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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND PUBLIC MEETING
BEFORE COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

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11 BILL 000716 - An ordinance amending Chapter 21-1100 of
the Philadelphia Code, entitled "Community
12 Development," by amending Section 21-1108, entitled
"Economic Development."
13

14 RES. 000691 - Held at request of sponsor.
15

16 PRESENT: COUNCILMAN MICHAEL A. NUTTER, Chairman
COUNCILMAN FRANK DICICCO, Vice Chairman
17 COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN W. WILSON GOODE, JR.
18 COUNCILWOMAN DONNA REED MILLER
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2 COUNCILMAN NUTTER: Good morning, ladies
3 and gentlemen. This is a convening of the Committee
4 on Commerce and Economic Development to receive
5 testimony on Bill No. 000716. My name is Michael
6 Nutter and I'm chair of the committee. At the table
7 is committee member Councilman Goode.

8 We'll ask the clerk of the committee to
9 read the title of the bill and then we will begin
10 taking testimony.

11 THE CLERK: Bill No. 000716, an ordinance
12 amending Chapter 21-1100 of the Philadelphia Code,
13 entitled "Community Development," by amending
14 Section 21-1108, entitled "Economic Development."

15 COUNCILMAN NUTTER: Thank you.
16 Councilman Goode, do you have opening
17 remarks?

18 COUNCILMAN GOODE: Yes. Thank you,
19 Mr. Chairman.

20 I'm requesting that the committee holds
21 Resolution 00691 at the request of the principal
22 witness, which is undergoing some organizational
23 changes since its introduction.

24 I'm also offering an amendment to Bill
25 000716, after consultation with the Philadelphia

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2 Association of Community Development Corporations,
3 PACDC. PACDC feels that the extreme administrative
4 costs associated with the Community Development
5 Block Grant Program, which the Chair has pointed out
6 on numerous occasions, there's a 25 percent mandate
7 for economic development for affordable housing
8 production. I believe as we seek to lower
9 administrative costs, there will be more money
10 available for all community development activity.
11 But for now, we will seek to come close to that goal
12 while ensuring that there is a mandate for
13 investment in economic development undertaken by
14 CDCs.

15 The amendment reads as follows: "At least
16 5 percent of all program year funds should be
17 allocated to economic development programs
18 administered by community development corporations."

19 The amendment fulfills the original goal,
20 removing the cap on economic development funds and
21 brings us closer to the other goal on the original
22 bill of 25 percent, considering the investment in
23 non-CDC economic activity at Commerce, PIDC, PCDC,
24 and small-business lending. Furthermore, it targets
25 resources toward community-based organizations

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2 through a legislative mandate.

3 Let me thank all of those who came to
4 testify on behalf of the bill's proposed amendments.

5 Thank you, Mr. Chairman.

6 COUNCILMAN NUTTER: Thank you, Councilman.

7 We've also been joined at the table by
8 committee member Councilwoman Blondell Reynolds
9 Brown.

10 Councilman, I'm assuming that at the end
11 of the hearing, we'll make a motion on the
12 particular amendment that you have. But the
13 testimony that we'll hear will be relevant to the
14 amendment as read into the record?

15 COUNCILMAN GOODE: Absolutely. I've read
16 the amendment into the record. I also have copies
17 of the amendment for members of the committee.

18 COUNCILMAN NUTTER: Very good.

19 The first testimony we'll hear is from
20 Mr. Rick Sauer.

21 (Witness comes forward.)

22 COUNCILMAN NUTTER: Please proceed.

23 MR. SAUER: Good morning, Councilman
24 Nutter, Councilman Goode, and Reynolds Brown.

25 I'd like to thank you for the opportunity

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2 to testify on Bill 716. My name is Rick Sauer, and
3 I'm the Executive Director of the Philadelphia
4 Association of Community Development Corporations, a
5 citywide association of 78 community development
6 corporations and other organizations working to
7 revitalize the City's neighborhoods and rebuild
8 communities. I'm here today on behalf of our
9 members, to voice our strong society support for the
10 amended version of Bill 716, which directs the City
11 to allocate at least 5 percent of its annual
12 community development block grant funds to economic
13 development programs administered by CDCs.

14 A growing number of CDCs are undertaking
15 economic development activities as part of their
16 comprehensive approach to revitalizing
17 neighborhoods. They recognize the important role
18 that economic development plays in neighborhood
19 stabilization and meeting resident needs.

