17 to the place that ranks in the neighborhood of a
18 minimum of 40, upwards of \$80 million in
19 undisclosed needed renovations. I'm just trying
20 to see what the list is, because everyone else has
21 to justify their ability to get into this budget.
22 If I ask for a recreation center, I know that
23 someone wants to know how many swings, how many
24 slides, how many mats, and everything else that
25 goes with it or it doesn't get in the budget.

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2 So, I mean, the gentleman knows his
3 facility out there, I'm sure, and I'd just like
4 him to tell me what \$40 million worth of work is
5 needed at the place.

6 MS. FRANKLIN-SUBER: Councilman Nutter,
7 I cannot give you the details today, but you will
8 have the details before you vote on that
9 legislation and before you vote on the Capital
10 Budget. And the way that, you know, there are
11 certain projects where Council has requested
12 additional information, we will provide that
13 information, and you will have that information,
14 we'll make sure that you have the information.

15 COUNCILMAN NUTTER: All right. Could
16 you also provide us any reports or studies that
17 have been done on the physical or structural
18 condition of Veterans Stadium. It's my
19 understanding that there is at least one report
20 that floating around somewhere that gives some
21 detail about the what condition of the place is
22 that already exists, notwithstanding whatever the
23 teams have said or not said. I would certainly
24 like to receive a copy of that report. If you
25 could pass it to the Chair, I would greatly

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2 appreciate that.

3 MS. FRANKLIN-SUBER: We'd be happy to
4 provide that, and as you have acknowledged, there
5 are City reports and there are reports that have
6 been prepared by the teams.

7 COUNCILMAN NUTTER: Now, how will the
8 Administration spend \$40 million to \$80 million
9 during the 10-month period between November 3,
10 2000 and August 3, 2001 when, during seven of
11 those ten months, one of the teams is playing at
12 Veterans Stadium?

13 MS. FRANKLIN-SUBER: In the event that
14 the Administration proceeds with the conceptual
15 agreement we've reached with the Eagles and the
16 Phillies and we submit the legislation for
17 consideration by City Council, part of what we
18 will discuss with City Council will be the
19 timetable for the renovations and the repairs. So
20 you will have the detail, you will the timetable,
21 you will understand all of the triggering events,
22 the construction schedule.

23 But as of this moment, we have not
24 introduced the legislation because we are still in
25 negotiation, so I am not able to answer that

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2 question for you now, but you will have all of
3 that information.

4 COUNCILMAN NUTTER: Okay, I appreciate
5 that response. I mean, you understand that that
6 question is driven by the documents that we
7 received some time ago which indicate that the
8 City will encumber these dollars during that
9 ten-month period of time, with renovations
10 expected to be completed by August 3rd or 1st.

11 Now in the current 2000 Capital Budget
12 and Program, it shows that there is money that was
13 appropriated in FY '94 that has not been spent at
14 Veterans Stadium. So, again, I'm trying to
15 understand how, between November of 2000 and
16 August of '03, when the Eagles are playing at
17 Veterans Stadium in November and December and the
18 Phillies start in April, and the worst of the
19 winter is January, February, and March, how do you
20 spend \$80 million in ten months, when both teams
21 are playing for seven of those months. It seems
22 like an incredible timetable.

23 MS. FRANKLIN-SUBER: Councilman Nutter,
24 that is a fair question. And as I said
25 previously, we will answer that. If we proceed --

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2 if we proceed -- with the conceptual agreement and
3 we --

4 COUNCILMAN NUTTER: You can say it one
5 more time if you like.

6 MS. FRANKLIN-SUBER: And we complete
7 the negotiations, we'll introduce the legislation,
8 we'll have public hearings, and all of that will
9 occur before you vote on the Capital Budget.

10 COUNCILMAN NUTTER: All right.
11 Last question, Madam Chair, and you've
12 been most accommodating.

13 Either for Miss Kaplan or the Chief of
14 Staff or the Budget Director, if the \$40 million
15 stays in the proposed Capital Budget and
16 subsequently a ballot question, I'm assuming now,
17 would potentially be approved in November as
18 opposed to April, and if the question goes on the
19 ballot at \$157 million and subsequently magic
20 happens and peace breaks out and there is, in
21 fact, a stadium deal and the City has borrowed
22 \$157 million already, and then we don't need the
23 40 for renovations to Veterans Stadium, what
24 happens to the \$40 million, how is it used or how
25 can it be used or how can it be reprogrammed since

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2 it was in the budget for a particular item?

3 MR. DUBOW: We would have the
4 authorization, but we probably wouldn't have
5 borrowed by then. So we actually would not have
6 the money.

7 COUNCILMAN NUTTER: How do you know
8 that?

9 MR. DUBOW: Just based on the cash
10 flows for the capital account.

11 COUNCILMAN NUTTER: Well, what are you
12 saying, you're not going to put a ballot question
13 on in November?

14 MR. DUBOW: No, we are, to get
15 authorization. Without authorization, we can't
16 spend any of the money. But getting authorization
17 and actually needing to borrow are two different
18 things. I think the borrowing would come later
19 down the line.

20 COUNCILMAN NUTTER: The borrowing would
21 come subsequent to the voter approval?

22 MR. DUBOW: Right.

23 COUNCILMAN NUTTER: And so you're
24 saying, at that point in time --

25 MR. DUBOW: I mean, we'll know by

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2 November.

3 COUNCILMAN NUTTER: -- just because --
4 just because we have the authorization for
5 157 million and subsequent to that it's found out
6 that we don't need 40 for Veterans Stadium, you're
7 saying that you'd actually go to the market for
8 some dollar amount less than 157 because you don't
9 need 40 of it.

10 MR. DUBOW: That's correct.

11 COUNCILMAN NUTTER: All right, okay.
12 Thank you, Madam Chair.

13 COUNCIL PRESIDENT VERNA: You're
14 welcome.

15 The Chair recognizes Councilman Kenney.

16 COUNCILMAN KENNEY: Thank you, Madam
17 President.

18 Continuing on the line of the Veterans
19 Stadium discussion, the Chief of Staff testified
20 that -- I believe it was the Chief of Staff who
21 testified that there was a concern and there is an
22 ongoing concern about the constitutional debt
23 limit as it relates to the main Capital Budget for
24 the City of Philadelphia and that the number is
25 shrinking on our ability to borrow.

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2 Based on that statement, what is the
3 rationale for placing \$40 million for 2001 and
4 \$40 million for 2002 in the main Capital Budget
5 when there are potentially other vehicles for that
6 eventuality if we, under worst-case scenario,
7 don't build stadiums and need to renovate the
8 Vet?

9 For example, it is my understanding
10 that PICA-eligible dollars -- and there are still
11 dollars to be borrowed through PICA -- are
12 required to have an emergency nature to that
13 borrowing and to the repairs that need to be done.
14 Considering some of the, I guess, more infamous
15 incidents at the Vet, being, I guess, the
16 Army-Navy game, when the four cadets fell through
17 the railing, would not that 40 million potentially
18 be a PICA-eligible borrowing based on emergency
19 repairs to a facility? And are there not other
20 venues or other vehicles, such as PAID or PIDC,
21 with which to utilize those borrowing abilities to
22 borrow 40 million in the event we don't do
23 stadiums and have to repair the Vet?

24 MS. FRANKLIN-SUBER: Councilman Kenney,
25 you've asked an excellent question.

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2 First of all, as the Budget Director
3 pointed out, simply because we obtain the
4 authorization, it doesn't mean that, number one,
5 we borrow the money; and, number two, it does not
6 preclude us from relying on alternative sources of
7 funding.

8 The conceptual agreement was reached,
9 and as the Mayor has stated publicly, part of the
10 rationale for reaching the conceptual agreement
11 was to provide assurances to the Eagles to
12 encourage them to start construction again to the
13 practice facility.

14 In order to take the worst-case
15 scenario, which would be spending capital funds to
16 renovate Vets Stadium in the event there is no new
17 stadium, we looked at our debt capacity, which is
18 why there is no proposal for the entire 80 million
19 in one year, but spanning it out over two fiscal
20 years to deal with the construction schedule
21 pressures that the teams advised us of. It does
22 not mean, and it was always contemplated, that
23 simply because you have the authorization, if
24 there were alternative ways that we could fund
25 those renovations, we would explore them.

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2 We anticipate that when we introduce
3 legislation authorizing the vehicle rental tax,
4 that a portion of those proceeds could be used to
5 buy back the practice facility. But to the extent
6 that there are additional proceeds, they would go
7 towards the Vets Stadium repairs, so we would
8 anticipate needing less than 40 million out of
9 capital funds.

10 We have been communicating with PICA,
11 simply because there are PICA dollars, and some of
12 them are already committed to other projects. We
13 are trying to figure out how much is available.
14 And we were concerned about other kinds of
15 potential emergencies, like a significant snow
16 removal effort where we may need to use emergency
17 funds. So we're still exploring the availability
18 of PICA funds. It is possible that available PICA
19 funds could be used for voting machines.

20 We also recognize that it is possible
21 for us to use some of our authorities like PAID,
22 the RDA, PMA, but that's a broader question that
23 we have to explore, not simply in connection with
24 Vets Stadium but because we've got the debt
25 capacity problem, so we would have to figure out

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2 how, just from a general policy standpoint, we're
3 going to take advantage of that capacity.

4 So it is quite possible that while we
5 get the authorization to expend the 40 million
6 that we would construct a mechanism where we would
7 not have to use our capital dollars so that we
8 could free up that capacity for other projects.

9 COUNCILMAN KENNEY: What was the amount
10 of money on -- Councilman Nutter was on a line of
11 questioning about the amount of money that was
12 spent at Veterans Stadium, I think, over the past
13 eight or ten years in maintenance and repairs and
14 projects? I think it was testified to, there was
15 a number.

16 MS. KAPLAN: 65.

17 COUNCILMAN KENNEY: That was 65 million
18 over 8 years?

19 MS. KAPLAN: Over eight years.

20 COUNCILMAN KENNEY: Based on that, what
21 makes us think that there would be \$40 million or
22 \$80 million in two years' worth of needs?
23 Considering that it took us 8 years to spend
24 \$65 million, could we in reality even spend
25 \$40 million a year over the next 2 years? Despite

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2 what we might argue about what's needed and what
3 isn't needed, just the practical nature of design,
4 bidding, and all the other elements that go into
5 spending \$80 million in 2 years, could we even do
6 it?

7 MS. FRANKLIN-SUBER: Well, we
8 appreciate all of that. But let me try to answer
9 your several questions.

10 First of all, in terms of the
11 timetable, the conceptual agreement contemplates
12 that we would have to comply with, in order to
13 meet any schedule, when we finally agree on a
14 schedule, that we would have to satisfy applicable
15 legal requirements, and that includes the
16 procurement process and any potential delays that
17 may result. It would also, from the City's
18 perspective, include whatever time delays are
19 occasioned because we have to get voter
20 authorization if we decide we want to spend the
21 capital dollars. If there are alternative sources
22 of funding, we may not have the same time
23 constrictions.

24 But, again, in terms of some of the
25 details with regard to the specific improvements,

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2 the timetable itself, all of those are still, as
3 we speak, in discussion.

4 I will say to you, as I said to
5 Councilman Nutter, there is a difference of
6 position between the City, the Eagles, and the
7 Phillies as to the scope of repairs. I will say
8 publicly, because the teams have said publicly,
9 that from their perspective, when you look at
10 other stadiums across the country and Vets
11 Stadium, they believe that the repairs -- the
12 necessary repairs would be in the neighborhood of
13 \$150 million. So clearly, there's a dispute and a
14 difference of opinion, which is why the conceptual
15 agreement contemplates that we all have to agree
16 on what repairs would be made to Vets Stadium.

17 It's also important to point out that
18 when you look at the Capital Program and the
19 amount of money that's gone into Vets Stadium,
20 there was an agreement -- it is my understanding
21 there was an agreement between the Administration
22 and the teams to forego capital improvements in
23 the last couple of years at Veterans Stadium in
24 anticipation of doing new stadiums. And so from
25 that standpoint, we can't argue that at least some

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2 repairs are necessary and we felt comfortable with
3 the \$80 million figure based on the information we
4 have.

5 COUNCILMAN KENNEY: I'm sure you can
6 understand kind of the shock value of an
7 \$80 million number over two years, considering the
8 fact that, I think, in the past, we've been at
9 around a \$5 million number or so. And I guess, in
10 retrospect, coupled with the \$27 million in
11 deferments and/or cuts to the other neighborhood
12 projects that we've discussed earlier in the
13 beginning of this hearing, how somewhat of a
14 controversy could evolve.

15 In the event -- I mean, in retrospect,
16 I guess, if the 40 million or 80 million was never
17 in the main Capital Budget and even \$10 million of
18 those cuts were made in neighborhood projects, we
19 might have not had the controversy we have now,
20 especially considering all of the vehicles
21 available to do whatever negotiated repairs to the
22 Vet needed to be done in a worst-case scenario.

23 MS. FRANKLIN-SUBER: I appreciate your
24 perspective, Councilman Kenney. As you know, it
25 has been the Administration's that there were no

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2 cuts.

3 Be that as it may, this really was not
4 a choice between neighborhood programs and Vets
5 Stadium. Mayor Street looked at this from the
6 standpoint of, given the information that we have,
7 the fact that we've deferred improvements to Vets
8 Stadium, the fact that by the time we would get to
9 a point where we're doing no new stadiums, we
10 would recognize that there would have to be
11 renovations made to that stadium in order to
12 induce both of those teams to continue to play
13 there until 2011.

14 And there clearly is at this point in
15 time a disagreement as to the scope of those
16 improvements. It is our facility, we have
17 deferred improvements. So we would have to, one
18 way or the other, recognize that we need to make
19 improvements to Vets Stadium.

20 COUNCILMAN KENNEY: I guess the final
21 comment here is that the recognition of the
22 worst-case scenario and the ultimate need for
23 improvements and negotiations between the team and
24 the City as to what those improvements are could
25 have been guaranteed or could have been made clear

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2 to those teams that we could have done it outside
3 of the scope of the General Capital Budget, and
4 that's, I guess, my only comment.

5 If all those vehicles are available --
6 PICA, PAID, Municipal Authority -- if all of those
7 opportunities are available, we could have
8 structured an understanding with those teams that
9 in the event we get to the worst-case scenario, we
10 have these vehicles to guarantee this 80 million
11 or less of repairs that we all think that we need
12 to do.

13 MS. FRANKLIN-SUBER: Councilman Kenney,
14 I answered that previously, and I think the
15 important point was that given the disappointment
16 that everyone experienced in December that there
17 was no legislation introduced on new stadiums, in
18 terms of assurances, it was important to the
19 Eagles that they saw something concrete to
20 demonstrate the City's commitment.

21 And the Administration believed, and
22 continues to believe, that by seeking
23 authorization, it does not necessarily mean that
24 we would ultimately end up borrowing and using the
25 capital dollars and that we certainly would have a

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2 better opportunity, once everything was negotiated
3 with the improvements, to explore a variety of
4 different possible funding sources. And, again,
5 we are not precluded from doing that simply
6 because we're seeking the authorization.

7 COUNCILMAN KENNEY: But based on that
8 particular position, you could then argue cogently
9 that the \$27 million, and what I will stipulate to
10 you as deferrals, could have also been included in
11 the original Capital Budget and then not spent in
12 the outgoing years. So, I mean, if we're talking
13 about \$80 million over 2 years that we don't want
14 to spend and we're probably not going to spend,
15 what was the difference between that 80 million
16 and the \$27 million that were deferred that we
17 would perhaps spend or perhaps not spend?

18 I mean, to me, if I'm going to accept
19 that comment as accurate, then I have to then say,
20 Well, why is the \$27 million in deferrals any
21 different from the \$80 million in Vets Stadium
22 money that we may or may not spend? And we could
23 have avoided the controversy that went on over the
24 last couple days.

25 That's -- I mean, you don't need to

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2 comment. It's just my final comment. Thank you.
3 Councilwoman, I'm sorry.
4 COUNCILMAN NUTTER: Have you used the
5 balance of your time, Councilman?
6 COUNCIL PRESIDENT VERNA: The Chair
7 recognizes Councilwoman Brown.
8 COUNCILWOMAN BROWN: Yes. If I may --
9 Thank you, Madam President -- change the line of
10 questioning to another form of entertainment, the
11 fine arts.
12 As the new appointed Chair of --
13 MS. FRANKLIN-SUBER: Thank you.
14 COUNCILWOMAN BROWN: -- Parks,
15 Recreation and Cultural Affairs, I have a
16 particular interest in what's happening in the
17 fine arts community. And in the Capital Budget
18 information, \$500,000 has been -- and this
19 question may be more appropriate for Miss Kaplan.
20 \$500,000 have been designated for Avenue of the
21 Arts North. However, there are no dollars
22 allocated for the outgoing years.
23 And recognizing and really
24 acknowledging that there are vast differences
25 between the Avenue of the Arts North and the

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2 Avenue of the Arts South, describe what that
3 \$500,000 will buy in terms of streetscape
4 improvements.

5 MS. KAPLAN: This actually -- we have
6 money from previous years that you cannot see here
7 because we're only showing what we're proposing
8 going forward, but I can get you the information
9 about what was appropriated for this project
10 previously.

11 This is for streetscape improvements
12 for Avenue of the Arts North, and obviously this
13 is like a three-mile stretch of North Broad Street
14 so \$500,000 is not going to go very far. But we
15 have several million dollars. I think it's at
16 least \$4 million -- and I can get you the specific
17 information -- that we have kind of accumulated
18 from previous appropriations and from some state
19 money that is intended for site improvements for
20 Avenue of the Arts North, and this \$500,000 will
21 add to that.

22 The plan -- there is a design which has
23 been prepared through consultants to the Streets
24 Department, and the goal is to pick some key
25 intersections -- I think there are four or five

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2 key intersections that will be totally renovated
3 and really enhanced. It's not just to fix up
4 what's there; it's really to totally improve and
5 enhance and upgrade what's there.

6 And there's also a prototypical design
7 for a typical block, so as different arts venues
8 get developed -- say, Freedom Theater -- once the
9 construction is completed, there is a prototypical
10 design such that we can go back in and improve the
11 streetscape for that block where there's a new
12 arts facility.

13 We probably will need to appropriate
14 more money in the out-years. We did not get a
15 request for that, but I think because nobody has
16 really made an estimate of what the additional
17 funding is, this project has not yet gone out to
18 bid for the first phase, but I anticipate that it
19 will go out to bid and begin construction in this
20 construction season, this spring or early summer,
21 and then we will have a better idea of the true
22 costs of some these improvements, so we can add to
23 this in next year's budget and some of the
24 out-years.

25 But that's -- there really is a plan to

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2 do this, and that's the kind of strategy for how
3 we would propose to spend that money.

4 COUNCILWOMAN BROWN: I appreciate the
5 follow-up information. From your memory, do you
6 anticipate any uniformity between those two worlds
7 on the opposite sides of Market Street in terms of
8 the lighting?

9 MS. KAPLAN: There's a different design
10 than, you know, South, but we can -- we can
11 arrange for you to have kind of a presentation of
12 that design at your convenience so that you get a
13 sense of what to expect.

14 COUNCILWOMAN BROWN: Sure, and I would
15 do that in coordination with the representative
16 from that district, Councilman Darrell Clarke.

17 MS. KAPLAN: He is on the committee, so
18 he's been involved and we can bring you up to
19 date.

20 COUNCILWOMAN BROWN: A follow-up
21 question. My homework tells me that the last City
22 Plan was done in 1988. Twelve years later, the
23 City is remarkably different in terms of
24 population shifts and projects that have been
25 completed and projects that are underway.

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2 Is it time to revisit that plan or
3 revisit --

4 MS. KAPLAN: That was a plan just for
5 Center City; that was not a citywide plan.

6 COUNCILWOMAN BROWN: The one in 1988?

7 MS. KAPLAN: The one in 1988 is just a
8 Center City Plan; it is not a citywide plan. We
9 have not done a citywide plan since 1960 --

10 COUNCILWOMAN BROWN: Oh my.

11 MS. KAPLAN: -- in the City. And
12 that's for several reasons.

13 One, when the plan was done in 1960, it
14 took quite a few years to complete a plan for the
15 whole city. And even then, with all of the time
16 and money that went into it, it was at such a
17 general level that it wasn't, you know, it did not
18 give guidance to particular neighborhood groups
19 about what was going to happen or what needed to
20 occur in their neighborhoods.

21 So both because we do not have the
22 staff resources to do it as well as the fact that
23 it's not terribly useful to do a whole plan for
24 the City all at one time, we have done plans for
25 different areas of the City at, you know, as

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2 needed and at different times. And then we have
3 done citywide plans for different policy issues,
4 such as industrial land, retail, vacant land, that
5 kind of thing.

6 COUNCILWOMAN BROWN: Might not the new
7 information we'll be receiving from the census be
8 compelling enough to warrant or merit a citywide
9 plan? I'm asking, I don't know.

10 MS. KAPLAN: Well, that information is
11 useful, but in and of itself, it would not be
12 enough, you know, to develop a citywide plan.
13 That would take a much more intensive effort.

14 We are thinking of updating the Center
15 City Plan. We do not really feel that a whole new
16 plan is necessary. Certain things have happened
17 the way they were intended to happen, other things
18 have not. So we feel that certain aspects of the
19 plan should be updated, as is true with other
20 plans that we have done for other parts of the
21 City.

22 COUNCILWOMAN BROWN: Okay. And then,
23 finally, we have not yet heard, at least put on
24 the record, the testimony of Richard Dean, so
25 should I reserve those questions for him, Madam

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2 President? The testimony -- I have questions that
3 are in response at the testimony of Richard Dean,
4 the written testimony that we've received. Or
5 shall I be permitted to ask those now?

6 COUNCIL PRESIDENT Verna: Can anyone
7 here answer them?

8 COUNCILWOMAN BROWN: Is Richard Dean
9 here?

10 MS. KAPLAN: He's here.

11 COUNCILWOMAN BROWN: Hello.

12 MR. DEAN: Hello.

13 COUNCIL PRESIDENT Verna: Councilwoman,
14 please proceed.

15 COUNCILWOMAN BROWN: Very well. Again,
16 my homework tells me that the Capital Program
17 Office oversees or carries out some capital
18 projects for certain City departments but is not
19 uniform across the board. What's the rationale
20 for that? Is there a formula on who gets that
21 kind of added technical service or what?

