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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING - COMMITTEE ON RULES

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Room 400, City Hall
Philadelphia, Pennsylvania
Monday, October 25, 2004, 10:20 a.m.

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BILL 040873 - An Ordinance authorizing the extension of the term of the Center City District pursuant to the provisions of the Municipality Authorities Act until 2025; approving the plan, estimated costs and proposed method of assessment and charges of the Center City District for an concerning business improvements and administrative services to the central business district of the City of Philadelphia for 2005-2009; and approving estimated costs for debt service through 2025; all under certain terms and conditions.

PRESENT:

COUNCILMAN DARRELL L. CLARKE, Chair
COUNCILWOMAN BLONDELL REYNOLDS-BROWN
COUNCILMAN FRANK DI CICCO
COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY
COUNCILMAN RICHARD T. MARIANO
COUNCILWOMAN DONNA REED-MILLER
COUNCILMAN BRIAN J. O'NEILL

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P R O C E E D I N G S

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COUNCILMAN CLARKE: Good morning. This will be a public hearing, Committee on Rules.

Will the Clerk please read the title of the two bills.

THE CLERK: Bill Number 040873, an ordinance authorizing the extension of the term of the Center City District pursuant to the provisions of the Municipality Authorities Act until 2025; approving the plan, estimated costs and proposed method of assessment and charges of the Center City District for an concerning business improvements and administrative services to the central business district of the City of Philadelphia for 2005-2009; and approving estimated costs for debt service through 2025; all under certain terms and conditions.

Bill 040467, an ordinance to amend the Philadelphia Zoning Maps by changing

the zoning designations of certain areas of land located within an area bounded by Rittenhouse Street, Pulaski Avenue, Chelten Avenue and Morris Street.

COUNCILMAN CLARKE: Okay. There being a quorum, we have Councilman Kenney, Councilwoman Donna Reed-Miller, Councilwoman Blondell Reynolds-Brown, and Councilman Kelly present.

Is there anyone here to testify on Bill Number 040873?

Good morning, gentlemen. Would you please state your name for the record.

MR. ZARITSKY: Good morning. Joe Zaritsky, Chairman of the Center City District.

MR. LEVY: Paul Levy, C.E.O. of the Center City District.

COUNCILMAN CLARKE: Please proceed.

MR. ZARITSKY: Good morning, members of City Council.

We're here this morning to ask Council support for extension of the life of the Center City District from 2015 to

2025.

The extension will enable us to reduce the taxes to the property owners this coming year, and at the same time increase our clean and safe services.

I believe you would agree with me that since the Center City District was formed with your help 14 years ago, the City has become a much more welcoming place, resulting in thousands of new residents moving into Center City.

If Council would like, we have several people here today, or they will be here today to testify in favor of the change.

And I thank you for your consideration of this matter.

And Paul Levy, our very able C.E.O., is here to provide you with an overview of our revised plan and budget, and any details you may require.

Thank you.

MR. LEVY: Thank you.

Good morning, Councilman Clark. And

I have copies of my testimony here for members of Council.

I will be brief, since Joe covered the highlights here.

In essence, by extending the life of the District for ten years, and then taking advantage of current low interest rates, we will be able to reduce our annual debt service payments from approximately $1.8 million a year to approximately $1.2 million a year.

And it's our intention to devote those savings to two purposes. One is actually a reduction in charges in 2005 to property owners, but most importantly, an increase in services, both cleaning into the evening hours and enhanced landscape maintenance services.

I'm going to skip over the first part of my testimony, but simply to say that the savings we envision will fall to both property owners, hotel owners, office owners, and retail property owners.

We have been through the mandated

process that is required under the Municipality Authorities Act, the act under which you created the District back in 1990.

Beginning in June of 2004, we mailed our proposed plan and budget to all 2,161 property owners been the District. We also mailed it to 2700 tenants, office and retail tenants, and thousands more to businesses. We mailed 16,000 ultimately.

We publicly posted our plan and budget on our web site. We then placed ads in the Philadelphia Inquirer and in the Daily News.

We then were required to hold our own public hearing on July 15, 2004. We had 20 individuals testify in favor. No one came to that hearing to testify against.