20 Of our 18 CDC members actively involved in
21 this area, several have had economic development and
22 job creation as a central focus of their efforts for
23 years, while other groups have more recently begun
24 working to revitalize the neighborhood commercial
25 corridors. Their economic development activities

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2 range from supermarket and commercial space
3 development to business development and support
4 services operating mainstream programs,
5 special-service districts, and undertaking other
6 efforts to strengthen neighborhood commercial
7 corridors. We have several our members here today
8 to testify who will provide more specifics on the
9 work they're actually doing in economic development.

10 Many groups are linking their housing
11 development, workforce development, and other
12 community development activities to economic
13 development in order to increase the overall impact
14 of their work. Housing development can help
15 establish the residential base that's needed to
16 support local businesses while business creation
17 recruitment can provide the local jobs for
18 participants in the workforce development programs
19 as well as other opportunities for other
20 neighborhood residents.

21 And, as you know, sponsors in
22 neighborhoods economic development activities,
23 whether they're CDC or other, have the daunting task
24 of assembling a jigsaw puzzle of financing from a
25 wide variety of sources, ranging from the City, the

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2 State, federal agencies, private lending
3 institutions, foundations, and investors.

4 A key to the success of these projects,
5 though, and their programs, has been their ability
6 to utilize public-sector funds to leverage resources
7 from the private sector. Over the past decade, our
8 member CDCs have created over one million square
9 feet of commercial and retail space in the
10 neighborhoods, organized businesses, created
11 hundreds of jobs, and increased local access to
12 local goods and services.

13 And the survey we conducted earlier this
14 year found that they had 18 additional commercial
15 development projects currently in the pipeline.
16 While they had the vast majority of the financing
17 they needed for those projects in place, there
18 remained a need of about \$13 million in gap funding
19 to bring the projects to fruition.

20 A critical source of funding for the
21 economic development activities of these programs
22 are programs operated by the City's Commerce
23 Department, PIDC, and PCDC. And certainly the City
24 has been very supportive of the efforts of CDCs to
25 undertake economic development activities; and in

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2 fact, some of these programs operated by the City,
3 such as the Neighborhood Development Fund and the
4 Neighborhood Development Grants Program, received a
5 significant infusion of resources for the current
6 fiscal year. However, funding for the economic
7 development programs typically accessed by CDCs has
8 fluctuated greatly over the past years.

9 Funding for pre-development acquisition,
10 gap financing for commercial development projects,
11 streetscape, and facade improvements in support of
12 CDCs' work with local business to strengthen
13 commercial corridors is crucial. Bill 716
14 recognizes the important role that CDCs are playing
15 in neighborhood economic development in Philadelphia
16 and it would help ensure a steady annual flow of
17 funding to support this work.

18 We strongly urge you to release the bill
19 from committee today as amended, and I want to thank
20 you for the opportunity to testify. We certainly
21 look forward to working with City Council and the
22 City to advance revitalization of our commercial
23 corridors and create economic activity for our
24 neighborhoods.

25 COUNCILMAN NUTTER: Thank you very much

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2 for your testimony. We will also include your
3 written testimony as a part of the record as if the
4 testimony had been red into the records.

5 Are there any questions for Mr. Sauer?

6 (No questions.)

7 MR. SAUER: Okay, thank you.

8 COUNCILMAN NUTTER: We have -- the next
9 panel is a group of individuals: Steve Culbertson,
10 Rahim Islam, Fara Jimenez, Stephen Kazanjian, and
11 John McDonald. If we could have that group come up
12 as a panel.

13 (Witnesses come forward.)

14 COUNCILMAN NUTTER: While the panel is
15 assembling, I have a couple housekeeping notes and
16 announcements:

17 One, I should have started the hearing by
18 saying I appreciate everyone adjusting their
19 schedule. I recognize that this hearing was
20 originally scheduled for yesterday. Councilman
21 Goode was good enough to be flexible with respect to
22 holidays taking place yesterday, and I know that
23 there was probably some impact on many of you who
24 are here, your time, as well as some other
25 individuals who may not have been able to attend.

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2 Secondly, we've been joined by other
3 Councilmembers: Councilman DiCicco, vice chair of
4 the committee; Councilwoman Donna Reed Miller. At
5 this point, the committee has a quorum of members
6 and we will continue with the testimony.