22 MR. DEAN: There is actually no set
23 formula for that.

24 COUNCILWOMAN BROWN: I can't hear you.

25 MR. DEAN: There is actually no set

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2 formula for that. And the short answer would be,
3 the Capital Program Office does the
4 bricks-and-mortar work, we do facilities, and
5 infrastructure work is still done by the Streets
6 Department and the Water Department and the
7 Airport.

8 COUNCILWOMAN BROWN: What about the
9 Recreation Department? Who does the capital
10 improvements for the Rec Department?

11 MR. DEAN: The Recreation has then own
12 A and E staff.

13 COUNCILWOMAN BROWN: Has their own
14 . . . ?

15 MR. DEAN: Architecture and engineering
16 staff that handles their own projects.

17 COUNCILWOMAN BROWN: That's revealing.
18 Does dialogue happen with the technical
19 wizards -- 'cause that's what they are to me --
20 who participate in capital improvement projects
21 for their department? Since you are the Capital
22 Program Office, do you have dialogue,
23 conversation, meetings with those professionals
24 who are conducting capital improvement projects
25 for their particular department?

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2 MR. DEAN: Yes, I do.

3 COUNCILWOMAN BROWN: So you would,
4 before the Recreation Department pursued anything,
5 the practice or protocol is that they would sit
6 down with you first or during or --

7 MR. DEAN: That is correct. I review
8 most of their -- actually all of their capital
9 projects.

10 COUNCILWOMAN BROWN: Very well, okay.
11 Thank you very much.

12 Thank you, Madam Chair.

13 COUNCIL PRESIDENT VERNA: You're
14 welcome.

15 The Chair recognizes Councilman
16 DiCicco.

17 COUNCILMAN DICICCO: Thank you, Madam
18 Chair.

19 Good afternoon, everyone. My question
20 is for Miss Kaplan. I would just like to revisit
21 the issue of the site improvement at PHA
22 facilities. You said that when it's a new
23 facility I think we're speaking to, that we
24 endeavor to take on the responsibility of the site
25 improvements. Does that also include water and

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2 sewer in addition to the sidewalk, curbs, and
3 lighting?

4 MS. KAPLAN: No. The money that we
5 have been putting in I don't think is being used
6 for water and sewer. You know, I would have to
7 double-check that. It's my -- what we were
8 focussing on was streets, the actual putting in of
9 new streets, curbs, sidewalks, trees, lighting,
10 occasionally a tot lot, that kind of thing.

11 I can double-check, but to my
12 knowledge, it hasn't been covering water and
13 sewer.

14 COUNCILMAN DICICCO: I'll restrict the
15 issue to streets, curbs, sidewalks, trees, and
16 lighting, and not tot lots. Have we always taken
17 on the responsibility of those site improvements?

18 MS. KAPLAN: Well, as I said, we've
19 always -- I wouldn't say "always," but for 15, 20
20 years, we've supported OHCD housing developments
21 and Community Development Corporation-sponsored
22 developments with money from the Capital Program
23 for site improvements. In the last few years,
24 since the Housing Authority has been getting these
25 grants under public housing modernization and the

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2 Hope VI Program, we have been supporting that
3 effort with site improvements.

4 And you can look back -- in fact, I
5 looked myself while we were sitting here. In the
6 current program in the Office of Housing, it's
7 Page 122 in the current program, Page 122, and we
8 have line 84, and then we also have 84-A, B, and
9 C, which is the way we show it. When we finally
10 print the book and Council adopts the carryover
11 ordinance, we show you the unspent money for that
12 purpose and the year in which it was originally
13 appropriated.

14 And the project description, in fact,
15 for the current year mentions the Hope VI Program.
16 It says: "A major portion of this funding will
17 support new infrastructure needed for the
18 modernization of public housing developments to be
19 undertaken under the Hope VI Program at Schuykill
20 Falls, Martin Luther King, and Richard Allen."

21 COUNCILMAN DICICCO: I guess my
22 question is --.

23 MS. KAPLAN: And then we have money
24 from previous years also.

25 COUNCILMAN DICICCO: I guess my

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2 question is, and maybe you're not the one to
3 answer this, but when PHA makes application for
4 Hope VI grants and other grants, why isn't the
5 infrastructure items included in that grant?

6 And the reason I'm asking you this is,
7 two, three years ago, just about the time I first
8 got into Council, I was visited by a private
9 developer who was interested in acquiring a piece
10 of real estate in South Philadelphia, an unused,
11 vacant piece of land, for the purpose of
12 developing that land into a homeownership,
13 for-sale housing development. And the one item
14 that was the breaking point for him to even make a
15 profit or not do the project was the
16 infrastructure.

17 If the City were willing at the time to
18 put in the street system, the sewer, water and
19 curbs and sidewalks -- not even counting lighting
20 -- the project would have moved forward, we would
21 have been able to sell houses at market rate and
22 get the revenues, the real-estate taxes, etc., and
23 take a vacant piece of land and put it to use.

24 When did we stop doing that? And I'm
25 just a little confused as to why, if PHA is

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2 getting money from the federal government, the
3 state agencies, or wherever they're getting money
4 from, why don't they make that a part of the
5 budget request?

6 MS. KAPLAN: Well, some are -- it's my
7 understanding -- and you can get more information
8 directly from the Housing Authority, but some
9 items are not considered eligible items under HUD
10 funding. And in other cases, they have made a
11 great big application to do everything they wanted
12 to do and they only get a portion of those funds.

13 So the way we make the funds go
14 further, to try to accomplish, you know, major
15 redo of some of these housing developments is by
16 providing the City supplement in terms of the site
17 improvements.

18 COUNCILMAN DICICCO: And streets and
19 sidewalks and lighting are not a part of what
20 their fund is --

21 MS. KAPLAN: As I said, in some cases,
22 in conversations we've had with the Housing
23 Authority, they say, This isn't an eligible item.
24 In other cases -- and it depends on the program.
25 In other cases, they just didn't get enough money

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2 to pay for it and to be able to do what they
3 needed to do with the housing development.

4 COUNCILMAN DICICCO: I guess that's
5 where I'm confused. If you're going to develop a
6 -- put a development in, a new development that's
7 going to have X-number of units and you know
8 you're going to have sidewalks and lighting, how
9 would they say that we didn't have enough money to
10 do it in the first place? I mean, wouldn't you
11 scale the project down so that you can afford to
12 do it and include the streets and sidewalks and
13 curbs?

14 MS. KAPLAN: Well, I don't have the
15 answer to the question. I can only surmise that,
16 you know, when you tear down these high-rise
17 projects, you have, say, 600 units on a site, you
18 tear it down, you can't get all those units
19 obviously back on that site if you're putting them
20 in at a low-rise scale. And then you have to go
21 buy other lands or other houses to rehabilitate to
22 make up the numbers. I'm assuming that the issue
23 is that the Housing Authority does not want to
24 reduce, you know, if they had 600 units, they do
25 not want to wind up with only 250 units because

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2 they have a waiting list of people for public
3 housing.

4 COUNCILMAN DICICCO: Well, I may
5 disagree with you there. On site, when they take
6 the high-rises down, they actually do look to
7 reduce the density.

8 MS. KAPLAN: Oh, yeah.

9 COUNCILMAN DICICCO: So we're not doing
10 the replacement on site.

11 MS. KAPLAN: No.

12 COUNCILMAN DICICCO: We may do it off
13 site at a new location.

14 MS. KAPLAN: Right, but that costs
15 money to be able to do.

16 COUNCILMAN DICICCO: To do the
17 relocation.

18 MS. KAPLAN: Yeah, and then, you know,
19 what HUD sometimes thinks the cost of building a
20 new unit is or rehabbing a new unit is not
21 necessarily what we're able to produce a new unit
22 for. You know, we could have a more, you know,
23 specific discussion with the Housing Authority
24 about that. I'm kind of answering for them.

25 COUNCILMAN DICICCO: Right, and I think

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2 that I need to go to the Housing Authority for
3 those answers.

4 But could you tell me when we ceased
5 providing sidewalks, curbs, and streets for
6 private development?

7 MS. KAPLAN: Well, we never did it
8 absolutely free; we always charged them a portion
9 of the assessment and --

10 COUNCILMAN DICICCO: When did we stop
11 charging them a portion of the assessment; do you
12 know that?

13 MS. KAPLAN: Well, I think we still
14 have the law on the books, but the problem is, is
15 that we have so little money to provide to do
16 that, that as a practical matter --

17 COUNCILMAN DICICCO: Well, and that's
18 where I'm going with the first line of
19 questioning.

20 MS. KAPLAN: -- the developer could be
21 sitting here waiting for five years to get his
22 half of the street for months.

23 COUNCILMAN DICICCO: Well, the
24 developer picked up and left town.

25 MS. KAPLAN: Yeah.

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2 COUNCILMAN DICICCO: He's not
3 developing.

4 MS. KAPLAN: No, right.

5 COUNCILMAN DICICCO: And that's my line
6 of questioning. If we're putting it into public
7 housing development --

8 MS. KAPLAN: Right.

9 COUNCILMAN DICICCO: And I'm not
10 suggesting it's the wrong thing to do, shouldn't
11 that be part of the overall budget request so that
12 we can get some private development going and give
13 them some relief to get for-sale housing done in
14 the City of Philadelphia and get the rentals and
15 real-estate taxes and the other things out of
16 there?

17 MS. KAPLAN: Well, a lot of -- I mean,
18 with the development that we do have, the
19 developers are paying for it themselves rather
20 than --

21 COUNCILMAN DICICCO: Well, I know, but
22 they're far and few in between because, you know,
23 they're in the business of making money.

24 MS. KAPLAN: Right.

25 COUNCILMAN DICICCO: And I understand

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2 --

3 MS. KAPLAN: Right. No, I mean, I
4 think it's --

5 COUNCILMAN DICICCO: And I'm not
6 interrogating and I'm not being critical.

7 MS. KAPLAN: No.

8 COUNCILMAN DICICCO: I just don't
9 understand the logic.

10 MS. KAPLAN: Well, I don't disagree
11 with you, either. I think that's certainly an
12 issue, you know, that ought to be up for
13 discussion in terms of, you know, particularly
14 we're concerned about population loss, we have a
15 census coming up.

16 COUNCILMAN DICICCO: Sure.

17 MS. KAPLAN: You know, the concern
18 about, you know, what incentives we can try to
19 provide in order to encourage the non-subsidized
20 families to, you know, to be retained in the
21 City. I think it's certainly an issue, and we've
22 certainly done a lot of work looking at this and I
23 think it's certainly an issue that bears more
24 discussion.

25 I think the policy of the City in

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2 recent years has been such that we have not
3 allocated dollars that way.

4 COUNCILMAN DICICCO: Right. And I
5 think that answers -- that's the answer I was
6 looking for. It's basically a policy decision.
7 In addition to some of the requirements from the
8 Hope VI grants and other things. Thank you.

9 No further questions, Madam Chair.

10 COUNCIL PRESIDENT VERNA: Councilman,
11 are you finished?

12 COUNCILMAN DICICCO: Yes.

13 COUNCIL PRESIDENT VERNA: Thank you.

14 The Chair recognizes Councilwoman
15 Tasco.

16 COUNCILWOMAN TASCO: Thank you very
17 much.

18 Good afternoon. I'm looking at the
19 Capital Program and I see a number of dollars
20 going to PIDC and to the Defense Conversion Fund
21 and to the Defense Conversion Development Fund,
22 and the dollars seem to be fairly substantial.

23 And when I get to the Neighborhood
24 Industrial Improvements Section, I see \$100,000.
25 Now, how many projects can you do with \$100,000?

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2 If our focus is going to be on neighborhood
3 economic development, how does -- does some of
4 that PIDC money go into the neighborhood, or is it
5 only designed to focus on larger projects
6 downtown?

7 MR. HANKOWSKY: I think I got the
8 beginning of the question, Councilwoman. You
9 referenced the number of 100,000. I just missed
10 where that number was.

11 COUNCILWOMAN TASC0: On page 26 of this
12 green book I have.

13 MR. HANKOWSKY: Yes.

14 COUNCILWOMAN TASC0: Okay. And it
15 begins in 2002.

16 MR. HANKOWSKY: Oh, I'm sorry, you're
17 looking at he the neighborhood districts.

18 COUNCILWOMAN TASC0: Right.

19 MR. HANKOWSKY: I'm sorry. And that's
20 the portion of your question I missed.

21 COUNCILWOMAN TASC0: Right.

22 MR. HANKOWSKY: I apologize. I just --

23 COUNCILWOMAN TASC0: We only have
24 \$100,000 in that category, which, over the four
25 years, five years, will total just \$400,000. And

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2 if you look at the other categories, such as the
3 Defense Conversion Development Fund and the -- if
4 you look at the Library Reuse Plan or all of the
5 other areas in the Department of Commerce, those
6 dollars seem to be quite substantial, but the
7 neighborhood site dollars are fairly low.

8 And if you only have \$100,000 a year
9 beginning in 2002, I mean, what do you plan to
10 do? I mean, how can you do anything with those
11 few dollars?

12 MR. HANKOWSKY: Right. I think I can
13 answer half your question, but not both halves
14 'cause I'm not sure I'm totally conversant on the
15 neighborhood commercial corridors. We don't
16 implement that program.

17 MS. KAPLAN: The industrial district
18 one.

19 MR. HANKOWSKY: Oh, the industrial
20 district one? Oh, I'm sorry, 40, okay. Yeah, let
21 me try to be responsive, Councilwoman.

22 First, I think I can accurately say
23 that none of the PIDC line items in the Capital
24 Budget relate to anything in Center City. We --
25 meaning PIDC -- don't use City capital dollars in

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2 Center City.

3 The various projects that we have here
4 are throughout the City. So, for example, Meeting
5 House Road, which is maybe the one you mentioned,
6 deals specifically with extending a road, the
7 result of which will be that we have transactions
8 in our pipeline for two companies to develop
9 brand-new buildings who will situate on that road
10 once it's built, and I think one building's about
11 400 thousand square feet and another building's
12 about 200,000 square feet. So these are kind of
13 -- and they're blue-collar kind of jobs. I mean,
14 that's the kind of projects that they're
15 supporting.

16 The Defense Conversion dollars relate
17 to utilization at the Naval Business Center or at
18 the Defense Personnel Supply Center. So if, for
19 example, we had (unintelligible), this year we're
20 going to be acquiring that 80-acre site in South
21 Philadelphia.

22 The Industrial Corridor Program really
23 relates to an effort we have underway, and I would
24 generally characterize it as a pilot program or as
25 a demonstration program in the Port Richmond

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2 section of Kensington, Philadelphia. We were
3 lucky enough about two years ago to receive from
4 the Pew Charitable Trusts a grant that we applied
5 for to do a program that we called "the Urban
6 Industry Initiative," which is focused at small
7 manufacturers, people that might have ten or
8 fifteen employees, you know, a tool shop or a
9 small fabrication operation, a sector that we have
10 not been able to provide the kind of technical
11 assistance in response to just because of lack of
12 capacity.

13 So we utilized the Pew money to put a
14 staff in place and kind of intensely go after
15 about 300 small manufacturers in that corridor of
16 lower northwest Philadelphia, or some people might
17 call them "the River Wards." And that program has
18 had a fair amount of success. We were, in fact,
19 in calendar 1999, able to get the Pew Charitable
20 Trusts to give us another grant to continue the
21 program. We were also able to obtain a grant from
22 the First Union Foundation.

23 So we have -- this represents site
24 improvements in that corridor based on working
25 with the industries in the neighborhood to kind of

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2 improve -- in some cases, it's access or street
3 lighting to make those areas work better, but it's
4 a small component against a bigger budget that
5 doesn't jump into capital.

6 But I would be happy to provide with
7 you information about that program. So it's an
8 overall effort that's actually, over the years,
9 been kind of multi-million dollars but actually
10 using -- I take some pride in this -- sort of
11 using limited City resources and really
12 significantly leveraging those with foundation and
13 state and other resources.

14 MS. KAPLAN: I just wanted to add
15 something.

16 COUNCILWOMAN TASCO: I just -- go
17 ahead.

18 MS. KAPLAN: Last year, we had a half
19 million dollars in that same neighborhood
20 industrial districts line, and the whole program
21 was really inspired by the work that PIDC began
22 with the Pew Grant. There's also in this year's
23 program -- line 42, on Page 27 -- \$800,000
24 specifically for -- in the Port Richmond
25 industrial area for parking lot development. This

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2 is to answer requests from 50 businesses in that
3 area that identified that as their main need to
4 support continued industrial expansion in that
5 area. And that also came out of the contact work
6 that was done by PIDC.

7 COUNCILWOMAN TASC0: So the items
8 listed in this program are items that are attached
9 to programs that are going forward.

10 MR. HANKOWSKY: That's correct,
11 Councilwoman, yes.

12 COUNCILWOMAN TASC0: Okay. Let's just
13 go back. There may be an error and I'm -- and
14 during this last day or so in trying to recapture
15 it.

16 MR. HANKOWSKY: Right.

17 COUNCILWOMAN TASC0: On Page 26, under
18 the Defense Conversion Development Fund.

19 MR. HANKOWSKY: Yes.

20 COUNCILWOMAN TASC0: You had, beginning
21 in the year 2002, a million dollars. And at the
22 end of the time, it would be \$4 million.

23 MR. HANKOWSKY: Yes.

24 COUNCILWOMAN TASC0: On the amended
25 sheet that we received --

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2 MR. HANKOWSKY: Yes.

3 COUNCILWOMAN TASC0: -- I notice that
4 \$1,450,000 was added to Year 4.

5 MR. HANKOWSKY: Yes.

6 COUNCILWOMAN TASC0: I mean Year 1.

7 MR. HANKOWSKY: Yes. Versus a
8 million. Is that the question?

9 COUNCILWOMAN TASC0: No, versus
10 nothing. It's now 5 million? I'm only checking.
11 It could be a typo.

12 MR. HANKOWSKY: We probably should have
13 taken off 2005.

14 COUNCILWOMAN TASC0: I'm just raising
15 the issue.

16 MR. HANKOWSKY: Yeah.

17 COUNCILWOMAN TASC0: There's an
18 amendment, there's been a lot of typing.

19 MR. HANKOWSKY: Yeah, I see what you're
20 saying. It was deferred, we requested it would be
21 -- and so I think we should have taken off the
22 ending year if we slid it forward. I think you're
23 right. Good catch.

24 COUNCILWOMAN TASC0: Now, is the first
25 year going to be \$1,450,000?

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2 MR. HANKOWSKY: Right. And then it
3 should -- at the end, it should add back to the
4 number that was in here as the total.

5 MR. DUBOW: So the last year should be
6 550?

7 MR. HANKOWSKY: Yeah, so like the last
8 year should be 550 to get you back to 4. You're
9 right.

10 COUNCILWOMAN TASC0: Okay.

11 MR. HANKOWSKY: Yeah.

12 COUNCILWOMAN TASC0: The other thing --
13 and it's not my district, but I'll ask the same
14 question. Same thing on Page 25, under the
15 Byberry Reuse Plan.

16 MR. HANKOWSKY: Yes.

17 COUNCILWOMAN TASC0: I'm just checking
18 to see if that was a typo. Again, added under
19 that, it was in Year 2, now you move it back to
20 Year 1.

21 MR. HANKOWSKY: Right.

22 COUNCILWOMAN TASC0: And then you still
23 have Year 2. So now from 2 million, it goes from
24 2.5 million.

25 MR. HANKOWSKY: I'm sorry, I --

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2 COUNCILWOMAN TASC0: 2,500,000.

3 MR. HANKOWSKY: I apologize. At least
4 I haven't had the opportunity to see these red
5 sheets. I think you're right again. It should
6 still add at the end of 2 million.

7 MS. KAPLAN: Yeah. I mean, we had like
8 an hour to put back this into the computer.

9 COUNCILWOMAN TASC0: I know, I know.

10 MS. KAPLAN: So some of the out-years
11 have not been --

12 MR. HANKOWSKY: I haven't seen -- I
13 mean I --

14 COUNCILWOMAN TASC0: Okay.

15 MR. HANKOWSKY: I haven't seen these
16 sheets, but you're right.

17 COUNCILWOMAN TASC0: Okay.

18 MS. KAPLAN: He's seeing it now for the
19 first time.

20 MR. HANKOWSKY: Yeah, I really am
21 seeing it for the first time.

22 COUNCILWOMAN TASC0: I just wanted to
23 call it to your attention.

24 MR. HANKOWSKY: Yeah, yeah.

25 COUNCILWOMAN TASC0: And one other one

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2 that I had brought to Councilman DiCicco's
3 attention. It's Page 21, Item 28. It went back
4 to Year 1 but it adds up to more than the 950, on
5 Page 21. That's just subject to check. I mean,
6 you know, whatever negotiations you did find, but
7 in case it was an error because you added 1.4
8 million and I think I --

9 MR. HANKOWSKY: Yeah, you're correct.
10 It should be corrected to add up to the same net
11 total at the end.

12 COUNCILWOMAN TASC0: I just have one
13 other question of the Chief of Staff. The
14 question may have been answered, but I did not
15 hear it.

16 MR. HANKOWSKY: She's on the phone.

17 Thank you, Councilwoman.

18 COUNCILWOMAN TASC0: Thank you.

19 (Ms. Franklin-Suber returns to the
20 witness table.)

21 COUNCILWOMAN TASC0: Miss Suber, did
22 you answer the question that I believe Councilman
23 Kenney asked relative to our ability to move the
24 40 million out of the Capital Budget and you
25 borrowed the money through another authority, as

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2 we have done in other situations?

3 MS. FRANKLIN-SUBER: I believe I did
4 answer that question. I -- my response was that
5 we are seeking capital authorization,
6 authorization to use capital dollars, because at
7 this point, we have not explored all of the
8 possibilities.

9 It is quite possible that in the event
10 we get to this scenario -- I mean all of this is
11 worst-case scenario. In the event there are no
12 new stadiums and we then need to make repairs to
13 Veterans Stadium, it may very well be possible
14 that we can use some portion of the proceeds from
15 the vehicle rental tax. That's number one.