7 I have one last thing to do before we
8 start and then we'll hear your testimony. If you
9 have written testimony, you can hand it in, and it
10 will be included in the record as if it had been
11 read naturally. If you want to make other comments,
12 that will be fine.

13 Hold on for one second.

14 - - -

15 COUNCILMAN NUTTER: Good morning, panel.
16 We'll assume that you've determined amongst
17 yourselves who will start, so let's begin the
18 testimony of this panel.

19 Don't everyone start at once.

20 MR. MCDONALD: Good morning, everyone. I
21 am John McDonald. I am serving as president of the
22 CDC Association and I am also president and CEO of
23 Impact Services Corporation, a CDC located up in the
24 Kensington section of the City.

25 Impact has been involved in economic

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2 development for a number of years since our
3 inception, and frankly, it's given us the
4 opportunity to create a significant number of jobs
5 over the years: We've placed over 20,000 people in
6 work.

7 What we have attempted to do with our
8 economic development efforts early on was to create
9 positions when they weren't available, when the job
10 mark was really tight. And we ran various
11 businesses such as the demolition. We're in
12 demolition, we're in construction, we build a number
13 of houses. In addition to that, we run a golf
14 course and we are in the rough cast business,
15 producing a number of jobs for ex-offenders and
16 ex-addicts that were in rehabilitation.

17 These efforts did a lot for our particular
18 community and gave us the opportunity to move
19 forward with a number of sustaining businesses that
20 have been in existence for more than 15 years.

21 Impact runs Impact Archives; you may have
22 seen our trucks running around town. We also run an
23 educational kit business in conjunction with the
24 Franklin Institute. Every youngster within the City
25 of Philadelphia, grades 1 to 6, has used our kits to

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2 learn science.

3 In addition to that, we have a copy center
4 that's located right across the street that works
5 with the litigation field, litigation copy, and
6 other businesses.

7 And all of these activities have created
8 significant revenues for the organization. Our idea
9 was, our neighborhood doesn't seem to have a lot of
10 money. And over the years, there hasn't really been
11 a lot of interest in trying to do much in this area.
12 And our effort in economic development was to work
13 where the money was; obviously, that's the reason
14 for the archives and the copy and the educational
15 kits.

16 We earn the dollars from people in areas
17 outside of our particular location. The money comes
18 back to us and bounces multiple times throughout the
19 community as a result of the salaries we pay to our
20 employees.

21 Impact has a budget of between 8 and 10
22 million. We have 130 employees full-time and we're
23 in a variety of other endeavors aside from just
24 economic development, but that is the heart of our
25 operation.

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2 So, again, we obviously are in total
3 support of this bill to create a steady flow of
4 funding for CDCs; I think you'll see a lot of
5 miraculous things happen that would spur other
6 development with the area and bring outside dollars
7 into the community to assist in the commercial
8 strips. Also, you would see companion housing
9 developed around the commercial strips. We are
10 working at K&A, trying to revise the business in
11 that particular area.

12 So, again, I'll pass the torch to some of
13 our other members here. Thanks for letting us
14 testify.

15 MR. CULBERTSON: My name is Steve
16 Culbertson. I'm the executive director of the
17 community development corporation of Frankford Group
18 Ministry.

19 We're absolutely in support of this bill.
20 The work that CDC does in Frankford is comprehensive
21 in nature. We work in economic development, in
22 residential development, and in workforce
23 development.

24 The economic development we do is critical
25 to the revival of the Frankford section of

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2 Philadelphia. Frankford Avenue, as you may know, is
3 sort of an artery through our community and through
4 much of the eastern part of Philadelphia. We cover
5 about 13 blocks of Frankford Avenue in our
6 geographic territory, and we've been actually very
7 successful in attracting new businesses to Frankford
8 Avenue and increasing the occupancy on Frankford
9 Avenue.

10 I'm going to defer to my partner, Sloan
11 Folks (ph.), who's the director of economic
12 development for the CDC, to give more detail to the
13 program, but we are absolutely in support of the
14 bill.

15 MR. FOLKS: Good morning, members of the
16 panel. My name is Sloan Folks, the director of
17 economic development for the CDC-FGM. I just want
18 to discuss a few of our activities and economic
19 development with the CDC.