16 Number two, there are available PICA
17 dollars. The Budget Office is working with PICA
18 to identify the funds that are unspent but also
19 available. Some of the funds are unspent, but
20 they are earmarked for particular projects. It is
21 also possible that we would be able to use another
22 authority, whether it's PAID or PMA, but we have
23 that general issue in connection with the Capital
24 Program as we go into the out-years because of our
25 debt limit capacity.

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2 So it's not simply in connection with
3 these renovations. There may be a whole series of
4 other projects because we will, you know, have
5 less borrowing capacity in the out-years of the
6 program. We're going to have to look at it from a
7 broader policy perspective in terms of which
8 authorities we may be able to rely on to help us
9 fund different kinds of projects.

10 So all of that is a possibility.

11 COUNCILWOMAN TASCO: What is the City's
12 debt limit?

13 MR. DUBOW: We have about \$288 million
14 left. At the end of Fiscal 2000, we'll be at, I
15 think 288.2 million.

16 COUNCILWOMAN TASCO: What determines
17 the debt limit? And is that the trigger --
18 whatever triggers the debt limit, does that
19 change?

20 MR. DUBOW: It's based on a
21 calculation. I think it's 10 years -- it's
22 13.5 percent of the 10-year average assessed value
23 of property in the City adjusted for the amount of
24 debt that's outstanding. So what can make it
25 change is if we pay off debt or if our assessed

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2 values go up or down.

3 COUNCILWOMAN TASC0: Has there been any
4 history of the assessed value going up?

5 MR. DUBOW: Yes, yes. And actually,
6 they are starting to go up a little. So when we
7 look at how much will be available over the course
8 of this Capital Program, we assumed assessment
9 growth and we assumed that we're paying off debt.

10 COUNCILWOMAN TASC0: Would the
11 assessment growth be triggered by the increase in
12 the number of new construction, a large amount of
13 new can construction?

14 MR. DUBOW: Yes, that would help with
15 our assessment, that's right.

16 COUNCILWOMAN TASC0: A fair amount of
17 new construction of new hotels and things of that
18 nature? So is it likely that we would reach at
19 any point our debt limit where we couldn't
20 borrow?

21 MR. DUBOW: Oh, yeah. We -- actually
22 looking over the course of this program, by the
23 time we get to 2006, we project that we will be
24 down to only about \$26 million, \$27 million in
25 capacity left.

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2 COUNCILWOMAN TASC0: Based on the

3 assessed values of --

4 MR. DUBOW: Based on a combination of

5 assessed value and the outstanding debt that we

6 have.

7 COUNCILWOMAN TASC0: Thank you, Madam

8 President.

9 COUNCIL PRESIDENT VERNA: Thank you.

10 The Chair recognizes Councilman Rizzo.

11 COUNCILMAN RIZZO: Thank you, Madam

12 President.

13 I'd like to get back to the questions

14 on Veterans Stadium so I don't know if the stadium

15 manager or Chief of Staff will be able to respond.

16 We throw the words "repair" and "renovations"

17 around when we talk about Veterans Stadium very

18 loosely. I would like to know when we first

19 signed this lease with the Phillies and the

20 Eagles.

21 MS. FRANKLIN-SUBER: The original lease

22 was signed in 1966. It was subsequently amended.

23 COUNCILMAN RIZZO: When?

24 MS. FRANKLIN-SUBER: Several times for

25 the Phillies, the Eagles. I think one was in

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2 1985, one was in 1986. We can give you all of
3 that detailed information and copies of all of the
4 leases and their amendments.

5 COUNCILMAN RIZZO: The document that we
6 presently have is obviously a legal document to
7 the Year 2011; is that right?

8 MS. FRANKLIN-SUBER: That's correct.
9 That's the original 1966 lease with all of the
10 subsequent amendments.

11 COUNCILMAN RIZZO: In brief, could you
12 just describe what that legal document requires
13 the City of Philadelphia to do for the Phillies
14 and the Eagles in the area of this \$40 million?
15 I'd like to know, are we bound to spend
16 \$40 million, a possible \$80 million, based on that
17 legal document, that lease?

18 MS. FRANKLIN-SUBER: Let me answer your
19 question this way, Councilman Rizzo.

20 COUNCILMAN RIZZO: No, I think it works
21 the other way.

22 MS. FRANKLIN-SUBER: The Eagles and the
23 Phillies would take that position.

24 COUNCILMAN RIZZO: I'm asking --

25 MS. FRANKLIN-SUBER: The Eagles and the

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2 Phillies would take that position. Because we are
3 not necessarily in agreement with the teams on
4 what the City's obligations are and the extent of
5 those obligations with regard to renovations and
6 repair at Vets Stadium, I am -- I am -- I am not
7 going to say to you that. . .

8 The City has an obligation to make
9 certain repairs and renovations to Vets Stadium,
10 and there is -- there is disagreement between the
11 City and the teams as to what the obligations
12 are. And so instead of getting into a dispute, we
13 have agreed conceptually with the teams that
14 renovations need to be made, that we will sit down
15 and we will agree on what those renovations are.
16 And so that everyone understands the commitment,
17 we would amend the lease to specify the
18 improvements that are going to be made.

19 And so City Council would then get a
20 complete public hearing on what exactly those
21 improvements and renovations would entail.

22 COUNCILMAN RIZZO: I understand that
23 there's some concern about what would be said here
24 today which could possibly be used against the
25 City -- this is my thought.

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2 But I'm asking you this question. Your
3 interpretation -- and if you feel as though this
4 is something that we need to discuss off the
5 record, we can do that. In your interpretation,
6 and if you can answer this, I'd appreciate it,
7 based on the document, the legal document that you
8 have right now, do you feel as though you have to
9 spend 80 -- possibly \$80 million to meet that
10 contractual agreement?

11 MS. FRANKLIN-SUBER: Councilman Rizzo,
12 I'd be happy to sit down and talk to you about
13 what we believe our obligations are under the
14 lease and submit any information to you and have a
15 discussion with you privately.

16 We've reached voluntarily a conceptual
17 agreement with the Eagles and the Phillies, and
18 we've reached agreement on a dollar amount.

19 COUNCILMAN RIZZO: When these leases
20 were --

21 COUNCILMAN COHEN: Councilman Rizzo,
22 would you yield a moment?

23 COUNCILMAN RIZZO: I yield to the
24 Councilman.

25 COUNCIL PRESIDENT VERNA: Councilman

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2 Cohen?

3 COUNCILMAN COHEN: Just for moment.

4 Chief of Staff?

5 MS. FRANKLIN-SUBER: Yes, sir?

6 COUNCILMAN COHEN: It isn't a
7 satisfactory answer to say to Councilman, in my
8 judgment, "I'll send you the material," because I
9 would like to see that material when Councilman
10 Rizzo gets it, and I would like to have it
11 presented at a hearing so that we can examine it
12 and question you right then and there.

13 MS. FRANKLIN-SUBER: Councilman --

14 COUNCILMAN COHEN: The purpose of a
15 hearing like this is so that in addition to each
16 of us asking our own questions, we can benefit
17 from hearing the questions raised by other
18 Councilmembers.

19 MS. FRANKLIN-SUBER: Councilman Cohen,
20 you are correct.

21 COUNCILMAN COHEN: Please permit me to
22 finish.

23 MS. FRANKLIN-SUBER: You are correct.

24 COUNCILMAN COHEN: Please permit me to
25 finish.

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2 The purpose of a hearing -- I'm very
3 interested in the whole series of questions that
4 Councilman Rizzo is asking, and I do not
5 appreciate having those questions shunted aside so
6 that when an answer is given, if ever, that I
7 won't hear them. I want to hear them, they help
8 my thinking, his questions, everybody's questions
9 in Council.

10 So that it isn't enough to say -- and
11 the reason I raise it is you've been doing that
12 all afternoon, shutting off areas of questioning
13 by the method of saying "I'll send you that
14 information, I do not have it here, I'll give it
15 to you later." That information belongs at a
16 public hearing, stated publicly, so that all the
17 members of the Council can learn from the
18 information that's being presented. We ought not
19 to have a series of separate private conferences.

20 So I'm just urging you to understand
21 that when you answer Councilman Rizzo's or any
22 Councilmember's questions, you're helping all of
23 us get a full understanding of the facts. That's
24 all.

25 And I don't mean it in any

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2 disrespectful way. I'm just saying that the
3 concept of a public hearing is to enable all of us
4 to hear and learn from each other, accept what we
5 believe and discard what we don't believe, but we
6 ought to be entitled to hear it all.

7 MS. FRANKLIN-SUBER: Councilman,
8 Councilman, I --

9 COUNCILMAN COHEN: Thank you. Excuse
10 me, I just wanted to make that procedural point.

11 MS. FRANKLIN-SUBER: Can I respond?

12 Councilman Cohen, you are absolutely
13 correct, but the other purpose of a public hearing
14 is to make sure that you get accurate
15 information. And as you know, there are very many
16 times during a public hearing where a Member of
17 Council asks a very specific question; if we do
18 not have the information readily available, we
19 will provide it to you.

20 And also, this is absolutely the same
21 information I've provided to you. And what I'm
22 referring to -- so there's no misunderstanding --
23 was the binder that included every copy of the
24 original leases, plus the amendments. Those are
25 the documents which govern the City's obligations

8 To the extent that there is a
9 disagreement between the City and the various
10 teams as to our obligations and whether or not
11 we've fulfilled them, I think I have a
12 responsibility to make sure that I don't say
13 anything on the public record that could then
14 later be used to expose the City or jeopardize the
15 City in terms of any potential legal action.

16 The conceptual agreement was a
17 voluntary arrangement, the parties came together
18 in good faith, and we agreed to -- since there was
19 disagreement over the nature and the scope of the
20 improvement and the City's obligations and the
21 team's obligations, we came together in a spirit
22 of cooperation, reached agreement -- not on the
23 number -- and are in the process now of discussing
24 the specific improvements.

25 So, therefore, I don't have a lot of

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2 the information that you're requesting because
3 negotiations are still underway. We have not
4 submitted legislation to Council. When we submit
5 -- if we are able to resolve outstanding issues
6 and we then introduce legislation to Council,
7 there will be a public hearing as well on all of
8 those issues, whether it's the specific
9 improvements, the timetable, what -- you know, any
10 other questions that you would like to answer at
11 that time.

12 So to the extent I'm not being
13 responsive, it's because I do not have the
14 information to share with you today, but you will
15 have it.

16 COUNCILMAN COHEN: Well, then perhaps
17 you --

18 COUNCIL PRESIDENT VERNA: I'm sorry,
19 Councilman Rizzo is still asking questions.

20 COUNCILMAN COHEN: All right. He'll
21 continue it, hopefully.

22 COUNCILMAN RIZZO: Thank you. I'd like
23 to get back to it.

24 COUNCILMAN COHEN: Very good.

25 COUNCILMAN RIZZO: You're telling me

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2 that you have a lease for Veterans Stadium between
3 the Eagles and the Phillies, and that lease is so
4 poorly done that you cannot tell me today the
5 answers to the questions?

6 Let me get right to it. I've been
7 cautioned -- and I'm going to say this publicly --
8 by the lawyers that if I ask you some specific
9 questions and you answer them, it could jeopardize
10 a possible lawsuit that the Phillies or Eagles
11 could place against the City. Is that a fair
12 question?

13 MS. FRANKLIN-SUBER: I think it's a
14 fair statement. I've said there's disagreement.

15 COUNCILMAN RIZZO: So then you'd prefer
16 to continue this conversation in private, off the
17 record?

18 MS. FRANKLIN-SUBER: Yes.

19 COUNCILMAN RIZZO: Fair enough. Pardon
20 me?

21 (Councilmembers address each other off
22 mike.)

23 COUNCILMAN RIZZO: No, I was asked by
24 the lawyers publicly private not to go into this
25 area because if, in fact -- and I'm just honoring

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2 that request -- that if she admitted something
3 that would be damaging to the City of
4 Philadelphia, it would be hurtful in a court of
5 law.

6 COUNCILMAN NUTTER: Councilman, would
7 you yield on that one?

8 COUNCILMAN RIZZO: Yes, I'll yield on
9 that point.

10 COUNCILMAN NUTTER: Thank you,
11 Councilman Rizzo.

12 Miss Suber, I --

13 MS. FRANKLIN-SUBER: "Franklin-Suber."

14 COUNCILMAN NUTTER: Ms. Stephanie
15 Franklin-Suber.

16 MS. FRANKLIN-SUBER: Thank you.

17 COUNCILMAN NUTTER: You're welcome.

18 I have taken down a note, which is not
19 exact, on the statement you made earlier in
20 response to another Councilmember -- and it's a
21 paraphrase and you can correct me if I don't get
22 it all correctly, which I know you will that --
23 you wanted to keep the teams playing until 2011 at
24 Veterans Stadium. Do you remember making a
25 statement somewhat close to that?

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2 MS. FRANKLIN-SUBER: Yes. I believe I
3 was speaking in the context of in the event there
4 are no new stadiums. If there are no new
5 stadiums, we would want to keep both of the teams
6 in Philadelphia at Vets Stadium under the terms
7 and conditions of the existing leases.

8 COUNCILMAN NUTTER: Okay. Now, the
9 existing leases --

10 MS. FRANKLIN-SUBER: Which expire in
11 2011.

12 COUNCILMAN NUTTER: Okay.

13 MS. FRANKLIN-SUBER: That's the 2011
14 date.

15 COUNCILMAN NUTTER: So by the lease, at
16 least, they have an obligation to play in
17 Philadelphia until 2011; is that correct?

18 MS. FRANKLIN-SUBER: Yes.

19 COUNCILMAN NUTTER: By the terms and
20 conditions of their leases?

21 MS. FRANKLIN-SUBER: Yes.

22 COUNCILMAN NUTTER: Okay. Now, in the
23 Eagles lease, in Article 9, Section 901, on Page
24 31 of their lease, after the (1), (2), and (3),
25 there's a section that reads in this manner:

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2 "Subject as aforesaid, insofar as the
3 (unintelligible) premises, and the parking lot are
4 concerned, Landlord shall, subject to other
5 provisions of this lease, at all times, while this
6 lease continues in effect, at Landlord's risk and
7 expense, keep the same in good and suitable state
8 and condition for the uses intended to be made of
9 the same, making all such repairs to restorations
10 and replacements of the structures, other
11 improvements, and equipment thereof and therein,
12 as may be required from time to time."

13 Do you recall ever reading that
14 particular section of the Eagles lease?

15 MS. FRANKLIN-SUBER: I recall. I do
16 not have a copy in front of me.

17 COUNCILMAN NUTTER: I understand.

18 MS. FRANKLIN-SUBER: But I do recall
19 reading it, yes.

20 COUNCILMAN NUTTER: Thank you.

21 The gentleman who is responsible for
22 Veterans Stadium, I only got your first name. It's
23 Greg?

24 MR. GRILLONE: Yes. Greg Grillone.

25 COUNCILMAN NUTTER: Greg Grillone.

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2 MR. GRILLONE: Right.

3 COUNCILMAN NUTTER: Okay, I'm sorry.

4 You and I had some discussion earlier
5 about various repairs and renovations and other
6 projects at Veterans Stadium. You recall --

7 MR. GRILLONE: Yes.

8 COUNCILMAN NUTTER: -- those warm
9 conversations we had earlier?

10 MR. GRILLONE: Yes.

11 COUNCILMAN NUTTER: Just quickly, did
12 both teams play full seasons at Veterans Stadium
13 last year?

14 MR. GRILLONE: Yes.

15 COUNCILMAN NUTTER: They played all
16 their games, their home games at Vets Stadium last
17 year?

18 MR. GRILLONE: I think the Phillies may
19 have had one rain-out.

20 COUNCILMAN NUTTER: All right. And
21 we've put a fair amount of capital dollars in
22 Veterans Stadium at least over the past right
23 years, right?

24 MR. GRILLONE: Yes.

25 COUNCILMAN NUTTER: We've made major

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2 renovations to major systems at Veterans Stadium;
3 is that correct?

4 MR. GRILLONE: That's correct.

5 COUNCILMAN NUTTER: You're the manager
6 for Veterans Stadium?

7 MR. GRILLONE: Uh, so far.

8 (Laughter.)

9 MS. FRANKLIN-SUBER: It might depend on
10 how he answers the next question.

11 (Laughter.)

12 COUNCILMAN NUTTER: Madam Chair,
13 notwithstanding whatever happens after he answers
14 this next question --

15 (Laughter.)

16 COUNCILMAN NUTTER: -- we should at
17 least acknowledge that his honesty is greatly
18 appreciated.

19 Mr. Grillone, I've read into the record
20 a part of the lease that talks about the team
21 staying in Philadelphia. Is it your opinion that
22 the stadium is in good and suitable state and
23 condition for the uses intended to be made of the
24 stadium? You are the manager of the stadium,
25 right?

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2 COUNCIL PRESIDENT VERNA: Wait a
3 minute. That same question is very difficult.
4 You better listen. Ask the question again.

5 MR. GRILLONE: Yeah, you better repeat
6 the question.

7 COUNCILMAN NUTTER: Sure.

8 (Laughter.)

9 COUNCILMAN NUTTER: As the manager of
10 the stadium, you've testified that there has been
11 upwards of \$65 million in various improvements --
12 the seats, the lights, various systems, the sound
13 system, Fanovision, AstroTurf, concrete, and
14 various other improvements to Veterans Stadium
15 just in the past eight years.

16 The lease requirement for both teams is
17 that, at the landlord's risk and expense, keep the
18 same in good and suitable state and condition for
19 the uses intended to be made of the same.

20 Now, is it correct that the teams
21 played their seasons in Philadelphia last year at
22 Veterans Stadium?

23 MR. GRILLONE: Yes.

24 COUNCILMAN NUTTER: To your knowledge,
25 do the teams intend to play their seasons at

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2 Veterans Stadium this year?

3 MR. GRILLONE: Yes, to my knowledge.

4 COUNCILMAN NUTTER: Is the stadium in
5 good and suitable state and condition for the uses
6 intended of Veterans Stadium?

7 MR. GRILLONE: I think you're asking me
8 for some --

9 MS. FRANKLIN-SUBER: Councilman Nutter,
10 that calls for a legal conclusion, and so
11 Mr. Grillone is not qualified to answer that
12 question.

13 COUNCILMAN NUTTER: No, I think -- not
14 to have a big argument about it, but he is the
15 manager of the stadium.

16 MS. FRANKLIN-SUBER: He -- he --

17 COUNCILMAN NUTTER: And he must have
18 some opinion about the condition of the stadium
19 that the teams played in last year and the teams
20 intend to plan in this year. Does he have any
21 particular opinion about the condition of Veterans
22 Stadium?

23 MS. FRANKLIN-SUBER: You are asking him
24 to give you an opinion based on language in the
25 lease that is subject to legal dispute now. What

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2 constitutes suitability --

3 COUNCILMAN NUTTER: Is there a legal
4 dispute?

5 MS. FRANKLIN-SUBER: Yes.

6 COUNCILMAN NUTTER: Have the teams
7 filed suit against us?

8 MS. FRANKLIN-SUBER: They have not yet
9 filed suit against us. Have they threatened to
10 file suit against us? Yes.

11 COUNCILMAN NUTTER: Well, Madam Chief
12 of Staff, in your previous capacity, you know that
13 people every day think about filing suit against
14 the City of Philadelphia.

15 Is Veterans Stadium suitable for
16 football players to play games and baseball
17 players to play games? Do we -- and if not --

18 MS. FRANKLIN-SUBER: Yes.

19 COUNCILMAN NUTTER: -- will there be
20 seasons next year?

21 MS. FRANKLIN-SUBER: Yes.

22 COUNCILMAN NUTTER: Okay.

23 MS. FRANKLIN-SUBER: Yes.

24 COUNCILMAN NUTTER: So based on that --

25 MS. FRANKLIN-SUBER: And I express that

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2 opinion as former City Solicitor.

3 COUNCILMAN NUTTER: Well, then you're
4 going to force me to ask for the current City
5 Solicitor to come over, which I will not.

6 MS. FRANKLIN-SUBER: Well, I do think
7 you have the appropriate person because when I was
8 City Solicitor, I do recall reading that section
9 and I'm familiar with the leases and I'm also
10 familiar with the extent of the disagreement and
11 the history and all of the issues involved.

12 COUNCILMAN NUTTER: Oh, I understand.
13 And people can disagree about whatever they want
14 to disagree about. We have a lease, it requires
15 the teams to play in Philadelphia until 2011.

16 MS. FRANKLIN-SUBER: That's correct.

17 COUNCILMAN NUTTER: We have a
18 requirement to keep the place in good and suitable
19 state and condition.

20 MS. FRANKLIN-SUBER: That is correct.

21 COUNCILMAN NUTTER: Now, it is my
22 understanding that based on that --

23 COUNCILMAN ORTIZ: (Inaudible, off
24 mike.)

25 COUNCIL PRESIDENT VERNA: I hope you're

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2 not going to ask that --

3 COUNCILMAN ORTIZ: I want to ask for
4 clarification, because we have the former City
5 Solicitor and we have had -- this is not the first
6 time that this issue has come up before the
7 Councilpeople, Councilpersons who are here.

8 In meetings with Ed Rendell, the former
9 mayor, as late as December, we were assured by
10 Mr. Rendell at that point that this was an
11 ironclad contract, that we didn't have to worry
12 about the Eagles or the Phillies not playing
13 here. And as of recently, we have been informed
14 that we do have a contract that is formidable, to
15 say the least.

16 And the issue is and the rationale, the
17 basis of why \$40 million is in the Capital
18 Budget. And before this Council approves a
19 Capital Budget that is going to go forward out of
20 this committee --

21 MS. FRANKLIN-SUBER: Mm-hmm.

22 COUNCILMAN ORTIZ: -- there has to be a
23 point in which that rationale and that \$40 million
24 is presented.

25 The Phillies are going to play. So

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2 obviously, spring training in April, the Phillies
3 will be there. We will not have spent any of that
4 \$40 million before then. So if the stadium is not
5 suitable to be played, then the Phillies are not
6 going to open the season in April at Vets
7 Stadium. The Phillies will be there, opening day
8 is set, I'll be there, and I think most of us will
9 be there.