20 We've been in operation specifically in
21 economic development since 1994. Our activities
22 include a nationally recognized mainstream program.
23 We manage a special-services district that began
24 operation in 1996. Some of our commercial corridor
25 activities include commercial property acquisition,

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2 rehab, and resale. We have assistance to industrial
3 companies in the lower northeast section of the
4 City, we provide entrepreneurial training and
5 small-business development as well as linkage to job
6 opportunities in the private sector.

7 If there are any questions about our
8 activities, I'd be more than happy to answer them.

9 Thank you.

10 COUNCILMAN NUTTER: Thank you.

11 Next.

12 MS. JONES: My name is Gabrielle Jones.
13 I'm the director of economic development for the
14 Partnership CDC. I'm here to offer testimony in
15 support of Council Bill 716.

16 Over the past nine years, we've become
17 more and more engaged in economic activities in West
18 Philadelphia. In 1997, the Philadelphia Commerce
19 Department invested \$28,000 in economic stimulus
20 grants in the Coors Company, our for-profit
21 subsidiary. We were required to utilize dollars to
22 create 10 new jobs, and we were able to expand that
23 goal and create 75 new jobs. As a result, we have
24 been able to generate well over \$280,000 in tax
25 revenues, ten times the City's one-time initial

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2 investment.

3 We started the Mercy Special Services
4 District in 199 within our targeted area in West
5 Philadelphia in large part through funding from the
6 Philadelphia Commerce Department. The special
7 service district provides cleaning services along
8 our major commercial corridors.

9 Through the special service district,
10 we've been able to impact the physical environment
11 of our commercial corridors and create a friendlier
12 environment to live, work, and do business. We are
13 active in the business associations on the 40th,
14 52nd, and 60th Street commercial corridors. We work
15 with these corridors to bring the business owners
16 together so that they have a strong, cohesive voice
17 in effecting continuity and strength in their
18 respective commercial districts.

19 We are currently engaged in the blight
20 removal project on the 60th Street commercial
21 corridor. This project will create lower density to
22 an older, deteriorated corridor and provide land
23 banking opportunities which can be used to attract
24 development.

25 Recently, we have turned our focus to

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2 commercial retail projects as a means to both
3 stimulate the economy in our area as well as to
4 produce income-generating projects for the CDC. We
5 completed renovations on a storefront office, which
6 became our new headquarters in 2000. We have now
7 begun construction on the adjacent storefront
8 office, which once completed, will be leased out to
9 a commercial enterprise.

10 Throughout each of our economic
11 development ventures, we've had a large degree of
12 success, leveraging private and institutional
13 capital for projects. New partnerships with
14 entities like Mercy Hospital of Philadelphia, the
15 University of Pennsylvania, and the University City
16 district, we've been effective in stimulating
17 growth, growing interest in economic development in
18 our area.

19 We feel that a commitment from the City of
20 Philadelphia to continue investment in economic
21 development projects within our neighborhoods will
22 aid in our efforts to leverage private dollars for
23 our development.

24 Thank you.

25 MR. KAZANJIAN: Good morning, Mr. Chair

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2 and members of the committee. My name is Steven
3 Kazanjian, and I'm the executive director of Greater
4 Germantown Housing Development Corporation, a CDC
5 that works in the northwest section of the City of
6 Philadelphia.

7 Since our inception in 1977, GGHDC has
8 built over 600 units of housing and developed over
9 125,000 square feet of commercial space. Although
10 housing activity has been the main focus of our
11 organization, in the late 1980s, we realized that we
12 really need to start rebuilding the economic fabric
13 of the Germantown community.

14 A tour of Germantown will show you that
15 the commercial corridor deterioration has not only
16 led to loss of jobs, but it also has negatively
17 impacted the housing stock that is the fabric of our
18 neighborhood.

19 We are pleased that City Council is
20 considering Bill 716, and we support the bill
21 completely.

22 Just during my tenure at GGHDC, the
23 neighborhood has lost several major manufacturers,
24 including Asher Candy, London Harness, and these
25 employers have taken away hundreds of jobs from the

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2 community.

3 We began our economic development activity
4 in 1992 with the development of Freedom Square, a
5 20,000 square foot shopping area that was seeded
6 with capital from the Commerce Department. We also
7 have developed over 125,000 square feet in our new
8 Birches Building complex, which is a retail office
9 complex.

10 Since that time, we've also expanded into
11 other activities to include a broader range of
12 economic development work. These include an
13 entrepreneurial training program, where we have
14 assisted over 250 residents to do entrepreneurial
15 training to provide the resources necessary to
16 create new businesses. Out of those residents that
17 have gone through the program, over 20 of them have
18 started and/or expanded business opportunities in
19 the neighborhood. And we are also working with many
20 of these businesses to house them in retail
21 storefronts and office developments.

22 However, this labor-intensive activity has
23 no dedicated funding source for GGHDC, and we need
24 to find new ways of funding this type of activity.
25 It's very expensive for our organization.

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2 Since our inception, we have leveraged --
3 with \$1.9 million in City resources, we have
4 leveraged over \$8.5 million in private debt for our
5 development activities as well as \$1.1 million in
6 State, federal, and foundation funding for economic
7 development activities in Germantown.

8 But we need to do more. The fact of the
9 matter is that the economic obsolescence of the real
10 estate in Germantown requires significant City
11 subsidies, and Bill 716 would help GGHDC and the
12 other CDCs in the City to do more work to revitalize
13 our neighborhoods.

14 Thank you for your consideration of this
15 bill.

16 COUNCILMAN NUTTER: Thank you for your
17 testimony.

18 Are there any questions for members of
19 this panel?

20 (No questions.)

21 COUNCILMAN NUTTER: Seeing none, thank you
22 very much.

23 We will next have Peter Gonzales and
24 Francis Vargas. And if there are any other members
25 of the public who wish to testify, if you would see

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2 the clerk of the committee, Mr. Matt Quigley, and
3 let me him know who you are so we can get you on the
4 list.

5 (Witnesses come forward.)

6 COUNCILMAN NUTTER: Gentlemen, good
7 morning, good morning. If you have written
8 testimony, please hand it up -- Mr. Vargas, I know
9 we have yours. Your written testimony will be
10 included as a part of the record as if it had been
11 read. You can certainly make any comments or
12 present your testimony.

13 Please proceed.

14 MR. VARGAS: Good morning. My name is
15 Francis Vargas, and I'm here today representing
16 Asociacion de Puertorriquenos en Marcha, Inc.

17 (Mr. Vargas reads verbatim his
18 written testimony, which is
19 attached hereto.)

20 COUNCILMAN NUTTER: Very good. Thank you.

21 MR. GONZALES: Good morning, members of
22 the Committee on Commerce and Economic Development.

23 COUNCILMAN NUTTER: Good morning.

24 MR. GONZALES: My name is Peter Gonzales,
25 and I'm here to testify today on behalf of Project

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2 H.O.M.E.

3 Since 1995, Project H.O.M.E. has pursued
4 neighborhood revitalization efforts in a 33 square
5 block neighborhood in lower North Philadelphia,
6 focusing on affordable housing development, vacant
7 land reuse, and economic stimulation. With limited
8 funding for economic development, we've been able to
9 accomplish a few important tasks.

10 During the Rendell Administration, we
11 earned designation for a portion of Ridge Avenue as
12 a graffiti-free zone, entitling us to City-funded
13 graffiti removal services. In 1997, we completed a
14 neighborhood labor force survey in partnership with
15 the Reinvestment Fund. In 1998, we contracted with
16 a private consultant to assess business conditions
17 and develop a workforce development strategy.

18 In April 2000, through a generous grant
19 from the William Penn Foundation, Project H.O.M.E.
20 began working with local businesses, community
21 leaders, neighborhood residents and institutions to
22 develop an economic development strategy for the
23 Ridge Avenue commercial corridor from 21st Street to
24 30th Street. So far, we have helped reestablish the
25 local business association, we organized two

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2 cleanups on Ridge Avenue in collaboration with the
3 Commerce Department and the Managing Director's
4 Office, mobilizing nearly 100 volunteers to sweep
5 the sidewalks and remove trash and debris from four
6 City-owned vacant lots.

7 This past spring, we received a planning
8 grant from the Commerce Department to help us
9 develop the Ridge Avenue Revitalization Plan. The
10 plan, which will be completed next month, identifies
11 strategies for making physical improvements to the
12 commercial corridor, strengthening the existing
13 businesses, and attracting new businesses.

14 With a \$25,000 grant from the William Penn
15 Foundation, we will implement the first in a series
16 of small-scale projects along Ridge Avenue over the
17 next few months. The projects may likely include
18 fixing sidewalks, installing new signage and trash
19 cans, dealing with parking issues, addressing safety
20 and security concerns, or reusing vacant buildings
21 and lots.