10 So the question that Mr. Nutter asked
11 is, is it suitable for the opening of the season?
12 I think the answer is yes. It's a "yes" or "no"
13 answer. Or if it is not, then we have to employ a
14 whole lot of money to make it suitable for the
15 Phillies.

16 MS. FRANKLIN-SUBER: My response to
17 that question was "yes."

18 COUNCILMAN ORTIZ: Thank you, Madam
19 Chair.

20 COUNCIL PRESIDENT VERNA: All right.
21 Councilman Rizzo, I believe you did yield to
22 Councilman Nutter.

23 COUNCILMAN RIZZO: And I had no problem
24 in doing that.

25 COUNCIL PRESIDENT VERNA: Okay.

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2 COUNCILMAN RIZZO: Just to quote a
3 executive of the Recreation Department, Veterans
4 Stadium about two years ago was referred to -- and
5 everybody knows when we shop for a used car what a
6 cream puff is. It was referred to as "a
7 30-year-old cream puff." Anybody ever hear that
8 description? No? Okay.

9 But I would be interested in those
10 documents that you have, the amendments to the
11 lease, 'cause I'm very concerned that that lease
12 that we presently have is not being interpreted as
13 the way it is written because we're confusing it
14 and I think I hear maintenance versus renovations,
15 and I don't know if maintenance and renovations
16 include crystal chandeliers, but it sounds like
17 that lease really needs to be interpreted so that
18 we know exactly where we're heading.

19 MS. FRANKLIN-SUBER: Mm-hmm.

20 COUNCILMAN RIZZO: Thank you, Madam
21 Chair.

22 COUNCIL PRESIDENT VERNA: You're
23 welcome.

24 Okay, for the second go-around, the
25 Chair recognizes Councilman Ortiz.

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2 COUNCILMAN ORTIZ: Have there been any
3 engineering reports done to rationalize the
4 \$40 million, or was it a conversation in which the
5 Eagles said 150, and we said 80, and that was it?

6 MS. FRANKLIN-SUBER: I believe, in
7 response to questions raised earlier, I pointed
8 out that engineering studies have been done by the
9 City, engineering studies have been done by the
10 teams. And the engineering studies done by the
11 teams form the basis for the list of repairs
12 initially presented to the Administration by the
13 Eagles.

14 We did not accept that list of repairs
15 and that dollar amount, which was \$150 million,
16 because we have different engineering studies.
17 And so we reached a conceptual agreement and a
18 process which requires the repairs be identified,
19 agreed to by both teams and the City, and
20 presented to City Council in connection with any
21 proposed amendment to the lease so that everyone
22 knows what the repairs are.

23 COUNCILMAN ORTIZ: Councilwoman Tasco
24 asked you a question before that I believe you
25 didn't answer. She was following up a question

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2 that Councilman Kenney asked.

3 MS. FRANKLIN-SUBER: Mm-hmm.

4 COUNCILMAN ORTIZ: And the question
5 was, how are you going to spend \$40 million in one
6 year? Since we have here a total of \$64 million
7 spent over an 8-year period or starting in '93,
8 actually --

9 MS. FRANKLIN-SUBER: Councilman Ortiz,
10 I answered the question. One of the issues that
11 is currently being negotiated is the nature of the
12 repairs and the timetable for the repairs. The
13 Eagles and the Phillies have a construction
14 schedule, and in the event we introduce
15 legislation and we have a public hearing on the
16 proposed amendments, the nature of the
17 improvements and the timetable, they will present
18 the construction plan, the timetable, and how all
19 of the repairs will be done. They have a
20 construction schedule and they are quite confident
21 that the repairs can be done.

22 But all of that is being negotiated as
23 we speak, so I am not trying to not respond to
24 your question. Those are still issues that are
25 being negotiated. And there will be -- in the

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2 event legislation is introduced, there will be a
3 public hearing, and we will provide you with all
4 of that information, including the specifics of
5 the timetable, what repairs will be made, and how
6 they will be made.

7 COUNCILMAN ORTIZ: I have a copy of a
8 report and I wonder if you're acquainted with it.
9 It was done by the engineering firm of Ewing,
10 Cole, Cherry, Brott. And they -- after they did
11 their analysis of Vets Stadium, they say that at
12 most -- and they put three priorities, they put
13 three categories up.

14 The first priority is conditions
15 considered, which I believe would hold to what
16 Mr. Nutter was talking about in terms of the
17 contract. First priority is conditions considered
18 to be safety hazards to the users, teams, or the
19 general public and that should be repaired.

20 The second priority, conditions that
21 are not yet safety hazards, but if not addressed,
22 may become hazard.

23 These are three questions that perhaps
24 should be answered before we set numbers of
25 millions of dollars that we are going commit from

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2 the people's purse.

3 And the third priority, conditions that
4 should be addressed but are not threats to lives,
5 safety, or the building operations.

6 They answered those three questions.

7 And over a four-year period -- actually, a
8 five-year period, after a five-year period, they
9 estimated that the total cost in terms of repairs
10 to meet those three conditions was \$23 million.

11 MS. FRANKLIN-SUBER: I'm familiar with
12 that report.

13 COUNCILMAN ORTIZ: Okay. That's a huge
14 disparity, a huge disparity in terms of
15 expenditures, and that's over a five-year period.
16 Now here we want to spend \$80 million in a 2-year
17 period, without answering those three main
18 questions to the satisfaction of this Council
19 because we have to approve this.

20 MS. FRANKLIN-SUBER: Councilman Ortiz,
21 as I've said previously, before Council votes on
22 the budget, you will have the responses to the
23 questions, you will the information that you have
24 requested. We will put it into context. That
25 report was prepared in a certain context, and we'd

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2 be happy to get into all of that information.

3 We're not trying to hide anything. I'd
4 be happy to share the information with you, but I
5 am not prepared to do that today, and we do not
6 have a final agreement with the Eagles and the
7 Phillies.

8 So it may very well be that all of this
9 at some point becomes moot.

10 COUNCILMAN ORTIZ: Thank you, Madam
11 Chair.

12 COUNCIL PRESIDENT VERNA: So, Miss
13 Suber, what you are saying, if I understand what
14 you're saying is, if in fact we do not have that
15 information at the time we vote for the budget,
16 are you going to ask that we delete the monies?

17 MS. FRANKLIN-SUBER: We have not yet
18 reached an agreement so, therefore, we have not
19 introduced legislation. We plan on introducing
20 legislation.

21 COUNCILMAN ORTIZ: Aren't you putting
22 the cart before the horse? Don't you believe that
23 -- how could you enter into an agreement that
24 this Council may not agree with? Are we party to
25 the agreement or are we not party to the

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2 agreement? Don't we have to approve the agreement
3 before you agree to it?

4 MS. FRANKLIN-SUBER: You don't have to
5 approve all of the conceptual agreement. The
6 short answer is no. There's legislation that
7 relates to the conceptual agreement, and we've
8 talked about that in the various briefings we've
9 had for City Council.

10 We are still in the process of
11 negotiating all of those details. The documents
12 have not been finalized, and it could very well be
13 that we're in a position to introduce that
14 legislation next week.

15 COUNCILMAN ORTIZ: And it might be less
16 than \$40 million a year?

17 MS. FRANKLIN-SUBER: It might be less
18 than that because it is a cap, those numbers are a
19 cap. What was agreed to was not a flat 40
20 million; it was up to 40 million, up to
21 80 million. So it could very well be during the
22 course of negotiations that it's less than that.

23 COUNCILMAN ORTIZ: Thank you, Madam
24 Chair.

25 COUNCILWOMAN BLACKWELL: Thank you.

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2 Councilwoman Miller?

3 COUNCILWOMAN MILLER: Okay, thank you
4 Madam Chair.

5 COUNCILWOMAN BLACKWELL: Certainly.

6 COUNCILWOMAN MILLER: This question is
7 for the Capital Projects Office. You know, as a
8 Councilperson that did secure state funding for a
9 project two years ago, and in the Five-Year Plan
10 you talk about the reduction of the duration of
11 project implementation, I've had several
12 discussions with Recreation, I've had several
13 discussions with PIDC regarding the lack of speed
14 in this project. And I have a couple questions.

15 But what I would like someone to do is
16 explain -- re-explain that whole process of
17 securing the State funds when you also have City
18 dollars for a project. I see in a book, you're
19 talking that you reduce the time from design to
20 construction to 538 days, and it's been more than
21 730 days, and we -- I don't even know whether we
22 actually have the application back from the State
23 and the funds here in the City of Philadelphia.

24 So if you could -- 'cause I know other
25 Councilpeople have secured State funding too for

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2 some of the City projects, but there seems to be a
3 big tie-up.

4 MS. KAPLAN: Well, let me just say that
5 the Capital Program Office doesn't implement the
6 projects either for PIDC or the Recreation
7 Department. If you have a specific project, maybe
8 we could have the appropriate person from one of
9 those departments answer the question.

10 COUNCILWOMAN MILLER: Well, yes, I'd
11 like that, but the capital project says that it
12 has reduced the duration of project
13 implementation, which kind of tells me that
14 someone from your office is monitoring the
15 implementation of these projects. And if that's
16 not so, then I could be corrected.

17 MS. KAPLAN: Richard Dean is here from
18 the Capital Projects Office, but what I'm saying
19 is, that office doesn't have a responsibility for
20 Recreation.

21 COUNCILWOMAN MILLER: For the
22 application.

23 MS. KAPLAN: No, for Recreation
24 Department projects or for PIDC projects. Those
25 projects are carried out by the Recreation

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2 Department or different departments. It depends
3 which PIDC project it is, who carries it out.

4 So if you have a specific project in
5 mind, we could get the right person here to answer
6 the question.

7 COUNCILWOMAN MILLER: Well, this
8 project is the project you talked about earlier --
9 I couldn't think of the name -- the Lonnie Young
10 Recreation Center.

11 MS. KAPLAN: Oh, okay.

12 COUNCILWOMAN MILLER: It's a 2.7
13 million project, we've secured funding for that
14 two years ago, and we are still -- it's just going
15 out to design bid.

16 I just need to be real clear again on
17 the project 'cause I have a couple other projects
18 that other State representatives will be involved
19 in and State Senator bringing money in, and we
20 have a level of expectation, and maybe it's
21 unrealistic, maybe my level is unrealistic, but we
22 really need to know how this works.

23 MR. DUBOW: There's someone from
24 Recreation here and he's coming up to the table
25 now.

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2 (Recreation Department witness comes
3 forward.)

4 MR. IFFRIG: Good evening. My name is
5 Eric Iffrig, with the Recreation Department.

6 COUNCILWOMAN MILLER: Hi, Eric.

7 COUNCILWOMAN BLACKWELL: Good
8 afternoon.

9 MR. IFFRIG: The question is about
10 Lonnie Young, and the project is -- the
11 application is in to the State. The contract with
12 the State is under review by the Law Department
13 and Risk Management.

14 COUNCILWOMAN MILLER: Well, I know it's
15 in the State right now, but why did it take two
16 years to get to the State? Isn't it PIDC that --
17 you fill the application out and send it to PIDC;
18 is that not correct?

19 MR. IFFRIG: No. Actually, PIDC is the
20 agent for the City in filing the application.

21 COUNCILWOMAN MILLER: In filing it?

22 MR. IFFRIG: I can't speak for all
23 projects. We've had two so far -- well, actually
24 one. Eventually, a second contract
25 (unintelligible).

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2 COUNCILWOMAN MILLER: Well, I guess the
3 bottom line to my question is that in the
4 Five-Year Plan, the Capital Projects Office
5 specifically addresses the issue of the reduction
6 of time to implement.

7 Why would these types of projects not
8 fall under the strategy of doing these projects in
9 an expedient manner? Two years seems to be a long
10 time to me 'cause the other question becomes,
11 Well, who's going to pay for the cost overruns?
12 'cause we're just in the design stage and we have
13 other projects coming up.

14 So I just need information around this
15 whole process. And I know it's Recreation and
16 PIDC.

17 MR. IFFRIG: Right. We supply the
18 information for the application for the grant.
19 The grant award is made before the application is
20 even made.

21 Now, the Recreation Department -- and I
22 am not that familiar with the process, with the
23 State Redevelopment Assisted Grants. We follow
24 the lead of PIDC and try supply the information
25 that they need.

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2 I can't speak to why it's taken that
3 long at all. We've tried to supply what it is
4 that we believe that we're supposed to in order to
5 move the project forward. To implement the
6 project, we have to have the funding in place, and
7 that means a contract. And we expect that that's
8 imminent.

9 COUNCILWOMAN MILLER: I'm sorry, say
10 that last part again?

11 MR. IFFRIG: We expect that the
12 contract -- and, therefore, the improved funding
13 -- is imminent.

14 COUNCILWOMAN MILLER: Okay. Um --

15 COUNCILWOMAN BLACKWELL: We have a
16 follow-up question from Councilwoman Tasco, but
17 Councilwoman Miller, it's still your turn.

18 COUNCILWOMAN TASCO: I'd just like to
19 piggyback on that question. I guess the question
20 is, if we are notified by our state legislator
21 that they are applying for funding -- and I have
22 Dorothy Emanuel -- for funds for a project, when
23 they notify the City, who picks up the banner to
24 apply for these funds from the State to get them
25 in the hopper?

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2 MR. IFFRIG: I think Mr. Hankowsky can
3 answer that.

4 COUNCILWOMAN TASC0: Mm-hmm.

5 MR. HANKOWSKY: Councilwoman, I believe
6 these questions are directed at what's known as
7 "the State Redevelopment Capital Assistance
8 Program." This is a program run by the
9 Commonwealth of Pennsylvania.

10 The only projects that are eligible to
11 apply are projects where the Commonwealth invites
12 the invitation -- invites the application. In
13 other words, though you may be in the State
14 Capital Budget, you cannot apply until the State
15 decides they're going to fund you, and then they
16 invite an application to be sent.

17 We send those applications in very
18 rapidly because what we try to do is get the money
19 under contract.

20 COUNCILWOMAN TASC0: Do they invite you
21 project by project?

22 MR. HANKOWSKY: Project by project.

23 COUNCILWOMAN TASC0: Mm-hmm.

24 MR. HANKOWSKY: So we will get a
25 specific letter directed to us. Generally, in

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2 some cases, it comes through the Governor, signed
3 by the governor; in other cases, from the
4 Secretary of the Budget Office, Robert
5 Bittenbender (ph.), and then we prepare the
6 application and submit it.

7 Generally, what often happens in these
8 projects is that -- and the State has very
9 proscribed rules for this program. There is a
10 handbook, there is a whole set of rules and
11 regulations.

12 In most instances, a project cannot
13 meet all of the requirement at that point in time.
14 For example, they may not have all of their
15 matching funds in place, they may not have the
16 project in full construction documents, they may
17 not have a final cost estimate, etc., etc.

18 Often what happens then is that the
19 Commonwealth will enter into a contract and create
20 a set of special conditions saying, You can't --
21 Okay, we'll put the money under contract but you
22 can't get the money until you have met the
23 conditions.

24 The program is administered where it is
25 a reimbursement, so actually, you actually advance

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2 the dollars. They only pay for actual hard
3 construction, so all of the soft costs -- design
4 is the major soft cost -- must be absorbed either
5 by the City if it's, for example, a recreation
6 project, or by an organization if it's a nonprofit
7 group. So there's a fair amount of effort that
8 has to go underway before you can actually get a
9 check out of the State and make that happen.

10 I don't -- I'd be happy to find out the
11 specifics of the one Councilwoman Miller's raising
12 in terms of exactly where it is mechanically, but
13 that's the process. And I believe that one is
14 under contract between us and the State, but there
15 were special conditions, and I think the
16 Recreation Department's being doing the design
17 such that we can --

18 COUNCILWOMAN MILLER: When the
19 conditions are met --

20 MR. HANKOWSKY: Mm-hmm. I'm sorry?

21 COUNCILWOMAN MILLER: When all the
22 conditions are met, what is the holdup with the
23 application? We had the approval from the
24 Governor, we worked out what needed to be worked
25 out a little over two years ago, and we're still

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2 waiting and the people in the neighborhood are
3 still waiting for this particular project to even
4 start. We haven't even broken ground.

5 MR. HANKOWSKY: Right.

6 COUNCILWOMAN MILLER: I mean -- so
7 that's why I would appreciate it if you would get
8 back to me.

9 MR. HANKOWSKY: Sure, I'd be happy to
10 do that.

11 COUNCILWOMAN MILLER: With detailed
12 information as to why this is taking so long.

13 MR. HANKOWSKY: Sure, sure, I'd be
14 happy to do that.

15 COUNCILWOMAN MILLER: Okay. Thank you,
16 Madam Chair.

17 Oh, one other question. Who will pay
18 for cost overruns due to the delay of this
19 project? I know it was 2.7 million two years ago,
20 and now that it's two years later, I'm sure the
21 cost have increased. Who carries that, the City?
22 I don't have to take it out of my capital money,
23 do I?

24 MR. IFFRIG: We'll try not to ask you
25 for it, Councilwoman, at this point.

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2 COUNCILWOMAN MILLER: Excuse me?

3 MR. IFFRIG: We'll try not to ask you
4 for it, Councilwoman. At this point, our expected
5 budget for this project is 2.8, plus the cost of
6 design which, again, is a soft cost outside the
7 direct grant reimbursable, and we expect to carry
8 that. We believe that we can manage the job
9 within the available budget.

10 And, also, it's not just the last two
11 years it's been that this project is not
12 happening; it's been more than fifteen years that
13 it's been --

14 COUNCILWOMAN MILLER: It's been twenty
15 years exactly that this project been talked
16 about.

17 MR. IFFRIG: Yes. That's --

18 COUNCILWOMAN MILLER: And then we
19 finally get the money. You know, first there was
20 no money. Then we got the money and still, two
21 years later, we're still trying to get this thing
22 started.

23 MR. IFFRIG: Well, this is the last
24 piece of it. We are going to get the money. We
25 do have to have the contract -- that's the fiscal

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2 control with the City, that we do have to have the
3 contract in place and with the State. And we're
4 almost there with that. And, again, we're moving
5 forward with the design program.

6 COUNCILWOMAN MILLER: All right, thank
7 you. I'll look forward to the information too
8 thank you.

9 Thank you, Madam Chair.

10 MS. FRANKLIN-SUBER: Council President
11 Verna, I request permission to be excused for a
12 short period of time. I will make myself
13 available if there are any other questions that
14 are appropriate for me, but I do have an urgent
15 matter to attend to.

16 COUNCIL PRESIDENT VERNA: All right.
17 And you will be returning?

18 MS. FRANKLIN-SUBER: Yes, ma'am.

19 COUNCIL PRESIDENT VERNA: Thank you.
20 The Chair recognizes Councilman Goode.

21 COUNCILMAN GOODE: My questions are
22 actually for Ms. Franklin-Suber.

23 COUNCIL PRESIDENT VERNA: Oh, they are
24 for her? Well, do you mind if I go on to the next
25 Councilperson?

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2 COUNCILMAN GOODE: No, I don't.

3 COUNCIL PRESIDENT Verna: Does anybody
4 who is on the list to be heard have any questions
5 of Miss Suber or do you have questions of the
6 other members of the Administration?

7 COUNCILMAN COHEN: I have questions of
8 Miss Kaplan.

9 COUNCIL PRESIDENT Verna: Okay. How
10 about Councilman Clarke?

11 COUNCILMAN CLARKE: Thank you, Madam
12 Chair. I must say, I must find out how to hone my
13 procedural skills.

14 COUNCILMAN COHEN: My light's been on
15 for three hours, and every once in a while, I see
16 it goes out.

17 COUNCIL PRESIDENT Verna: Well, this
18 board had been like a Christmas tree, and I'm
19 trying to take everybody as their lights go on,
20 Councilman.

21 Councilman Clarke?

22 COUNCILMAN CLARKE: Yes, as I was
23 getting ready to say, I must hone my procedural
24 skills and find out a way to talk without waiting
25 for your light to be acknowledged, Councilwoman,

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2 I've been waiting for quite long time.

3 (Laughter.)

4 COUNCILMAN CLARKE: I'm new.

5 COUNCILMAN COHEN: Well, there's a
6 defect in my light apparently 'cause it goes off
7 without any notice and then i goes back on again.

8 COUNCIL PRESIDENT VERNA: Councilman
9 Clarke?

10 COUNCILMAN CLARKE: Thank you, Madam
11 President.

12 I wanted to go back to an earlier
13 question, Miss Kaplan and Mr. Iffrig, and I might
14 need the acting Commissioner of Recreation 'cause
15 it's kind of specific to your response.

16 (Recreation Department witness comes
17 forward.)

18 COUNCILMAN CLARKE: Miss Kaplan,
19 earlier when I had asked the question about the
20 centers, the athletic rec centers and the pools
21 and the whole scenario, you mentioned that it's
22 kind of at the request of the Recreation
23 Department to determine if we should be,
24 quote/unquote, one of the big-ticket items and not
25 out of our \$1.2 million Councilmatic budget.

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2 I'd like to get a sense from the people
3 who make that decision on how they make that
4 decision to in fact ask the Planning Commission
5 that that's what they'd like to see. Can you all
6 speak to that? Is it a policy decision or is
7 there a guideline associated with the need? I
8 mean, can you kind of give me a sense of how that
9 happens?

10 MR. IFFRIG: The easy answer is, "I
11 don't make policy decisions."

12 COUNCILMAN CLARKE: That's why I kind
13 of wanted the other gentleman.

14 MR. IFFRIG: The other things to
15 consider are, again, the City's financial state,
16 the ability to fund the Capital Budget. We have
17 done some other jobs. We are in a position almost
18 to --

19 COUNCILMAN CLARKE: Can you pull the
20 mike closer.

21 MR. IFFRIG: I'm sorry. We are almost
22 in position with C.B. Moore already, thanks to
23 some of the recent funding. So --

24 COUNCILMAN COHEN: May I ask the
25 witness to speak up?

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2 MR. IFFRIG: I'm sorry.

3 COUNCILMAN COHEN: We're not hearing
4 anything on this side.

5 MR. IFFRIG: Okay. We'll work with
6 City Council on trying to develop these projects.
7 I know we had done a preliminary study for this.
8 As far as working in the budget, we expect, you
9 know, to work with the Administration and with
10 City Council on putting the necessary projects in
11 the budget.

12 COUNCILMAN CLARKE: Yeah, but my
13 question was: In the past, we had to put our
14 entire allocation for that fiscal year to do a
15 swimming pool, and I don't want that to have to
16 happen again.

17 MR. IFFRIG: Right.

18 COUNCILMAN CLARKE: And the question
19 was, how do we get above our baseline 1 million
20 and 1.2 to get into the Capital Budget when it's a
21 \$2 million project? I mean, how does that happen,
22 what triggers that specifically?

23 MR. IFFRIG: That I really couldn't
24 say, but we have done projects by funding them
25 incrementally over a series of years.

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2 MR. DUBOW: Obviously, if there are
3 projects that we want to include in the Capital
4 Budget and they would eat up your whole
5 allocation, we will work with you, you know, to
6 work that out.

7 COUNCILMAN CLARKE: So if in the event
8 that we decide we need to do a major upgrade of
9 athletics or replace athletic, then we'll figure
10 out a way to get what's needed and not necessarily
11 --

12 COUNCILMAN COHEN: Well, I don't think
13 he knows --

14 (Unintelligible, parties talking over
15 each other.)

16 MR. DUBOW: It's not necessarily
17 entirely eating up your whole allocation.

18 COUNCIL PRESIDENT VERNA: Pardon me,
19 Councilman.

20 COUNCILMAN CLARKE: I'm sorry, I
21 couldn't hear the response.

22 MR. DUBOW: The short answer is yes.

23 COUNCILMAN CLARKE: Okay.

24 MR. DUBOW: I said it in a long way,
25 but yes.

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2 COUNCILMAN CLARKE: Okay, thank you.

3 Mr. Iffrig, I guess this could be for
4 you. The Robinhood Dell, could you tell me how
5 much money is currently in the budget?

6 MR. IFFRIG: Currently, we have, up to
7 the FY 2000 budget, 550,000 available.

8 COUNCILMAN CLARKE: And that's been put
9 in over how many years?

10 MR. IFFRIG: The last three fiscal
11 years, including this one.

12 COUNCILMAN CLARKE: Has any of that
13 been spent?

14 MR. IFFRIG: It is in design for a
15 major project for a major drainage renovation
16 project replacement throughout the seating area,
17 stage area, emergency lighting, and new electrical
18 service. And if the bids come well, we hope to do
19 replacement seating.

20 COUNCILMAN CLARKE: Okay, so the design
21 started, what, three years ago?

22 MR. IFFRIG: No, no, the design did not
23 start until last late spring.

24 COUNCILMAN CLARKE: Okay. And the
25 funding over the three -- and the reason I ask you

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2 this is, let me tell you. I got this book from
3 the Friends of the Dell, and some anonymous
4 recreation staffers called for a \$4 million
5 upgrade of the facility, and I'm just trying to
6 get a sense for how this has been responded to and
7 what your, you know --

8 MR. IFFRIG: I've seen that pamphlet
9 before. I don't know if it's the \$4 million
10 version, but the critical needs identified in that
11 booklet are the ones that the Recreation
12 Department recognizes and is designing improvement
13 contracts to remedy.

14 COUNCILMAN CLARKE: Do you have a sense
15 of how much that might be?

16 MR. IFFRIG: It will be right around
17 the budget. We're not sure whether or not, for
18 instance, we'll be able to afford the seating
19 replacement in this immediate program, but the
20 items that I mentioned -- the seating area,
21 drainage, stage replacement, emergency audience
22 lighting, and new power service -- will be covered
23 within it.

24 COUNCILMAN CLARKE: So do you think
25 that the 500,000 will be able to appropriately

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2 respond to this in terms of the most critical

3 issues?

4 MR. IFFRIG: It's very close, it's very
5 close. We don't have the very final estimates to
6 be very sure of it.

7 COUNCILMAN CLARKE: Okay. Was there an
8 official response to this? And I'm assuming that
9 you got it.

10 MR. IFFRIG: Not an official response.
11 I believe I got it the same way you did, which is,
12 it was just passed on.

13 COUNCILMAN CLARKE: By the Friends of
14 the Dell?

15 MR. IFFRIG: Not officially addressed,
16 and requesting a response.

17 COUNCILMAN CLARKE: Okay. Would it be
18 possible if you could give an official response?
19 Because some of the issues on here seem somewhat
20 critical, and if you were to take them all into
21 account, it would probably be more than the
22 \$500,000, and I was just interested to see, seeing
23 that there's no additional dollars put into the
24 budget for the Dell in out-years, I'd like to get
25 a sense for how we can adequately respond to the

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2 people that submitted this document.

3 MR. IFFRIG: Okay. Will you be

4 furnishing us a copy then?

5 COUNCILMAN CLARKE: Pardon me?

6 MR. IFFRIG: Was that addressed to you

7 or --

8 COUNCILMAN CLARKE: It was brought to

9 me by an angry constituent.

10 MR. IFFRIG: Okay. The only problem

11 is, I'm not sure if that's the same version I got.

12 COUNCILMAN CLARKE: Let me pass this to

13 him, please so he can see it. I want to make sure

14 you have the right document.

15 MR. IFFRIG: Okay, yes.

16 COUNCILMAN CLARKE: That's it?

17 MR. IFFRIG: And we do know, yes, who

18 the Friends are they and how to respond to them.

19 COUNCILMAN CLARKE: Okay.

20 MR. IFFRIG: And we will do it and copy

21 you.

22 COUNCILMAN CLARKE: Okay, thank you.

23 Thank you, Madam Chair.

24 COUNCIL PRESIDENT VERNA: The Chair

25 recognizes Councilman Cohen.

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2 COUNCILMAN COHEN: Thank you, Madam
3 President.

4 Miss Kaplan, first, with respect to
5 Robin Hood Dell, was that in the budget originally
6 for this coming year, for 2001?

7 MS. KAPLAN: It was in the draft
8 budget, I think, for \$100,000.

9 COUNCILMAN COHEN: Do you know what
10 work was involved?

11 MS. KAPLAN: I -- I can't recall that
12 offhand.

13 COUNCILMAN COHEN: Do you know whether
14 it's in the budget now?

15 MR. DUBOW: It was added back.

16 COUNCILMAN COHEN: Could we find out?
17 Is there anybody here who knows?

18 MS. KAPLAN: No, it's not, it's not.

19 COUNCILMAN COHEN: It's not out?

20 MS. KAPLAN: It's not added back in.

21 MR. DUBOW: It's out.

22 COUNCILMAN COHEN: Does anybody know
23 any reason why it was not put back? 'Cause it
24 surely --

25 COUNCIL PRESIDENT VERNA: Maybe we

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2 could find out why it was put in and for what
3 purpose?

4 MR. DUBOW: I think our theory was that
5 the existing funds were enough to cover the needs
6 at the Dell.

7 COUNCILMAN COHEN: And when was that
8 your theory? When you say that was your theory,
9 it wasn't your theory when it originally went into
10 the budget?

11 MR. DUBOW: Well, it was in January,
12 when we looked to having to cut it to 140.

13 COUNCILMAN COHEN: And was it
14 reconsidered again?

15 MS. KAPLAN: We didn't do the
16 reconsideration; Council did.

17 COUNCILMAN COHEN: Was there any reason
18 why Council chose not to put in the money for the
19 Robin Hood Dell? Does anybody know?

20 COUNCIL PRESIDENT VERNA: It was not on
21 any Councilperson's list, District Councilperson's
22 list.

23 COUNCILMAN COHEN: That's very
24 interesting. I --

25 COUNCIL PRESIDENT VERNA: Mr. Dubow,

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2 you say there is ample money in the budget to
3 address the needs of the Dell?

4 MR. DUBOW: I think there's about
5 \$500,000 in the existing funding. Yes, and we
6 think that's ample. And I think that's part of
7 what Mr. Iffrig is going to address in his
8 response.

9 COUNCILMAN NUTTER: Point of order,
10 Madam Chair.

11 COUNCIL PRESIDENT Verna: The Chair
12 recognizes Councilman Nutter.

13 COUNCILMAN COHEN: Well, I'm not
14 finished.

15 COUNCILMAN NUTTER: Do you want to
16 yield for one second, please?

17 COUNCILMAN COHEN: Yes, yes.

18 COUNCILMAN NUTTER: I'm just trying to
19 understand the gentleman's answer.

20 Your response was, "We believe that
21 that is adequate." Did you just say that?

22 MR. DUBOW: Yes.

23 COUNCILMAN NUTTER: Adequate for what?

24 MR. DUBOW: To handle the repairs that
25 we think are necessary at the Dell.

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2 COUNCILMAN NUTTER: I believe it's our
3 understanding that the Dell needs upwards of
4 \$4.5 million worth of repairs.

5 MR. DUBOW: Well, I think that's what
6 the response to Councilman Clarke asked for is
7 going to address (sic) .

8 COUNCILMAN NUTTER: Well, if it's
9 estimated that the cost of the repairs at this
10 point is \$4.5 million, how can you sit there and
11 say that a half million dollars is adequate?

12 MR. DUBOW: Again, what we're going to
13 do is a detailed response to that report and that
14 will lay out our theory.

15 COUNCILMAN COHEN: All right, good.

16 COUNCILMAN NUTTER: Mr. Dubow, I mean,
17 know it's late in the evening and maybe your need
18 to have some refreshment or something.

19 I mean, what do you mean by we're going
20 to give you our theory on why a half a million
21 dollars covers \$4.5 million of needed repairs? I
22 mean, look, I was born and raised Catholic, so I
23 know about the fishes and loaves. But I mean --

24 (Laughter.)

25 COUNCILMAN NUTTER: -- that doesn't

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2 work in a budgeting environment. I mean, what are
3 you talking about? I mean, you either need it or
4 you don't need it.

5 But now, I mean, if you're trying to
6 stretch or if you don't want to allocate the
7 appropriate resources, then that's a different
8 answer.

9 MR. IFFRIG: I think what we said here
10 is that the work that we have under design now are
11 the major critical items, and the \$4.5 million-
12 plus program includes probably items that we
13 hadn't considered -- new concession areas. Again,
14 not critical areas.

15 COUNCILMAN NUTTER: Well, it depends on
16 whether you want to use those areas, right, as to
17 whether or not they're critical or not, or it
18 depends on who the users are and what their level
19 entertainment and enjoyment is.

20 Now, do you have a layout in the plan
21 over there for the \$40 million at Veterans
22 Stadium?

23 MR. IFFRIG: I don't.

24 COUNCILMAN NUTTER: So you have no
25 documents on what the needs are at Vets Stadium

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2 for \$40 million, you do have a project plan on
3 \$4.5 million at the Dell, but that's going to
4 suffer and be excluded while you are going to put
5 the 40 million for Vets Stadium and you have not
6 one document that you can share with us today --
7 not you individually, the Administration -- that
8 you can share with us today to explain what that
9 expenditure is for, but a neighborhood facility
10 over on Ridge Avenue, near 33rd Street that has a
11 clear need and has documented expenses that need
12 to be covered, and you believe that you can come
13 in here and tell us that there is a theory that a
14 half a million dollars can cover \$4.5 million of
15 need.

16 Now, is that the testimony for tonight
17 on this issue?

18 MR. IFFRIG: I'm not testifying on the
19 stadium issue.

20 COUNCILMAN NUTTER: I didn't ask you
21 about the stadium; I asked you about the Dell.

22 MR. IFFRIG: The project that we're
23 trying to do to address the critical needs within
24 the funding that we have available now.

25 COUNCILMAN NUTTER: The funding you

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2 have available now.

3 MR. IFFRIG: That's all I can speak to.

4 COUNCILMAN NUTTER: If you had

5 \$4.5 million now, you'd have something to do with

6 it over there, right?

7 MR. IFFRIG: If there was \$4.5 million

8 at the Dell, yes.

9 COUNCILMAN NUTTER: Thank you.

10 I yield back to the Councilman.

11 COUNCIL PRESIDENT VERNA: Councilman

12 Cohen?

13 COUNCILMAN COHEN: To Miss Kaplan, I'd

14 like to go over to that Planning Commission again,

15 'cause I'm puzzled. When was the last public

16 meeting of the Planning Commission? Meaning,

17 which was advertised that the public could come

18 to?

19 MS. KAPLAN: All our meetings

20 advertised.

21 COUNCILMAN COHEN: When was the last

22 one related to the budget?

23 MS. KAPLAN: Related to the budget? On

24 the 18th of January.

25 COUNCILMAN COHEN: And was the budget

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2 put before the Planning Commission for discussion
3 at that date?

4 MS. KAPLAN: Yes.

5 COUNCILMAN COHEN: And was the
6 \$40 million discussed?

7 MS. KAPLAN: It was not discussed. It
8 was in there, but nobody asked any questions about
9 it.

10 COUNCILMAN COHEN: And nobody raised
11 any issues about it.

12 MS. KAPLAN: No.

13 COUNCILMAN COHEN: And no one discussed
14 -- well, did somebody -- it had to be voted in,
15 right?

16 MS. KAPLAN: It was voted, it was --

17 COUNCILMAN COHEN: It had to be voted
18 at that meeting.

19 MS. KAPLAN: Yes.

20 COUNCILMAN COHEN: On January the 18th?

21 MS. KAPLAN: Right.

22 COUNCILMAN COHEN: And there was no
23 discussion?

24 MS. KAPLAN: No.

25 COUNCILMAN COHEN: About a \$40 million

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2 item in the Capital Budget?

3 MS. KAPLAN: (No verbal response.)

4 COUNCILMAN COHEN: What was -- how was
5 it raised at the meeting? Did somebody say, "I
6 move the adoption of an amendment"?

7 MS. KAPLAN: No. The staff made a
8 presentation of the program, giving an overview of
9 the program. And then the staff pointed out and
10 reviewed every single project that was different
11 from the draft program that the Commission had
12 seen previously, when they met on January 13th.

13 COUNCILMAN COHEN: And this was a
14 difference, this \$40 million?

15 MS. KAPLAN: No, the 40 million was
16 there on the 13th as well.

17 COUNCILMAN COHEN: At the meeting on
18 the 13th?

19 MS. KAPLAN: It was there on both
20 occasions.

21 COUNCILMAN COHEN: What do you mean "it
22 was there"?

23 MS. KAPLAN: It was in the budget.

24 COUNCILMAN COHEN: How did it get in
25 the budget the first time?

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2 MS. KAPLAN: I believe I discussed
3 earlier that in the beginning of January, we were
4 asked by the Budget Office to add the \$80 million
5 into the program, \$40 million in each of the first
6 two years.

7 COUNCILMAN COHEN: And when did that
8 take place? That's what I'm trying to find out.
9 When was it actually amended into the budget?

10 MS. KAPLAN: Well, the staff added it
11 into the --

12 COUNCILMAN COHEN: The staff budget?

13 MS. KAPLAN: The staff added it into
14 the draft that we were working with, I think, the
15 last Friday -- the Friday of the first week in
16 January. That's when we found out about it. And
17 then --

18 COUNCILMAN COHEN: The staff can't
19 amend the budget, right?

20 MS. KAPLAN: Well, it's not a question
21 of amending it. It's not an official document
22 until the Commission votes.

23 COUNCILMAN COHEN: I see.

24 MS. KAPLAN: So it's just, you know,
25 it's a draft or it's whatever the staff comes up

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2 with. It has no official status.

3 So we had a draft from the middle of
4 the December, which we did not send to the
5 Commission, we did not send to the departments
6 'cause we were waiting for a new administration,
7 and it had \$127 million.

8 On the Friday of the end of the first
9 week in January, we received information from the
10 Budget Office that the new administration wanted
11 to add in \$40 million in the budget year, and not
12 to take anything out. That was the instruction
13 that we got.

14 And then I believe the following
15 Monday, after a conversation I had with the Budget
16 Director, we put the second \$40 million in the
17 second year. And we sent that budget as a draft
18 to our Commission on the 11th of January for a
19 meeting on the 13th so that they could have it for
20 a couple of days to see it and then come to the
21 meeting on the 13th.

22 COUNCILMAN COHEN: Would you know
23 historically when \$80 million was added to the
24 Capital Program? Ever previously has any amount
25 like that ever been added previously?

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2 MS. KAPLAN: I do recall in -- I
3 believe it was the first or second year of the
4 Rendell Administration that some very large sum of
5 money like that -- I don't recall -- was added for
6 prison facilities.

7 COUNCILMAN COHEN: Mm-hmm. And was
8 that discussed, or did that also go in this
9 easily?

10 MS. KAPLAN: I -- I mean, it was
11 described what it was, but I -- you know, I think
12 that typically, when a mayor says they would like
13 something in the program, the Commission, who is
14 appointed by the Mayor, will respect the Mayor's
15 instructions.

16 COUNCILMAN COHEN: They'd better.
17 Thank you.

18 Miss -- she hasn't come back yet
19 Franklin-Suber, right?

20 COUNCIL PRESIDENT VERNA: No.

21 COUNCILMAN COHEN: Is there anybody
22 there that could discuss what the conceptual
23 agreement is?

24 (Laughter.)

25 COUNCILMAN COHEN: And why it's always

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2 necessary -- is she coming back? She'll be back
3 here?

4 COUNCIL PRESIDENT VERNA: Yes.

5 COUNCILMAN DICICCO: Nice try.

6 (Laughter.)

7 COUNCILMAN COHEN: No, I'm going to
8 talk about it when she's here. The other
9 questions all relate probably to Miss Suber.

10 COUNCIL PRESIDENT VERNA: Well, while
11 we're waiting for Miss Suber to return, we do have
12 a witness list, and perhaps we could hear the
13 witnesses at this time.

14 Is Miss Judith Robinson here to
15 testify?

16 (No response.)

17 COUNCIL PRESIDENT VERNA: Miss Karen
18 Talarico.

19 Miss Kaplan, you might as well stay at
20 the table because I'm sure we're going to be here
21 a while.

22 MS. KAPLAN: I need a brief break.

23 COUNCIL PRESIDENT VERNA: Oh, okay.

24 (Ms. Talarico comes forward.)

25 COUNCIL PRESIDENT VERNA: And we have

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2 if anyone else that wants to testify, if they
3 would approach the witness table, anyone from the
4 community, we'll be glad to hear them at this
5 time.

6 Good evening. Please identify yourself
7 for the record.

8 MS. TALARICO: Good evening, Council
9 President Verna. I am Karen Talarico. I am from
10 the Friends of the Free Library, I'm the Executive
11 Director there. And I want to thank you for
12 allowing me to speak for a little bit this
13 evening, I have brought two other members of the
14 Friends with me, so I will be very brief.

15 Actually, my intent was to come here
16 and tell you how shocked and horrified the Friends
17 were when they saw the Capital Budget for the
18 Library had been so dreadfully cut, and I was
19 going to plead for the money to be returned, so
20 I'm very happy to say that the budget -- the news
21 about the budget and the amendment to the budget
22 was really good news for the Friends.

23 And I would just like to say briefly
24 what it means to the Library to have that money
25 restored. It means that the Library can go ahead

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2 with the capital projects for the branch
3 libraries. There were four branches that haven't
4 been completed as part of the Changing Lives
5 Campaign, and they will now be able to go ahead,
6 which is really terrific news for those
7 neighborhoods.

8 It also means that needed ADA
9 improvements to both the Central Library and the
10 branch libraries will be able to go forward, the
11 ADA facilities. That's so important because we
12 invite and encourage people to use our public
13 libraries. They are public buildings, and yet
14 some of them aren't accessible to people with
15 handicaps. In fact, the Central Library doesn't
16 have a restroom that's equipped for handicapped
17 people.

18 And we're very glad too that the money
19 has been restored to start looking at the
20 renovations to the Central Library building
21 downtown. It's a beautiful building
22 architecturally, sitting on the Parkway, it's
23 gorgeous, but inside, it's so cramped. There is
24 not room for the collections, there is not room
25 for modern technology, and something really needs

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2 to be done with that building, so we're glad that
3 the Library will have the opportunity to take a
4 first look at what can be done there.

5 And I just want to say again thank you
6 very much for the Council's pledge to the City to
7 give them first-class libraries right in their
8 neighborhoods. It's so important to the children
9 of our city particularly and to the quality of
10 life here in Philadelphia, and it's much more
11 important to those children than stadiums.

12 Thank you.

13 COUNCIL PRESIDENT VERNA: Thank you.
14 And I want to thank you for your patience in
15 waiting.

16 Good evening. Please identify yourself
17 for the record.

18 MS. JOHNSON: Good evening. I'm
19 Bethann Johnson, and I'm President of the Friends
20 of Walnut West Library.

21 And I, too, was originally going to
22 plead until at the Town meeting last night, we
23 learned the good news. So I'm here to thank our
24 Councilwoman Blackwell and the Mayor and everybody
25 else that helped to get the money into the Capital

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2 Budget.

3 Schools are mandatory for children, but
4 libraries are not. But the child that learns to
5 take the initiative to go to the library is the
6 child who's learning to become a partner in his or
7 her education, and this partnership is the first
8 step of learning for the rest of their lives.

9 But please help us to follow our
10 communities' wishes and the Planning Commission's
11 recommendations to renovate and restore our
12 Carnegie Library building. That building is an
13 icon to many longtime residents of West
14 Philadelphia. So much so, I didn't even know when
15 I first started addressing the issue. But last
16 night, at the meeting, when people learned that
17 the money was there for that library, it brought
18 cheers. And I'm very concerned that there -- that
19 there is a desire to tear that building down and
20 put something new up.

21 In our community, we had petitions with
22 2,500 names and the other thing done is, we have a
23 building funds and we've raised \$16,000.

24 COUNCIL PRESIDENT VERNA: How
25 wonderful.

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2 MS. JOHNSON: So we're trying to do our
3 part.

4 COUNCIL PRESIDENT VERNA: That's
5 wonderful.

6 MS. JOHNSON: Thank you for hearing me.

7 COUNCIL PRESIDENT VERNA: Thank you.

8 Good evening.

9 MR. RICE: Good evening, Madam
10 President. My name is Dwight Rice, and I'm Vice
11 President of the Friends of Widener Group.