22 In order to help Ridge Avenue rebound from
23 decades of neglect, we will need a consistent stream
24 of City funding to support these efforts. With
25 financial support from the City, Project H.O.M.E.

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2 will be able to leverage more private dollars to
3 implement improvement projects, strengthening the
4 existing businesses and attracting new business to
5 the avenue.
6 Thank you.
7 COUNCILMAN NUTTER: Thank you.
8 Any questions by members of the committee?
9 (No questions.)
10 COUNCILMAN NUTTER: Seeing none,
11 gentlemen, thank you very much.
12 MR. VARGAS: Thank you.
13 MR. GONZALES: Thank you.
14 COUNCILMAN NUTTER: Debra McColloch.
15 (Witness comes forward.)
16 MS. MCCOLLOCH: My testimony was already
17 handed in.
18 COUNCILMAN NUTTER: It was. Good morning,
19 Miss McColloch. Please proceed.
20 MS. MCCOLLOCH: Good morning, Councilman
21 Nutter and the other members of the committee. I am
22 Deborah McColloch, Director of Housing, and I'm here
23 to testify regarding Bill No. 000716.
24 The Administration would like to commend
25 Councilman Goode and this committee on your

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2 continued efforts in supporting economic development
3 in Philadelphia's neighborhoods and recognizes that
4 part of neighborhood revitalization is supporting
5 the small businesses that are the backbone of
6 successful communities.

7 While the Administration does not have a
8 position on this legislation, we would like to offer
9 commentary to assist the committee in evaluating the
10 potential effect this legislation might have on
11 future CDBG funds if this legislation is enacted and
12 becomes law.

13 As you know, the Community Development
14 Block Grant Program, as we all know it, CDBG,
15 provides funding for a variety of community and
16 economic development needs of the City, including
17 grants to homeowners, vacant structure
18 rehabilitation, neighborhood planning, community
19 greening, community economic development, and other
20 various community development activities. The
21 budget, known as the "Consolidated Plan," is
22 presented to City Council in the spring of each year
23 for review and approval, prior to submission to HUD.

24 In the current fiscal year, known as "Year
25 27," the CDBG entitlement from HUD is

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2 \$71.676 million, which supports, among other things,
3 housing production activities in the amount of
4 \$5.25 million, housing counseling for
5 \$5.147 million, grants to homeowners and other
6 preservation activities for \$9.374 million, and
7 community economic development programs for
8 \$13.4 million.

9 The current allocation for community
10 economic development programs is 18 percent of the
11 CDBG entitlement. If you included the operating
12 expenses for the Commerce Department, PIDC, and
13 PCDC, the percentage rises to 22 percent of the
14 community development block grant entitlement.

15 Again, let me emphasize the
16 Administration's support for Councilman Goode's
17 efforts in supporting community economic
18 development. However, it is important to understand
19 the impact this bill would have on the overall CDBG
20 program.

21 If you assume that the 25 percent
22 requirement includes operating expenses, the bill
23 would require an additional \$1.771 million be
24 allocated for economic development programs.
25 Presently, there's not a great deal of flexibility

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2 in the budget. Therefore, this is \$1.771 million
3 that has already been budgeted and approved for
4 other community development activities. In order to
5 meet the requirements of this legislation, other
6 housing programs would have to be cut. At the
7 current time, there is no available source of funds
8 to increase the economic development budget.

9 Now, subsequent to this testimony being
10 prepared, I received the proposed amendment that
11 changes the percentage from 25 percent of the CDBG
12 allocation to 5 percent to be administered by CDCs.
13 This 5 percent is met in the current budget. We are
14 currently meeting that. Without any changes to the
15 existing budget, we would meet this legislation.
16 The funding that is flowing from Commerce to CDCs
17 actually exceeds 5 percent.

18 So I just wanted to put that out since my
19 testimony changes a little bit based on the change
20 with the amendment.

21 COUNCILMAN NUTTER: I understand.

22 MS. MCCOLLOCH: Thank you for this
23 opportunity to speak to you this morning. If you
24 have any questions, I'd be happy to answer them.

25 COUNCILMAN NUTTER: You're welcome.

1 9/20/01 COMMERCE/ECON. DEV. BILL 000716

2 The Chair recognizes Councilman Goode.

3 COUNCILMAN GOODE: Thank you,
4 Mr. Chairman.

5 Actually, I did speak to the Mayor about
6 this bill, which was introduced last November 16th,
7 and asked for a position. He referred me to the
8 Chief of Staff, who referred me to Jeremy Nowak, who
9 said that basically, they had decided what to do
10 about economic development activity yet, as
11 community development efforts were being redefined
12 in the neighborhood transformation.