12 COUNCIL PRESIDENT VERNA: Mr. Rice,
13 pull the microphone closer to you, please.

14 MR. RICE: The last time we were here
15 in Council, I was here with the chess group the
16 Widener Knights night Chess Club, which we were up
17 here with Councilman Nutter and (unintelligible)
18 and I never thought that the day I would be here
19 representing the library, representing those kids
20 that represented that library and never thought I
21 was going to be here to plead for money, which now
22 that the 150,000 was given back, I'm grateful.

23 But I just wanted to say that stadiums
24 are to the economics to a city as libraries are to
25 the schools, and they do play an important part in

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2 the development of children growing up.

3 And it's important that we take care of
4 our libraries. It's not a maybe we'll have money
5 next year, maybe we'll have money the following
6 years; it's a continuing process of restoring,
7 building, and supplying these libraries.

8 And while I'm at it, can I ask for a
9 part of that \$40 million?

10 (Laughter.)

11 MR. RICE: But that's all that I had to
12 say. I had a big statement to present tonight.
13 And with the amended budget, it just sort of blew
14 it partially out of the water.

15 But I'd still like to have a part of
16 that \$40 million, just 1.6 million to build a new
17 library for Widener.

18 COUNCIL PRESIDENT VERNA: Thank you.
19 Thank you all very much.

20 The Chair would like to recognize --
21 just be seated a minute, please. The Chair would
22 like to recognize Councilman Nutter.

23 COUNCILMAN NUTTER: Thank you, Madam
24 Chair.

25 First, I want to thank all of the

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2 Library representatives here. Certainly Elliot
3 and Karen, and ma'am, I'm sorry, I wasn't in my
4 seat when the lady was testifying.

5 COUNCIL PRESIDENT VERNA: Miss Johnson.

6 COUNCILMAN NUTTER: Miss Johnson.

7 Mr. Rice, I want to especially thank you. You
8 were very kind here in saying that you were last
9 here when you brought the Widener Knights, the
10 chess team, to come and play. What you didn't
11 share on the record is that you brought the young
12 people in, they played chess with many of the
13 Councilmembers, and I appreciate the fact that you
14 did not mention that you had a number of 10-, 11-,
15 and 12-year-olds play me in a game of chess and
16 that all of them beat me.

17 (Laughter.)

18 COUNCILMAN NUTTER: And at one point,
19 the young people were actually asking for the
20 opportunity to play me.

21 (Laughter.)

22 MR. RICE: That's right. You were the
23 number-one target.

24 COUNCILMAN NUTTER: Yes. So we
25 recognize the Widener Knights. And thank you

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2 again for what you do.

3 MR. RICE: And thank you for having us
4 here.

5 COUNCIL PRESIDENT Verna: The Chair
6 recognizes Councilwoman Blackwell.

7 COUNCILWOMAN BLACKWELL: Thank you,
8 Madam President.

9 I would certainly like to thank you for
10 coming last night to the Town Meeting and for your
11 commitment to Walnut West Branch and even for
12 collecting money to try to do your part and the
13 neighborhood's part to try to have the library
14 reopen. I just want to say thank you.

15 Thank you, Madam President.

16 COUNCIL PRESIDENT Verna: The Chair
17 recognizes Councilman Cohen.

18 COUNCILMAN COHEN: I just wanted to say
19 that I think it's awfully important that folks
20 from the Library were here today and that they
21 were here the other day, Tuesday, when the
22 hearings were called.

23 I think it was extremely important that
24 they rallied round when the cuts were made to the
25 Library. In my judgment, the cuts were no

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2 accident; they were intentionally inflected. And
3 had nobody said anything, the cuts would still be
4 there. Nobody could have made those kind of cuts
5 accidentally. And it indicated that if the people
6 in Philadelphia had permitted it, the decision
7 would have been made clearly that stadiums were
8 important and libraries weren't.

9 And I think that episode of cutting of
10 the important things in life was a disgrace that
11 occurred in Philadelphia and ought never to occur
12 again. And I want to thank you and all the other
13 representatives of the Friends of the Library and
14 other community groups who rallied so quickly and
15 saw to it that this was restored.

16 And so our thanks to you, and convey
17 them, please, to everybody else in the City.

18 MR. RICE: Thank you.

19 COUNCIL PRESIDENT VERNA: Thank you.

20 Thank you again for your patience and
21 all your support.

22 MS. TALARICO: Thank you.

23 COUNCIL PRESIDENT VERNA: It is my
24 understanding that Miss Suber is on her way up.
25 We'll make another phone all.

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2 Are there any other community witnesses
3 that would like to be heard?

4 COUNCILMAN COHEN: Could I ask Miss
5 Kaplan to come back to the stand?

6 COUNCIL PRESIDENT VERNA: Miss Kaplan,
7 I believe Councilman Cohen would like you to
8 approach the witness table.

9 (Ms. Kaplan returns to the witness
10 table.)

11 COUNCILMAN COHEN: Ms. Kaplan, would
12 you be the one or would there be somebody else to
13 ask, how much money does the City owe on capital
14 projects?

15 MS. KAPLAN: You mean, what's the
16 outstanding --

17 COUNCILMAN COHEN: What's the
18 outstanding debt in the City?

19 MS. KAPLAN: I don't know the answer to
20 that question. Maybe the Budget Director, Rob
21 Dubow, knows the answer or he can get it for you.

22 COUNCILMAN COHEN: All right, could he
23 come forward.

24 (Rob Dubow returns to the witness
25 table.)

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2 MR. DUBOW: I'd actually have to look
3 in the (unintelligible) for you. I'll have to
4 look it up, the total amount due.

5 COUNCILMAN COHEN: Do you have any idea
6 as to how large it is or how small?

7 MR. DUBOW: I don't want to make a
8 guess.

9 COUNCILMAN COHEN: Well, would it be as
10 much as several billion dollars?

11 MR. DUBOW: Yeah, but I'll have look it
12 up to give you an exact answer. I'll look it up
13 in our financial report.

14 COUNCILMAN COHEN: All right. Do you
15 know, how much money has been authorized in the
16 loans which has not yet been spent? How much
17 authorization is there? If we did not issue
18 another loan, what would we have on hand?

19 MR. DUBOW: We have 288 million in
20 available capacity left, but I'm not sure that's
21 your question. Is your question how much loan
22 authorization we have that's unused?

23 COUNCILMAN COHEN: How much loan
24 authorization is there a out there that has not
25 been used?

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2 MR. DUBOW: Yeah, yeah 288. It's 288
3 million.

4 COUNCILMAN COHEN: Well, then why in
5 the world would we need any more loan
6 authorization?

7 MR. DUBOW: Because the 288 adjusted
8 for increases in assessment value and repayments
9 of debt has to last us forever.

10 COUNCILMAN COHEN: Would you repeat
11 that again? Why do we need any additional loan
12 authorization at the present time?

13 MR. DUBOW: We have to -- every time we
14 have new projects, we have to get authorization
15 for them. So that that's kind of capacity to
16 authorize, but we don't have specific
17 authorization for these projects. We can't spend
18 the money until we have authorization.

19 COUNCILMAN COHEN: And what would be
20 required for authorization of these projects?

21 MR. DUBOW: It has to be approved by
22 voters. City Council has to approve it and it has
23 to be approved by the voters.

24 COUNCILMAN COHEN: Well, don't the
25 voters approve, then, in very general terms?

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2 MR. DUBOW: Yes, in general
3 categories. That is correct.

4 COUNCILMAN COHEN: You mean this
5 \$288 million is frozen?

6 MR. DUBOW: The 288 is not -- is unused
7 capacity, but we have not -- we've not gone to the
8 voters to ask them to approve it for even generic
9 types of projects.

10 COUNCILMAN COHEN: Well, is that -- my
11 question is, Chief of Staff, perhaps you can
12 answer the question. My question is, how much of
13 authorized approved loan money exists?

14 MR. DUBOW: Oh, already approved by the
15 voters, that's what you're saying?

16 COUNCILMAN COHEN: Yeah.

17 MR. DUBOW: That's not been used,
18 okay. I was answering a different question,
19 okay.

20 We'll have to get back to you with that
21 exact number.

22 COUNCILMAN COHEN: Say that again.

23 MR. DUBOW: We'll have to get back to
24 you with that exact number.

25 COUNCILMAN COHEN: You'll have

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2 to. . . ?

3 MR. DUBOW: Back to you.

4 COUNCILMAN COHEN: Get back to me, all
5 right.

6 MR. DUBOW: I don't know the answer
7 offhand right now, so I'll have to get you, we'll
8 get you that information.

9 COUNCILMAN COHEN: You'll get it back
10 to me shortly.

11 MR. DUBOW: Yes.

12 COUNCILMAN COHEN: Or on some other
13 day?

14 MR. DUBOW: Some other day. It will
15 probably -- usually we get back to you within a
16 couple days with answers to these questions.

17 MS. FRANKLIN-SUBER: Our normal
18 practice, when questions come out of hearings, is
19 we try to get back to Council within 24-48 hours.
20 So we will get the information to you as quickly
21 as possible.

22 COUNCILMAN COHEN: Well, the reason is
23 -- it goes back to the original discourse I made
24 as to the purpose of asking questions and getting
25 answers, that it's not just for the purpose of

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2 getting the immediate answer, but the purpose is
3 to tie it into all of the other discussion that's
4 already taken place.

5 MS. FRANKLIN-SUBER: Right.

6 COUNCILMAN COHEN: When I get the
7 answer and we're not in a hearing, that answer
8 will not serve the same kind of purpose that an
9 answer would right now. And that's the reason
10 there is the interest in promptness. That may be
11 the reason why the Administration is not anxious
12 to answer a lot of questions, you know, on the
13 stadium, because you may feel it's not in your
14 interest to answer those questions, you know, in
15 the midst of a discussion.

16 But let me ask you, I've sat here
17 mystified, bewildered but admired the intensity
18 with which you can say "conceptual agreement."
19 It's not a plain, ordinary agreement; this is some
20 special agreement, and it's "a conceptual
21 agreement."

22 Well, I've lived a long time, as
23 everybody knows, and I never before heard those
24 two words brought together like that with the
25 essence of dignity and meaning and substance.

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2 What is a conceptual agreement and what is this
3 particular -- if there is such a thing as a
4 particular conceptual agreement between the sports
5 teams and the Mayor? 'Cause apparently, it was
6 not the former mayor.

7 May I first ask Miss Kaplan? I think
8 you said earlier that you never heard anything
9 about the \$80 million from the former mayor, Mayor
10 Rendell, right? So I assume that the \$80 million
11 is the proprietary object of this mayor, Mayor
12 Street, right.

13 Then I go back to you. What is this
14 conceptual agreement? And is it something that
15 the Eagles and the Phillies or one of them is
16 allowed to know about, but we who are supposed to
17 make decisions on behalf of the City of
18 Philadelphia, or at least participate together
19 with the Mayor, are not permitted to know, but the
20 Eagles may know?

21 Tell me, what is this conceptual
22 agreement, what's the nature of it, and can't we
23 -- can't you just tell us what it says? Is it in
24 writing?

25 MS. FRANKLIN-SUBER: Councilman Cohen,

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2 it is in writing and it was distributed to all
3 Members of Council with a briefing binding on
4 January 21st. We had a briefing with City Council
5 -- we had two briefings with City Council, and we
6 gave Councilmembers copies of the conceptual
7 agreement.

8 Basically what it is, it's an agreement
9 in principle, which has to then be reduced to
10 final documents. And that's why I keep saying
11 that we've reached an agreement in principle, that
12 was reduced to writing, it was circulated to all
13 members of Councilman.

14 COUNCILMAN COHEN: It was that very
15 vague outline?

16 MS. FRANKLIN-SUBER: Very vague
17 outline? That's the conceptual agreement.

18 COUNCILMAN COHEN: And that's the
19 conceptual agreement that you're talking about?

20 MS. FRANKLIN-SUBER: It was a press
21 conference issue --

22 COUNCILMAN COHEN: It didn't seem at
23 all as powerful as what it seemed today.

24 (Laughter.)

25 MS. FRANKLIN-SUBER: Well, Councilman

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2 Cohen, I agree with you, which is why don't have
3 it reduced to a final agreement and we have not
4 introduced legislation.

5 You know, it was an agreement in
6 principle, and now it's being negotiated,
7 legislation is being drafted. As a matter of
8 fact, we circulated draft ordinances to
9 Councilmembers in the briefing binder. And so,
10 again, there is no effort or attempt on my part to
11 not respond to your questions.

12 The team of lawyers is negotiating
13 right now the details of the conceptual
14 agreement. And, as a matter of fact, we are
15 meeting with the Eagles on some of the outstanding
16 issues tomorrow morning at 5 a.m. So I just don't
17 have the answers to some of the questions that
18 you're posing.

19 By the same token, we do believe very
20 strongly that Council is entitled to all of the
21 information that has been requested, and you will
22 have it before you vote on the budget. We'll make
23 sure that you have it.

24 COUNCILMAN COHEN: Well, will we have
25 it in time to have meaningful debates and

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2 discussions and interrogations of Administration
3 officials as to what does this mean and what does
4 that mean and how are the citizens obligated by
5 the agreement?

6 MS. FRANKLIN-SUBER: Yes.

7 COUNCILMAN DICICCO: (Inaudible, off
8 mike.)

9 (Laughter.)

10 COUNCILMAN COHEN: Yeah, yeah, that's
11 true. Only today, I feel my conscience is clear.

12 COUNCILMAN DICICCO: (Inaudible, off
13 mike.)

14 COUNCILMAN COHEN: Yeah. Well, we may
15 do that. We have been in this hall as late as
16 2 a.m.?

17 MS. FRANKLIN-SUBER: 3 a.m., it was 3
18 a.m., it was 3.

19 COUNCILMAN COHEN: So that is the sole
20 agreement?

21 MS. FRANKLIN-SUBER: Yes, sir.

22 COUNCILMAN COHEN: How long, if you
23 know -- were you there when the agreement was
24 being --

25 MS. FRANKLIN-SUBER: Yes, sir.

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2 COUNCILMAN COHEN: -- agreed to?

3 MS. FRANKLIN-SUBER: Yes, sir.

4 COUNCILMAN COHEN: How long did it
5 figure out the answer to Councilman Nutter's
6 question of the money? How long did they debate
7 the \$80 million? And were there documents there
8 that indicated what the \$80 million was going to
9 be required for, even though everybody knew it
10 would never be used?

11 MS. FRANKLIN-SUBER: I don't recall --
12 I -- Council -- Council -- well, let's see. . .
13 Candidate Street, he was a candidate in December.
14 At the time, he was --

15 COUNCILMAN COHEN: He was the
16 Mayor-elect in December.

17 MS. FRANKLIN-SUBER: The Mayor-elect,
18 excuse me.

19 Mayor-elect Street had his first
20 discussions with the Eagles regarding the issues
21 that are covered in the conceptual agreement
22 before he became mayor late in December. I was
23 still, at that point, the City Solicitor.

24 The conceptual agreement, however, was
25 not finalized until he became mayor at the early

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2 part of January. When the conceptual agreement
3 was reached, it was publicly announced, briefing
4 of Members of Council, discussion of how we
5 arrived at the \$80 million for purposes of the
6 conceptual agreement. As I testified earlier, the
7 objective was to persuade the Eagles, who, at that
8 time, made public statements, which appeared in
9 the newspapers, that they were going to move the
10 practice facility, leave Philadelphia, and go to
11 Delaware County.

12 And so in order to persuade them to
13 stay in Philadelphia, to continue building the
14 practice facility, to continue working with the
15 Administration and City Council to at least
16 resolve the issue of new stadiums one way or the
17 other, up or down, just start the process and see
18 whether or not this is something we're going to
19 do, we reached a conceptual agreement, because the
20 Eagles in particular needed certain assurances
21 after a year or two years of proceeding down a
22 certain road and then not completing the process.
23 So we -- the conceptual agreement itself was
24 negotiated over a pretty short window of time.
25 The Eagles then started construction again the

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2 practice facility.

3 Now we are in the process of drafting
4 the legislation, putting the final documents,
5 negotiating the final documents. And when all of
6 the package is complete, it will be introduced as
7 a legislative package for City Council. We had
8 planned on doing that today. There were issues
9 that arose in connection with the negotiations
10 that are not resolved. And so instead of bringing
11 an incomplete package to Council, we did not
12 introduce any legislation today.

13 COUNCILMAN COHEN: You know what seems
14 so training about this story? I know you're
15 saying it in good faith, but it really strains
16 belief that in a situation in which lawyers, good
17 lawyers have worked at the City Solicitor for
18 years, and which we've been assured that the lease
19 is iron-bound, that there's absolutely no way in
20 which the Eagles can leave before 2011, that
21 they've got to be here.

22 The Mayor himself earlier this week
23 said at a meeting down with us in the Mayor's
24 Office that the City was fully in compliance with
25 the lease, that there was absolutely no question

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2 but that we were meeting all of the obligations of
3 the lease 'cause the City was under instruction to
4 do it, and I know did it to the very best of their
5 ability, and I have no question whatever that the
6 Eagles have absolutely no grounds whatever on
7 which they can base their hope realistically of
8 winning anything.

9 I cannot believe that City officials
10 who have experience took seriously these threats
11 of the Eagles. And I believe these threats were
12 absolutely no justification whatever for any
13 action by the City entering into agreements,
14 renewing new agreements. That's common in the
15 business world. And if this were done on that
16 basis, it might be an honest agreement. We have
17 one agreement, but both parties have the full
18 power to negotiate and enter into another
19 agreement.

20 But to attempt to establish a basis in
21 Philadelphia, after all the years we spent
22 negotiating with the Eagles and doing everything
23 possible that could be done realistically, you
24 know, to be good landlords, I cannot believe
25 seriously -- I just cannot believe that anybody

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2 with your ability and with the Mayor's ability,
3 both as lawyers, really believe what I regard as
4 errant nonsense any theory that we are not meeting
5 our obligations as landlords.

6 And I can't imagine what you're meaning
7 when you indicate you have to give them
8 assurances. Assurances of what?

9 MS. FRANKLIN-SUBER: Let me explain.

10 COUNCILMAN COHEN: I've heard words of
11 good faith, I've never seen anything in what we
12 have done to indicate anything other than good
13 faith in the City.

14 MS. FRANKLIN-SUBER: Councilman Cohen,
15 let me explain, because there are several issues
16 that you have identified. And I do think it is
17 important that I'm clear in terms of what I'm
18 conveying to you.

19 I did not say, and certainly didn't
20 mean to convey, that the reason that we entered
21 into the conceptual agreement which relates to the
22 practice facility, the Eagles practice facility,
23 that that was done under threat of litigation.

24 As far as the City of Philadelphia is
25 concerned, the Eagles and the Phillies have

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2 obligations under the existing lease documents to
3 play in Vets Stadium until 2011. The City of
4 Philadelphia takes the position that we are in
5 compliance with our obligations under the lease.
6 That doesn't mean that the teams agree with us.
7 So we put those differences aside. We have
8 deferred renovation to Vets Stadium. Everyone
9 focused for the last year or two on new stadiums.

10 The conceptual agreement related to the
11 practice facility, whether or not the Eagles were
12 going to stop construction on a facility which
13 would contain all of their administrative offices,
14 but also a sports medicine facility that would
15 benefit not the teams only, but also the broader
16 community, create construction jobs, create
17 permanent jobs, create wage taxes for the City,
18 whether or not they were going to take that
19 facility, stop construction, and move to Delaware
20 County because they were frustrated, and I'm just
21 speaking based on what the Eagles shared. They
22 were frustrated with the fact that they were not
23 able to complete the new stadium process.

24 The conceptual agreement was an effort
25 to bring all of the parties back to the table,

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2 resolve the issue of the practice facility, and
3 create now an opportunity for everyone to start
4 the process for discussing new stadiums again and
5 see it to its completion, whether it's two new
6 stadiums or no new stadiums or one new stadium,
7 wherever we end up.

8 And if there are no new stadiums, we're
9 going to stand by our position that the Eagles and
10 the Phillies have an obligation to play at Vets
11 Stadium until 2011. And simply because we take
12 the position that we are in compliance with the
13 terms and conditions to the lease, it doesn't mean
14 that there aren't improvement, repairs, and
15 renovations that need to be made to Vets Stadium.

16 COUNCILMAN COHEN: But how can you say
17 we deferred improvements when we've spent \$65
18 million in the last eight years?

19 MS. FRANKLIN-SUBER: I'm talking about
20 the deferrals that occurred by agreement between
21 the City, the teams over the past couple of years
22 during the new stadium discussion.

23 I am repeating for you, Councilman
24 Cohen, what was shared with me in discussions that
25 I personally was involved in with the teams and

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2 what I understand to be the case.

3 COUNCILMAN COHEN: You know, my answer
4 has to be -- and again, you know, there's no
5 disrespect -- would you like to buy the Brooklyn
6 Bridge? That's the only answer I can give to that
7 tale because it just -- it makes to me no logical
8 sense whatever.

9 The Eagles have concocted a story, and
10 that story has been amplified to develop the
11 threat that we're going to lose the Eagles.
12 Everybody in Council has made it clear that we
13 hope to arrive at amicable agreements that will be
14 in everybody's interest, and it just doesn't seem
15 to be right to be trying to do this 40 million in
16 the Capital Budget this coming year and the next
17 year and raising the specter of threats when we
18 have as ironclad a lease as lawyers have ever been
19 able to make. And it happens just the year
20 before.

21 And this is what I regard as the bad
22 faith by the Eagles to the citizens of
23 Philadelphia. We were told when this last lease
24 was signed that maybe it wasn't as good as it
25 ought to be for the City of Philadelphia, but down

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2 the road, beginning in 2001 or 2002, there was
3 going to a 6 million rainbow down the road. We're
4 going to get it from the superboxes.

5 MS. FRANKLIN-SUBER: Right.

6 COUNCILMAN COHEN: And we were asked to
7 be patient. You know, we didn't do as well as we
8 would have wanted to do in negotiating from the
9 point of view of the City of Philadelphia, but
10 there will be some return. And just as that
11 return is due in comes another plan from the
12 sports teams to take away that source of revenue.
13 The amount of revenue is equal to maybe double the
14 amount that would be coming from the superboxes.
15 You know, that money would be double what comes
16 from the wage tax.

17 MS. FRANKLIN-SUBER: Yeah, and I think
18 you're --

19 COUNCILMAN COHEN: And to separate a
20 practice facility from a stadium, to say that a
21 team divides itself in half, I think that would
22 show very bad faith by the Eagles if they dared to
23 do it. I think their threats to do it show bad
24 faith, and I think Philadelphia's been very
25 tolerant with them.

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2 And that's the reason I have these
3 questions to raise with you and why we're so
4 concerned when the infrastructure of Philadelphia
5 needs so much -- the schools, the recreation
6 facilities, the police stations, the fire
7 stations, all of that need so much help. To take
8 out these huge hunks of capital out of the
9 budgets, and it seems to me that the story this
10 administration was telling us was an effort to
11 frighten us, to get all of these fine people that
12 testified, those three and others like them, to
13 get them all upset and say, Do whatever you have
14 to do, do anything in order to get us our
15 libraries in the condition, you know, they need to
16 be in and the recreation centers. And that those
17 two \$40 million slices were put in those budgets,
18 in my opinion, as a threat so that people would
19 say, you know, Solve that problem, get the new
20 stadiums, issue the bonds. And I think that's
21 poor governmental policy.

22 And I think -- I had to say that
23 because I feel that deeply, and I don't feel the
24 people of Philadelphia are being treated right.
25 And I think the City Administration ought to

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2 change its negotiating posture and do it in a way
3 that respects Philadelphians.

4 MS. FRANKLIN-SUBER: Councilman Cohen,
5 the Administration, Mayor Street in particular
6 -- and I think he has demonstrated that in just
7 the short amount of time he has been in office --
8 cares deeply for the citizens of Philadelphia.
9 And if we believed that there was a deal in place
10 now that was acceptable to the Administration, we
11 would be talking about it. There are issues that
12 remain unresolved, that have not been resolved to
13 the satisfaction of the Administration.

14 And the fact that the \$40 million was
15 put in the Capital Budget for two fiscal years was
16 certainly not intended on the part of the
17 Administration to be a threat to City Council.
18 The intent, as I said before, was to give the
19 Eagles the assurances they needed, that if this
20 doomsday scenario occurs and there are no new
21 stadiums and you're playing at Vet Stadium until
22 the year 2011, recognizing that there are going to
23 be some improvements to be made -- it's our
24 facility, it's our facility -- we will make
25 improvements that we all agree on, that Members of

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2 City Council --

3 I mean, in terms of just from a purely
4 legal standpoint, there was really no need for the
5 Administration to even bring these improvements to
6 City Council by way of lease amendment. We could
7 take the position, yes, that it's part of our
8 responsibility, but it was important to Mayor
9 Street that City Council understand what exactly
10 the conceptual agreement and all of the underlying
11 agreements involved were. And so we are not
12 simply writing a blank check and saying, You get
13 \$80 million and we'll do anything you want us to
14 do.

15 There are going to be lists of
16 improvements, everyone is going to understand what
17 they are, everyone is going to understand what the
18 timetable is, because that is the position that we
19 have taken in the negotiations and that Members of
20 Council should understand.

21 So we are trying to be responsive and
22 to provide you with information. We can't control
23 what the teams may say publicly, but there is
24 certainly no intent on the part of this
25 administration to do anything other than that

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2 which it considers to be in the best interests of
3 the City, working in collaboration and in
4 cooperation with City Council.

5 COUNCILMAN COHEN: I have no further
6 questions.

7 COUNCIL PRESIDENT VERNA: Thank you.
8 The Chair recognizes Councilman Goode.

9 COUNCILMAN GOODE: Good evening, Mrs.
10 Franklin-Suber. My question is not related to
11 stadium renovations.

12 MS. FRANKLIN-SUBER: Thank you.

13 COUNCILMAN GOODE: 'Cause I realize
14 there are no real renovations; there are only
15 conceptual renovations.

16 (Laughter.)

17 MS. FRANKLIN-SUBER: At the moment,
18 they are conceptual renovations.

19 COUNCILMAN GOODE: And so I want to
20 actually refer to the conceptual agreement.

21 My understanding of the conceptual
22 agreement, not as it is being further defined but
23 as it is already defined, says that if this
24 Council does not do a new stadium deal by November
25 3rd, that we will buy out the practice facility

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2 for \$23 million and that we will renovate Vets
3 Stadium at the cost of up to \$80 million.

4 MS. FRANKLIN-SUBER: That is correct.

5 COUNCILMAN GOODE: The source of that
6 \$23 million conceptually will come from PAID. The
7 source of the \$80 million conceptually come from
8 the Capital Budget.

9 Whose decision was it that the
10 \$23 million would come from PAID and the
11 \$80 million would come from the Capital Budget, as
12 opposed to \$103 coming from PAID or some other
13 variation of the two? Whose decision was it,
14 whose recommendation was it, and who's authorized
15 to make those types of decisions?

16 MS. FRANKLIN-SUBER: The conceptual
17 agreement was ultimately approved -- the Mayor
18 made the final decision in terms of what --

19 COUNCILMAN GOODE: It was his
20 decision?

21 MS. FRANKLIN-SUBER: Absolutely.

22 COUNCILMAN GOODE: Whose recommendation
23 was it?

24 MS. FRANKLIN-SUBER: Well, I would
25 probably say it was a combination. I mean, I can

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2 tell you the members of the, quote/unquote,
3 negotiating team included myself, a couple of
4 members of the Law Department, Bill Hankowsky, a
5 couple of members of PIDC, the Eagles, some
6 discussion with the Phillies.

7 We also consulted with public financial
8 management, represents the City's financial
9 advisor in thinking about alternative ways to fund
10 and finance these commitments.

11 COUNCILMAN GOODE: And in the end, in
12 terms of the determining those financing sources,
13 who is authorized to make those types of
14 decisions? Is it only the Mayor?

15 MS. FRANKLIN-SUBER: The Mayor was
16 authorized to make that decision.

17 COUNCILMAN GOODE: Is he the only one
18 authorized to make those types of decisions?

19 MS. FRANKLIN-SUBER: Well, Bill
20 Hankowsky's authorized to make decisions on behalf
21 of PIDC. It's a separate legal entity.

22 COUNCILMAN GOODE: Is he authorized to
23 make decisions on behalf of the City of
24 Philadelphia related to the Capital Budget?

25 MS. FRANKLIN-SUBER: The Mayor proposed

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2 a Capital Budget; the Capital Budget has to be
3 approved by City Council.

4 COUNCILMAN GOODE: So only the Mayor
5 was authorized to decide that \$23 million would
6 come through PAID and \$80 million would come from
7 the Capital Budget?

8 MS. FRANKLIN-SUBER: The Mayor was
9 authorized to reach the conceptual agreement. The
10 conceptual agreement contemplates a legislative
11 package that requires City Council approval.

12 COUNCILMAN GOODE: Let me ask another
13 question. In determining that there needed to be
14 a conceptual agreement, it's been said that there
15 needed to be some measure of good faith, some
16 extension of good faith. Is it the position of
17 the Administration that allowing the Eagles to
18 draw down \$7 million in grants from the Economic
19 Stimulus Program is not a measure of good faith?

20 MS. FRANKLIN-SUBER: That is a measure
21 of good faith. That agreement had been reached
22 with the prior administration, and there was a
23 grant agreement already in place, an interim grant
24 agreement. So the City had already made the
25 commitment to the \$7 million Economic Stimulus

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2 Fund.

3 COUNCILMAN GOODE: The \$7 million in
4 grants from the Economic Stimulus Program is from
5 the previous administration, so this
6 administration needs to put something on the table
7 to show good faith?

8 MS. FRANKLIN-SUBER: Yes. The Mayor
9 believed that we needed to do that.

10 COUNCILMAN GOODE: The Mayor still is
11 authorized, though, to decide whether the Eagles
12 can draw down the \$7 million in grant or not, is
13 he not?

14 MS. FRANKLIN-SUBER: Yes.

15 COUNCILMAN GOODE: So it was still a
16 determination that the \$7 million in grants in
17 Economic Stimulus Fund was not enough, that
18 something else needed to be put on the table?

19 MS. FRANKLIN-SUBER: Yes.

20 COUNCILMAN GOODE: Okay, that's the end
21 of my question.

22 MS. FRANKLIN-SUBER: Yes.

23 COUNCILMAN GOODE: Thank you, Madam
24 President.

25 COUNCIL PRESIDENT VERNA: You're

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2 welcome.

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

5 The Chair recognizes Councilman Nutter.

6 COUNCILMAN NUTTER: Thank you, Madam
7 Chair.

8 COUNCILMAN COHEN: Point of order. Is
9 this going to be the only time? Are we going to
10 have another hearing? Because there's a lot of
11 information we have to get and study, and I'd like
12 to feel certain that we're going to be able to
13 have at least another opportunity to question.

14 COUNCIL PRESIDENT Verna: Councilman,
15 we always have the ability to call back any of the
16 departments before we vote on the budget.

17 COUNCILMAN COHEN: All right, very
18 good.

19 COUNCIL PRESIDENT Verna: Councilman
20 Nutter?

21 COUNCILMAN NUTTER: Thank you, Madam
22 Chair.

23 Miss Franklin-Suber, I took down a part
24 of one of your statements in response, I think, to
25 Councilman Cohen with regard to the teams had been

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2 proceeding down a road for about a year or two but
3 have become frustrated about the lack of a stadium
4 deal, I guess, last year. And then the Eagles,
5 because they're in need of a practice facility and
6 had started decided to then stop and then shop
7 around the surrounding counties for a new
8 location.

9 Was there a legislative package or
10 documents that were ready for introduction and
11 review in Calendar Year 1999 for this City Council
12 to make any decision with regard to new stadium
13 facilities?

14 MS. FRANKLIN-SUBER: The short answer
15 to your question is, no, there was no final
16 legislative package that was ever introduced to
17 City Council. There were documents drafted, there
18 was legislation drafted. And I was not directly
19 involved in the process, but it is my
20 understanding that at least in terms of the Eagles
21 transaction. They had reached, you know, I guess
22 about 95 percent completion.

23 So were there finally documents final
24 documents that had been executed and signed and
25 final legislation actually introduced to City

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2 Council? No. But they had neared the end of the
3 negotiating process and were close to finalizing
4 the transaction. That's my understanding.

5 COUNCILMAN NUTTER: Well, why is it
6 that the teams -- I recall some late meetings in
7 December, and I know the Council President had a
8 few visits from people. Why were the teams
9 insisting that City Council take up the issue of
10 new stadiums as late as December 2, 1999 if there
11 were no legislative package ready for
12 introduction, review, and a public hearing?

13 MS. FRANKLIN-SUBER: Councilman Nutter,
14 I was not involved at that point, but Bill
15 Hankowsky was. So maybe he can answer your
16 question.

17 COUNCILMAN NUTTER: Mr. Hankowsky?

18 MR. HANKOWSKY: Councilman Nutter, I
19 just want to make sure I got the question right
20 before I respond to it.

21 Your question is, why were the teams
22 pressing for introduction as late as December if
23 the package wasn't done?

24 COUNCILMAN NUTTER: Yeah.

25 MR. HANKOWSKY: Is that -- do I

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2 correctly understand the question?

3 COUNCILMAN NUTTER: That's the
4 question.

5 MR. HANKOWSKY: Okay. The -- and
6 you're right that there were various efforts in, I
7 guess, the beginning sort of mid-November through
8 Erial December. In fact, up until, I guess,
9 whatever it was the last mechanical time you could
10 have introduced --

11 COUNCILMAN NUTTER: It was December the
12 2nd.

13 MR. HANKOWSKY: I know you ended on the
14 16th. I forget --

15 COUNCIL PRESIDENT VERNA: It was
16 December 2nd.

17 MR. HANKOWSKY: December 2nd?

18 COUNCILMAN NUTTER: People were asking
19 that we give consideration to legislation as late
20 as December 2nd.

21 MR. HANKOWSKY: Right.

22 COUNCILMAN NUTTER: Although
23 legislation never came, to the best of my
24 knowledge. The President can --

25 MR. HANKOWSKY: No, it never came.

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2 COUNCIL PRESIDENT VERNA: It never

3 came.

4 MR. HANKOWSKY: It never came.

5 COUNCILMAN NUTTER: There was

6 insistence that this Council take up that

7 particular issue. There is a public impression

8 left that has never been addressed that somehow,

9 this City Council was potentially negligent in its

10 duty and responsibility to address this particular

11 issue.

12 Now, I would like for you, Mr.

13 Hankowsky, to clear the record tonight as to

14 whether or not there was a piece of legislation

15 with a blue back ready for introduction that this

16 Council could have taken up at that time.

17 MR. HANKOWSKY: No, there wasn't a

18 package. That's the simplest answer. And maybe

19 to amplify it --

20 COUNCILMAN NUTTER: So why was there

21 this pressing need by the various teams that we do

22 something?

23 MR. HANKOWSKY: Well, if I could, I'm

24 happy to try to be responsive.

25 COUNCILMAN NUTTER: I understand.

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2 MR. HANKOWSKY: As Stephanie said, we
3 were probably about 95 percent there, in a
4 document production, create-the-package sense.

5 There, as you know, were some very
6 valid and serious concerns raised at least on one
7 plane by residents about issues of traffic and
8 circulation and how things were going to get done,
9 issues like scheduling, because that scenario
10 would have -- I'm not saying that in any way, as
11 you know, Mayor Street has been very clear that he
12 has not agreed on any site selection scenario and
13 wants to look at that very closely.

14 But, again, from a historical
15 perspective, that scenario the November-December
16 scenario, assumed the development of two stadiums
17 in South Philadelphia, so there would have been
18 four facilities. And so there were issues
19 related, for example, to event scheduling. We
20 have enough trouble today with three facilities in
21 event scheduling issues. Now all of a sudden,
22 it's -- and since I was attempting to draft event
23 scheduling rules, the adding of another facility
24 was not arithmetical, it was geometric in its
25 complexity.

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2 COUNCILMAN NUTTER: Right.

3 MR. HANKOWSKY: And so there was an
4 effect, if I could characterize this, I guess a
5 parallel effort. On the one hand, there were a
6 group people working on documents and issues and
7 trying to resolve them and put them into place.
8 And parallel to that was the request by the teams
9 that if we can get all of this done, will you take
10 it, will you introduce it?

11 So you were -- and at the point when it
12 became clear that that was not going to happen, we
13 simply, to be candid, stopped. So we didn't go to
14 closure because it wasn't clear that the product
15 would be a product that a new mayor or a new -- to
16 some extent, a new Council, would want to
17 entertain, that there was no benefit.

18 COUNCILMAN NUTTER: So then on or about
19 the --

20 MR. HANKOWSKY: But no --

21 COUNCIL PRESIDENT VERNA: Excuse me.
22 Would you yield, please?

23 COUNCILMAN NUTTER: Absolutely.

24 COUNCIL PRESIDENT VERNA: The community
25 concerns were not the only thing.

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2 MR. HANKOWSKY: Oh, no. I didn't mean

3 that --

4 COUNCIL PRESIDENT VERNA: Oh.

5 MR. HANKOWSKY: I was using that as

6 example of an issue that we were still working

7 through.

8 COUNCIL PRESIDENT VERNA: But there

9 were other parts of that package that were not

10 ready to be introduced.

11 MR. HANKOWSKY: Right, right. I mean,

12 I was -- without getting into -- I guess just

13 occasionally history's important. But, I mean,

14 you know, there was an issue with regard to

15 certain real estate properties. I was at a point

16 where there was a, you know, I was scheduled to --

17 you know, I had an agreement that I was going to

18 proffer to a property owner about, you know,

19 proceeding on a property. When it became clear we

20 weren't going to introduce, I simply cancelled the

21 meeting, so we didn't go that next step.

22 So we -- it wasn't as if whatever was

23 the judgment of the dialogue between the

24 Administration and Council was the only issue. We

25 didn't finish a package that was ready to go,

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2 which I think is --

3 COUNCILMAN NUTTER: The long and the
4 short of it and to fast-forward to December 2nd or
5 December 3rd, when the stories then evolved that
6 would leave one with the impression that Council
7 refuses to take up stadium issue, the reality is
8 that there was never anything ready for Council to
9 take up in the first place because the parties had
10 not reached full agreement, you still had
11 documents, you had outstanding real-estate issues,
12 you had not addressed the concerns of the
13 community. And so, therefore, it was not a
14 failure to act by this body.

15 MR. HANKOWSKY: I never said --

16 COUNCILMAN NUTTER: I never accused
17 you.

18 MR. HANKOWSKY: Okay.

19 COUNCILMAN NUTTER: I'm just asking you
20 to clear the record. It's not a failure to act --

21 (Unintelligible, parties talking over
22 each other.)

23 MR. HANKOWSKY: (Unintelligible) but I
24 never said that.

25 COUNCILMAN NUTTER: I understand. It

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2 was a lack of completion by the direct parties who
3 had nothing to bring here for us to look at in the
4 first place; isn't that correct?

5 MR. HANKOWSKY: That was -- that was
6 the circumstance.

7 COUNCILMAN NUTTER: Make it easy for
8 yourself.

9 MR. HANKOWSKY: I guess so. Yes?

10 COUNCILMAN NUTTER: Thank you.

11 (Laughter.)

12 COUNCILMAN NUTTER: Okay. Now, let's
13 talk about -- there's been much discussion -- the
14 word so far for the FY 2001 Budget has been the
15 much-discussed term "deferral." And today we
16 heard that there was an agreement between the City
17 and the teams to agreed-upon deferred capital
18 items to be done at Vets Stadium because everyone
19 at some point in time in the last year or so
20 wanted to focus on new stadiums rather than
21 improvement at Vets Stadium.

22 I believe that was, again, in the
23 testimony of Miss Franklin-Suber; is that
24 correct?

25 MS. FRANKLIN-SUBER: That is correct.

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2 COUNCILMAN NUTTER: What were these
3 agreed-upon deferred items?

4 MS. FRANKLIN-SUBER: I testified that
5 that was my understanding. I was not involved --

6 COUNCILMAN NUTTER: I understand.

7 MS. FRANKLIN-SUBER: -- in those
8 discussions or in the new-stadium negotiations.

9 COUNCILMAN NUTTER: Is my good friend
10 from the stadium still in the room?

11 MS. FRANKLIN-SUBER: Were you
12 involved?

13 MR. HANKOWSKY: No, Greg wasn't
14 involved.

15 COUNCILMAN NUTTER: Greg Grillone, is
16 that his name?

17 MR. HANKOWSKY: I mean, again, I'm not
18 -- I'm trying to be responsive but I'm not sure
19 I'm exactly in tune to the question.

20 I mean, the teams obviously were
21 pursuing new venues.

22 COUNCILMAN NUTTER: Sure.

23 MR. HANKOWSKY: You know, and I'm not
24 an expert in every issue at the Vets Stadium but,
25 you know, there's issues about, you know, the

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2 zippers on the tarp and things that come up.

3 COUNCILMAN NUTTER: You mean the new
4 tarp? I'm sorry, you're not talking about the
5 Astroturf, you're talking about the --

6 MR. HANKOWSKY: I'm talking about the
7 Astroturf.

8 COUNCILMAN NUTTER: You're talking
9 about the Astroturf.

10 MR. HANKOWSKY: Yeah.

11 COUNCILMAN NUTTER: The new Astroturf.

12 MR. HANKOWSKY: Well, whatever it is, I
13 mean, how ever many years it is.

14 COUNCILMAN NUTTER: Right.

15 MR. HANKOWSKY: So the new issues come
16 up and -- and the teams simply weren't pursuing
17 any long-term permanent solution that might have a
18 life cycle of 2010 because they assumed that they
19 might not ever be there through 2010.

20 COUNCILMAN NUTTER: Well, what were
21 some of these items that we didn't do at Vets
22 Stadium? What were some of these deferred items
23 that someone might have been talking about in '98
24 or '99 or into 2000 that they just said, Well, we
25 don't need to talk about that because we really

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2 want to talk about new stadiums. What things

3 didn't we do?

4 MR. HANKOWSKY: Well, again, I don't

5 think it's a question -- because I don't -- again,

6 I don't want to -- 'cause I'm -- I'm not an

7 expert, to be candid -- to characterize whether

8 we're, you know -- and where we are today.

9 I think the more question was, if

10 you're a tenant at the Vet and you're assuming

11 you're there at least through the end of your

12 lease, do you raise the issue of, Okay, let's

13 begin to think about programming the next cycle of

14 waterproofing or programming the next cycle, you

15 know, is the -- you know, Greg I think earlier

16 testified that the fields last five to nine years.

17 So do you now say, Okay, well, we're kind of in

18 that -- we're kind of getting to that zone, so

19 should we begin to think about a Capital Budget

20 that says we're going to be putting it back? You

21 might live with it an extra year if you thought

22 the new one was going to open in a year.

23 COUNCILMAN NUTTER: Right, right.

24 MR. HANKOWSKY: If you thought it's

25 never going to open, you say, Well, we better get

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2 one in there 'cause we're going to need it for the
3 seven years left.

4 COUNCILMAN NUTTER: I understand,
5 right.

6 MR. HANKOWSKY: It's kind of -- those
7 were the major --

8 COUNCILMAN NUTTER: I understand,
9 right.

10 MR. HANKOWSKY: It never got any
11 further than that.

12 COUNCILMAN NUTTER: Sure.

13 MR. HANKOWSKY: It was simply --

14 COUNCILMAN NUTTER: So what's wrong
15 with the place now?

16 (Unintelligible, parties talking over
17 each other.)

18 MR. HANKOWSKY: 'Cause we don't think
19 we're ever going there and we think we have new
20 venues.

21 COUNCILMAN NUTTER: I understand,
22 right.

23 MR. HANKOWSKY: Those were the kinds of
24 things.

25 COUNCILMAN NUTTER: But now,

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2 apparently, they've become the subject of
3 complaint, that something's wrong with the place
4 or that we've somehow been negligent to the place,
5 when the earlier testimony that this was by
6 agreement between the teams and the City that they
7 wouldn't pursue certain things or expect certain
8 things either because they were anticipating
9 getting a new stadium or something else.