13 I appreciate the testimony on the bill as
14 relates to 25 percent of CDBG money going to
15 economic development. The concerns of the Office of
16 Housing were the same concerns that PACDC had.

17 Essentially, I took the amendment to this
18 bill to the committee of PACDC, which did respond to
19 this bill, and I think that your statement is true
20 that in this year, economic development funding to
21 CDCs is above 5 percent, but this is a year unlike
22 any other year, I think, because we put in a bill
23 for 25 percent of all CDC money, and traditionally,
24 CDC economic development activities have only been
25 funded at 2 to 3 percent.

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2 COUNCILMAN NUTTER: Thank you, Councilman.

3 Ms. McColloch, I would only add to the
4 record, as you went through the list of the dollars
5 that go to certain programs, and I notice -- and I
6 know you've made specific mention in your testimony
7 that the current allocation for community economic
8 development programs is 18 percent of the CDBG
9 entitlement.

10 I would only add to the record that
11 presently, program delivery and administrative
12 costs, at \$31 million, represents 43.7 percent of
13 the CDBG allocation. And I think that that's
14 important to add to the record on this particular
15 issue. You and I have had that discussion over a
16 period of years.

17 MS. MCCOLLOCH: Yes.

18 COUNCILMAN NUTTER: And I think it's
19 important in this context.

20 MS. MCCOLLOCH: Yes.

21 COUNCILMAN NUTTER: Any other questions
22 for Miss McColloch?

23 (No questions.)

24 COUNCILMAN NUTTER: Seeing none, thank you
25 for your testimony.

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2 Is there anyone else who wishes to testify
3 on this bill?

4 (No response.)

5 COUNCILMAN NUTTER: Seeing none, that will
6 conclude our public hearing.

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1 9/20/01 COMMERCE/ECON. DEV. PUBLIC MEETING

2 COUNCILMAN NUTTER: We will now move into
3 our public meeting.

4 The Chair recognizes Councilman Goode for
5 the purpose of making a motion regarding an
6 amendment to Bill 000716, previously read into the
7 record.

8 COUNCILMAN GOODE: Thank you,
9 Mr. Chairman. I move that the amendment to Bill
10 716, as read into the record and distributed to
11 members of the committee, be adopted.

12 (Duly seconded.)

13 COUNCILMAN NUTTER: It has been moved and
14 properly seconded with regard to the motion on the
15 amendment to Bill 000716. All in favor will signify
16 by saying aye.

17 Any opposed, say nay.

18 The ayes have it, the bill has been
19 amended.

20 The Chair recognizes Councilman Goode with
21 regard to a motion on Bill 716, as amended.

22 COUNCILMAN GOODE: Thank you,
23 Mr. Chairman. I move that Bill 716, as amended, be
24 reported out of committee with a favorable
25 recommendation and that the rules of Council be

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2 suspended so as to allow for first reading at our
3 Council session today.

4 (Duly seconded.)

5 COUNCILMAN NUTTER: It has been moved and
6 properly seconded with regard to Bill No. 000716, as
7 amended.

8 All in favor will signify by saying aye.

9 Any opposed, say nay.

10 The ayes have it and the amended bill has
11 been reported out of this committee with a favorable
12 recommendation and a recommendation that the rules
13 of Council be suspended so as to permit first
14 reading at our next session.

15 That concludes the business of the
16 Committee on Commerce and Economic Development.

17 The resolution, No. 000691, was held at
18 the request of the sponsor, Councilman Goode. That
19 will be heard at a another hearing at the call of
20 the chair.

21 Thank you very much.

22 (Proceedings end at 9:47 a.m.)

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CERTIFICATE

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia's meeting of the Committee on Commerce
and Economic Development of Thursday, September 20,
2001, are contained fully and accurately in the
stenographic notes taken by me upon, and that this
is a true and correct transcript of same.

RE: Ordinance No.000716

_____,
Josephine Cardillo
Registered Professional Reporter
and Notary Public

(The foregoing certification of this
transcript does not apply to any reproduction of the
same by any means, unless under the direct control
and/or supervision of the certifying reporter.)