10 Now as a part of this discussion, you
11 want a practice facility -- which is their right
12 to want to have a practice facility, but if
13 somehow we don't do a new stadium, we have to pay
14 for it and take care of a whole host of items
15 which they now claim are detrimental to their
16 situation -- when they, in fact, apparently,
17 according to the testimony, agreed to the deferral
18 of some of these items.

19 I mean, you can't have it both ways.

20 MR. HANKOWSKY: Let me just make one
21 statement, and it may be not adequate or
22 responsive or complete.

23 I'm not sure I would necessarily
24 categorize the team's position at the moment as
25 "You haven't done these things and we're mad

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2 about it and do 'em." I think that the way people
3 have looked at this is that if new stadiums can be
4 figured out and receive the necessary legislative
5 and other approvals in Calendar 2000, then we're
6 probably in a mode of Okay, let's just make sure
7 there's no hazardous condition at the Vet, you
8 know, the railings are safe and everything,
9 because we're going to get out of it. So don't
10 make any significant investment.

11 If that doesn't happen, the simple
12 development cycle of stadiums, it takes about a
13 year to design 'em and about two years to build
14 'em, and as we all know, it takes a long time to
15 figure out how to get the transactions put
16 together.

17 If that doesn't happen in 2000, you
18 begin to say, Well, wait a minute, how much term
19 is left on the lease? We may end up living out
20 our life at the Vet. And so if we live out our
21 life at the Vet under the current lease, what
22 would that world need to look like for the Vet to
23 be an acceptable -- as best it could be, given
24 what it is? I mean, you know, there are certain
25 things you can do with it and certain things you

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2 can't. I mean, the column are where the columns
3 are.

4 COUNCILMAN NUTTER: Right. Is that
5 where the \$150 million kind of list comes from?

6 MR. HANKOWSKY: I'm sorry?

7 COUNCILMAN NUTTER: It's been said on
8 the record here that one of the teams believes
9 that there might be in the neighborhood of \$150
10 million worth of repairs that need to be made to
11 Veterans Stadium. Is that as you look out over
12 the next ten years?

13 MR. HANKOWSKY: Yeah, because if you're
14 looking out both in a life cycle sense, so again,
15 not -- and I use -- "deferred" has become a word
16 with much meaning over the course of today.

17 COUNCILMAN NUTTER: Absolutely.

18 MR. HANKOWSKY: But, in other words,
19 where you would say, Let's postpone something
20 because we're going somewhere else.

21 COUNCILMAN NUTTER: Right.

22 MR. HANKOWSKY: And so, you know, That
23 boiler will last another year, let's not get a new
24 boiler. But if we're staying here, the boiler's
25 not going to last ten more years so we better

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2 schedule fixing it.

3 So there's a set of activities that are
4 of that ilk.

5 COUNCILMAN NUTTER: I understand,
6 right.

7 MR. HANKOWSKY: And then you might also
8 say, Well, since we're here, is there's any way to
9 improve the economics of being here by spending
10 some other money to, I don't know, have a new
11 scoreboard that you could sell better advertising
12 'cause it can do, you know, neat things in 3-D
13 off the Internet or something.

14 COUNCILMAN NUTTER: Right.

15 MR. HANKOWSKY: So you think -- I'll
16 use the terminology "enhancements," not just
17 maintenance of the current plan because, well,
18 maybe there's ways we can -- 'cause we're going to
19 have to live here and see if we can create the
20 best economic world out of it.

21 COUNCILMAN NUTTER: Right. Let me
22 understand this and we can move on. I mean, who
23 decides what things are needed at Veterans
24 Stadium? Do we decide, do the teams decide, is
25 there a joint decision-making process? What's the

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2 nature of our obligation to figure out the
3 condition of our facility to meet up to the test
4 of the lease?

5 MS. FRANKLIN-SUBER: Generally speaking
6 or under the conceptual agreement?

7 COUNCILMAN NUTTER: No, I want to talk
8 about the signed agreement, not a conceptual one.

9 MS. FRANKLIN-SUBER: Excuse me?

10 COUNCILMAN NUTTER: I want to talk
11 about the signed agreement, Article 9,
12 "Maintenance, Repair and Replacements." The
13 signed agreement, not the conceptual one.

14 Who decides what needs to be done at
15 that place?

16 MR. GRILLONE: Councilman, it's a
17 collaborative process. I mean, we use the
18 information that we generate internally from our
19 staff and from our experience and we also listen
20 to the wishes and the needs of the tenants and
21 what they think they need and conditions that they
22 might be aware of that perhaps we're not aware
23 of.

24 So we put that data together and we try
25 to reach a consensus. And then we go into the --

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2 we, the Recreation -- Veterans Stadium is part of
3 Recreation -- puts together, you know, our wish
4 list, if you will. And then that gets put into to
5 the processes, as Miss Kaplan explained, where all
6 of the department come to them, and then they look
7 at those lists and formulate a recommended budget.

8 COUNCILMAN NUTTER: Well, your wish
9 list last year anticipated that you would only get
10 a million dollars this year, right?

11 MR. GRILLONE: Right. And that was
12 within the context of what Mr. Hankowsky talked
13 about, where everybody was in a mode where we were
14 thinking new stadiums.

15 COUNCILMAN NUTTER: Well, what are the
16 specific areas, elements, items, or components of
17 Veterans Stadium by way of the lease that we are
18 responsible for as a landlord?

19 I've read about the seats, I've read
20 about the playing field, I've read about snow
21 removal, I've read about housekeeping issues, the
22 responsibilities of the landlord the
23 responsibilities of the tenant.

24 MR. GRILLONE: With the exception of
25 what's called "the exclusive use areas," I mean,

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2 the City of Philadelphia is responsible for the
3 structure there, the super structure, and the
4 major systems. Things that may be indigenous to
5 them playing their games would fall under the
6 category that they be responsible for.

7 COUNCILMAN NUTTER: How long have you
8 been manager of Veterans Stadium?

9 MR. GRILLONE: Since 1992.

10 COUNCILMAN NUTTER: What's your
11 background?

12 MR. GRILLONE: Educationally or -- I
13 have an MBA from Temple. I came out of Temple and
14 started in City government, worked in the Managing
15 Director's Office under a very astute list of
16 managing directors. In 1984, I went down to the
17 stadium as Assistant Stadium Manager and I became
18 Stadium Director in 1992.

19 COUNCILMAN NUTTER: In your
20 professional capacity and as the manager of
21 Veterans Stadium, what's your evaluation of the
22 condition of the stadium?

23 MR. GRILLONE: I think the condition of
24 the stadium is good -- for a stadium that's 30
25 years old and has experienced the use and the wear

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2 and tear that it has over the life of its
3 existence. I think it's a good stadium.

4 COUNCILMAN NUTTER: As well as the
5 capital improvements that we've made.

6 MR. GRILLONE: Yes. It's not perfect.

7 COUNCILMAN NUTTER: I understand that.
8 And there are many things in this government that
9 are perfect. Do you spend much time in City
10 Hall?

11 MR. GRILLONE: (No verbal response.)

12 COUNCILMAN NUTTER: Mr. Hankowsky,
13 please explain that that's not the kind of
14 question that he's really required to answer.

15 (Laughter.)

16 COUNCILMAN NUTTER: Ms. Franklin-Suber,
17 this may be last question for the night, which I'm
18 sure will make a lot of people happy. In the
19 conceptual agreement, what happens if the City
20 reaches agreement with the Phillies for a new
21 stadium but does not reach an agreement with the
22 Eagles by November 3rd? Do the Phillies get a new
23 stadium and the Eagles get to stay at the Vet with
24 the \$80 million improvements?

25 MS. FRANKLIN-SUBER: Yes, and we would

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2 buy back the practice facility.

3 COUNCILMAN NUTTER: I understand. I
4 thought that there were provisions in both teams'
5 leases -- I've only heard about this, I've not
6 seen the specific citation -- that whatever one
7 team had by way of accommodations, the other team
8 had to have.

9 MS. FRANKLIN-SUBER: The concept is
10 parity, and that's also why in terms of the
11 improvements to Vets Stadium, there would be an
12 amendment to the Phillies' lease, an amendment to
13 the Eagles' lease, and each of the team would
14 consent so that each of them would understand that
15 if we proceeded with one new stadium and not the
16 other, that there would be one team at Vets
17 Stadium.

18 And from our standpoint, parity doesn't
19 mean new stadium, new stadium. They would have
20 consented to the arrangement, and from our
21 standpoint, it would constitute parity.

22 COUNCILMAN NUTTER: So your statement
23 is that the City would take the position that
24 there is parity between a 30-year-old Veterans
25 Stadium, which, up to that time has had

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2 \$85 million in capital improvements, plus
3 potentially another 80, and that that would be
4 comparable or have parity with an upwards of
5 \$400 million brand-new stadium?

6 MS. FRANKLIN-SUBER: The concept in the
7 lease is that you can't -- generally speaking, you
8 can't do something to the detriment of the other
9 party. It doesn't mean that they have to have the
10 exact same thing. And if you look at -- they both
11 started with a 1966 lease. Both leases were
12 subsequently amended. They are not identical
13 today in terms of the way that they occupy
14 Veterans Stadium.

15 So our position will be that in terms
16 of our obligations to both teams under the leases,
17 that we would have satisfied that. The concept is
18 generally referred to as "parity," but it doesn't
19 mean that you have to treat them equally; it means
20 that you can't hurt one. So if one of them gets a
21 new stadium, one of them has to have a place to
22 stay and vice versa. They both take the same
23 risk.

24 COUNCILMAN NUTTER: Okay. Could you --
25 not for this evening, but could you detail for us

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2 under the lease terms for both teams what are the
3 circumstances under which they can leave?

4 MS. FRANKLIN-SUBER: I am not in a
5 position to do that this evening. I don't have
6 the lease documents in front of me.

7 COUNCILMAN NUTTER: I ask that you not
8 do it this evening. I ask that you forward to the
9 Chair --

10 MS. FRANKLIN-SUBER: Sure.

11 COUNCILMAN NUTTER: -- after looking
12 through the lease documents, tell us by way of
13 article and section what would allow and what are
14 the circumstances under which a team could leave.

15 MS. FRANKLIN-SUBER: Yes.

16 COUNCILMAN NUTTER: Lastly, in one part
17 of the lease, there is a section called "Practice
18 Facilities." It says no later than August 1,
19 1985, the Landlord shall provide at its sole cost
20 and expense at least one natural-turf football
21 field suitable for training and practice of a
22 professional football team at a site that's
23 convenient and that's practicable to the stadium.

24 It's my understanding that that
25 particular section may have been amended over some

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2 time, and I guess we now have at least one open
3 field and then we have the bubble. And what else
4 do we have down there in terms of practice
5 facilities?

6 MR. GRILLONE: We have two open fields,
7 plus the bubble.

8 COUNCILMAN NUTTER: Okay. And so are
9 we in compliance on that particular issue with our
10 lease?

11 MS. FRANKLIN-SUBER: Yes.

12 COUNCILMAN NUTTER: But I guess
13 according to the lease terms, there's no
14 obligation that even if provide such practice
15 facilities, that they have to use them?

16 MS. FRANKLIN-SUBER: It does not
17 require them to use them.

18 COUNCILMAN NUTTER: Which is why we
19 were subject to the threat of "We'll build it
20 somewhere outside of the City," and then we'd be
21 left with these open fields down there?

22 MS. FRANKLIN-SUBER: That's a
23 possibility, yes.

24 COUNCILMAN NUTTER: Okay, all right.
25 Thank you very much.

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2 COUNCIL PRESIDENT Verna: Thank you.
3 The Chair recognizes Councilwoman
4 Tasco.
5 COUNCILWOMAN TASC0: Thank you. One
6 question. It's not about stadiums.
7 MS. FRANKLIN-SUBER: Thank you.
8 COUNCILWOMAN TASC0: This has to do
9 with the Managing Director's Office. On Page 66
10 of the Capital Program, there are several capital
11 items that have to do with Public Property,
12 Streets, as well as the Fire Department. Why are
13 they listed under the Managing Director's Office?
14 MS. KAPLAN: Are you referring to the
15 energy?
16 COUNCILWOMAN TASC0: I'm referring to
17 line --
18 MS. KAPLAN: Yeah, 66 and 77.
19 COUNCILWOMAN TASC0: Yeah.
20 MS. KAPLAN: The Municipal Energy
21 Office that is actually going to carry out these
22 projects -- the green lights, lighting upgrades
23 and the energy building upgrades on the next page
24 -- is located within the Managing Director's
25 Office, but they carry out the energy projects for

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2 a whole variety of departments 'cause they are the
3 energy expert in the City.
4 COUNCILWOMAN TASC0: So the --
5 MS. KAPLAN: So, for example --
6 COUNCILWOMAN TASC0: The lighting
7 upgrade at City Hall, item number 1, under 76, on
8 Page 66 --
9 MS. KAPLAN: Right.
10 COUNCILWOMAN TASC0: -- that's energy
11 lighting or has something to do with
12 conservation?
13 MS. KAPLAN: That is to upgrade the
14 lighting while at the same time reducing energy
15 consumption. You know, it's a modern fixture that
16 provides the output and reduces energy
17 consumption.
18 COUNCILWOMAN TASC0: Well, why wouldn't
19 the Streets Department do that?
20 MS. KAPLAN: It's inside lighting, it's
21 interior lighting. The Streets Department
22 wouldn't --
23 COUNCILWOMAN TASC0: It's interior
24 lighting.
25 MS. KAPLAN: Interior lighting.

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2 COUNCILWOMAN TASC0: Okay. So Property
3 wouldn't handle that.

4 MS. KAPLAN: Well, the decision was
5 made, I guess, fairly early in the Rendell
6 Administration that it would be advantageous to
7 have a Municipal Energy Office that would -- I
8 think the way they actually started out was by
9 doing energy audits on the largest City
10 facilities, you know, starting with the largest
11 facilities where they thought the payback in terms
12 of cost savings through more efficient use of
13 energy would be the greatest. And then gradually,
14 they worked their way to smaller City buildings.
15 And we've gradually, over the last eight years and
16 are now continuing into the future, have been
17 making various kinds of energy improvements either
18 in lighting or in the power systems, the fuel
19 systems, a whole variety of things to reduce
20 energy consumption.

21 COUNCILWOMAN TASC0: Does this take
22 care of -- does this dollar amount take care of
23 the actual work?

24 MS. KAPLAN: Yes.

25 COUNCILWOMAN TASC0: Or is this --

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2 MS. KAPLAN: The replacement of the
3 lamps and the labor.

4 COUNCILWOMAN TASC0: Why couldn't they
5 do the energy audit in the analysis and then, of
6 course, the Property Department replace the
7 lighting?

8 MS. KAPLAN: I can't answer that
9 question. It was decided that it would be better
10 to have it under the Energy Office 'cause they
11 would do the audit, they would, you know, know
12 what fixtures to purchase. We have someone here
13 who can to answer that question.

14 (Witness comes forward.)

15 MR. MILLER: My name is Kent Miller,
16 I'm the Executive Director of the Municipal Energy
17 Office.

18 Our work in reducing energy for
19 lighting involves several steps. We first do an
20 audit of the facility, and we look at the lighting
21 and see if it's energy-efficient by current
22 standards. And if it is, then we ask for capital
23 dollars to replace the lighting. We have private
24 contractors that do this. Sometimes it involves
25 just replacing a bulb, but usually it's replacing

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2 the ballast and the bulbs and the fixtures.

3 COUNCILWOMAN TASC0: So it doesn't have
4 to go -- none of this money goes through the
5 Procurement Department?

6 MR. MILLER: Oh, yes. After we've
7 identified a project and it's funded in the
8 Capital Program, then we put it out to bid.

9 COUNCILWOMAN TASC0: So why wouldn't
10 Public Property perform this function?

11 MR. MILLER: Well, perhaps they did
12 before the Municipal Energy Office was created.
13 I'm not sure who handled it then.

14 But the Energy Office was created, I
15 believe, in 1993, with the idea of championing the
16 cause of energy cost reduction. And so we're the
17 ones who look for opportunities to reduce the
18 City's utility budget.

19 COUNCILWOMAN TASC0: Does -- so your
20 efforts are directed to the City buildings
21 property?

22 MR. MILLER: Yes.

23 COUNCILWOMAN TASC0: All right, nothing
24 on the Streets. Do you advise the Streets
25 Department about street lighting and --

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2 MR. MILLER: Well, the City street
3 lighting is -- the technology used for city
4 street-lighting is the most efficient and
5 cost-effective technology available.

6 But we did recommend that the Streets
7 Department use a new technology for traffic
8 signals, and we received about \$3 million in 1995
9 or 1996 to replace all of the red traffic signal
10 lights. There are about 28,000 of them, and we
11 estimated we're saving about \$800,000 a year
12 through using that technology.

13 COUNCILWOMAN TASC0: So I'm just trying
14 to trying to figure out, was this office created
15 to give somebody something to do?

16 MR. MILLER: No, I think it was -- I --
17 I --

18 COUNCILWOMAN TASC0: It seems to me
19 that the rationale could work for each department.
20 I mean, the Property Department can certainly look
21 at energy-saving measures, the Streets Department,
22 I believe they order traffic lights, could look at
23 energy-saving measures.

24 MR. MILLER: Yes, I think --

25 COUNCILWOMAN TASC0: So I mean --

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2 MR. MILLER: I think.

3 COUNCILWOMAN TASC0: So those functions
4 no longer exist in the Streets Department?

5 MR. MILLER: Well, we work with the
6 engineers and the technical people in the various
7 departments, trying to identify new energy-saving
8 technologies, but it is not their primary mission
9 to reduce energy.

10 And many cities throughout the country
11 and many states have established energy offices
12 whose primary purpose is to reduce the city's
13 energy bill, in addition to investing in -- to
14 identifying new opportunities to save energy and
15 competing for capital dollars in the Capital
16 Program. To implement those, we also work in
17 trying to reduce our energy cost through the
18 purchase of our energy supplies.

19 So there are other things we do, too.

20 COUNCILWOMAN TASC0: How large is your
21 staff?

22 MR. MILLER: Four people -- five people
23 are authorized and we have four positions filled.

24 COUNCILWOMAN TASC0: What is your
25 budget?

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2 MR. MILLER: The Operating Budget is
3 about \$800,000.

4 COUNCILWOMAN TASC0: Could one person
5 possibly be an advisor to the various departments
6 -- Streets, Public Property -- in working with
7 them to develop an energy-saving program rather
8 than set up a new department?

9 MR. MILLER: Well, the department
10 already exists and has existed for some time.

11 COUNCILWOMAN TASC0: I know.

12 MR. MILLER: And the report, you'll see
13 that we have, we believe, a good track record for
14 reducing energy costs.

15 Could we do this more efficiently than
16 we're now doing it? I think we're a pretty small
17 staff for the amount of work that we accomplish.
18 And I think our savings are a testimony to that.
19 The work that the MEO has done is saving the City
20 about \$7 million this year.

21 COUNCILWOMAN TASC0: I guess my point
22 is, if you do an assessment of, say, street
23 lights, and you, through your research and
24 evaluation, determine that if the Streets
25 Department bought a different kind of street

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2 light, they could save some money, then why are
3 you purchasing the light and why not the Streets
4 Department? I mean, your role could be advisory
5 as opposed to us now having yet another department
6 buying capital products that's done by other
7 departments.

8 MR. MILLER: I think the answer to that
9 relates to the way in which projects are funded in
10 the Capital Program. As I understand it, each
11 year, far more projects are proposed by the
12 departments for the capital programs than are
13 funded. There just isn't enough money to go
14 around.

15 It's not -- it's probably unlikely that
16 the line departments would give priority to
17 energy-saving measures. They would have other
18 needs that they would rather see funded.

19 COUNCILWOMAN TASC0: But we're still
20 spending the money. Whether you do it or the
21 department does it, the money is still being
22 spent.

23 MR. MILLER: Well, remember we have to
24 -- well, we have to prioritize -- each department
25 that makes an application has to priority-rank

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2 their projects because there isn't enough money to
3 go around, and it's likely that the other
4 departments would not give a high priority to the
5 -- their energy-saving projects because the
6 departments don't pay the energy bills.

7 The energy bills are paid from a
8 separate account, and the departments don't
9 realize any savings to their budget from the
10 energy cost reductions. So they would have no
11 real reason to champion those projects.

12 COUNCILWOMAN TASC0: Thank you very
13 much.

14 MR. MILLER: You're welcome.

15 COUNCILWOMAN TASC0: I have a question
16 relative to SEPTA, and it comes from the Public
17 Property Department.

18 (Witnesses come forward.)

19 COUNCILWOMAN TASC0: I have a very
20 simple question. The dollars that are being
21 requested for transit facilities, such as a
22 light-rail paratransit vehicle acquisition, the
23 money that's provided by the City, is that
24 matching money for the federal money?

25 TRANSPORTATION WITNESS: Yes, I'm Chris

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2 (unintelligible), from the City's Office of
3 Transportation.

4 Yes, that is matched. Typically, the
5 City provides only 1/30th of the share of capital
6 projects. A typical project is either 80 percent
7 federal, 16 and 2/3 percent State, and 3 and 1/3
8 City. Some projects are funded 97 percent by the
9 State and the remaining 3 percent by the City.

10 COUNCILWOMAN TASCO: Thank you. Thank
11 you.

12 MS. KAPLAN: Let me just add that I
13 think in the budget year, the transit projects
14 carried out through SEPTA are about \$162 million.
15 Of that \$162 million, the City has only
16 contributed \$5 million, 'cause all the rest is
17 federal or state money or money from SEPTA.

18 So it's a very high leverage.

19 COUNCIL PRESIDENT VERNA: Thank you.

20 Are there any other questions from
21 members of the committee?

22 (No further questions.)

23 COUNCIL PRESIDENT VERNA: Thank you all
24 very much.

25 I would like to remind the

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2 Commissioners that are here to please submit their
3 testimony 48 hours before public meeting -- a
4 pubic hearing.

5 This committee will stand in recess
6 until Monday, February 14, 2000, at 9:00 a.m.

7 (Adjourned at 7:48 p.m.)

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RE: COUNCIL COMMITTEE OF THE WHOLE

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BILL NO.'S 003, 004, 005

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JOSEPHINE CARDILLO,

Registered Professional Reporter