And then, again following the Municipalities Authorities Act, there was a 45-day period of time under which property owners could register objections.

What I have brought with me today is

the report from our accountants, Asher and Company, which is just their certification of the votes that were cast.

And again, property owners have to send an objection to both the CCD and to the Office of the Clerk of City Council here.

Technically and legally, we only had one negative vote, but what we are giving you all the letters that we got within that period of time.

We had someone who objected outside the period of time. That is, they objected before the deadline. We had somebody object, and then withdraw their objection. And then we had someone say our costs were too high.

Technically and legally there was only one negative vote cast, but we are providing you a list of all five letters.

The bottom line is, even if you counted all five -- and only one, we think, met all the tests of the law -- we had less than one percent of the owners objecting.

So, out of 2,161 properties, we had one legally object and three or four others who at least raised some concern. Other than that, we had very strong support from everyone else.

Based on us following the process, and assuming you have no additional questions on our plan and budget, we are asking you today to approve that plan and budget or to ratify what has been approved by the property owners.

And then, I believe you have in front of you an amendment which has been worked out with the Commerce Department and Law Department, simply at the request of our underwriters, to clarify that what you are authorizing is the five-year plan and budget, but then debt service payments through 2025. And I believe you have that language in front of you.

That has been agreed upon by the CCD, the Law Department and Commerce Department.

Finally, if following any questions

you may have, if you are comfortable in support and approve this, we are requesting that today you suspend the rules so the first formal reading of this bill may occur this Thursday, October 28th.

Again, our goal is to get your approval and carry out the refinancing as quickly as possible, before interest rates drift upwards.

That really concludes my remarks, and I'm open to any questions that you may have.

COUNCILMAN CLARKE: Any questions by members of the Committee?

Councilwoman Brown.

COUNCILWOMAN REYNOLDS-BROWN: Good morning, gentlemen.

Without calling the name of the business, I'm curious to know what type of business that fell in the objection category.

MR. LEVY: Well, actually, it was not a business. It was a resident owner of a condominium.

And under our procedures, they have the option of simply sending in an affidavit and saying that they use it as their residence. This individual has sent that affidavit in every year.

For some reason they objected. They have not had to pay.

We communicated saying, just want to make sure you're understanding.

So it was a resident owner of a condominium who technically does not have to pay and has chosen not to pay.

So we're not quite clear what happened. But it was their right, clearly, to object and they chose to.

COUNCILWOMAN REYNOLDS-BROWN: Sure. Thank you.

COUNCILMAN CLARKE: Any other questions?

(No response.)

COUNCILMAN CLARKE: Thank you, gentlemen.

MR. LEVY: Thank you very much for the opportunity.

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COUNCILMAN CLARKE: Anyone else to testify in favor or in opposition to this bill?

Good morning.

MR. COFFEY: I have some additional copies of this testimony, if you would like me to hand it up.

COUNCILMAN CLARKE: Please state your name for the record.

MR. COFFEY: My name is Louis Coffey, and I'm the President of Center City Resident's Association. Good morning, Councilman Clarke.

COUNCILMAN CLARKE: Good morning.

MR. COFFEY: Other honorable members of City Council. Thank you for this opportunity to be here this morning.

Center City Residents Association was formed in 1947, in response to a proposal to create a parking garage in Rittenhouse Square.

We have about 2,500 members which include individuals, families, businesses, religious, educational and cultural

institutions.

Aside from a paid office manager, we are an all-volunteer 501 C-3 organization, financed primarily by annual membership dues.

Our resident members live in the area bounded by Broad Street and the Schuylkill River, J.F.K. Boulevard, and South Street, an area that overlaps with the Center City District.

We also have non-resident members who live outside of those boundaries.

I've been authorized and directed by my executive committee to tell you that Center City Residents Association is in favor of extending the legal life of the Center City District from its current termination in 2015 until 2025, and the five-year plan and budget being proposed by the Center City District for 2005-2009.

CCRA's core mission is to maintain and enhance the quality of life of our members.

In pursuit of that mission, CCRA has

purchased sidewalk and street cleaning and graffiti removal services from the Center City District for several years now.

In addition, CCRA and the Center City District have cooperated on projects of mutual interest, and Center City District is providing technical support to a major street lighting project that CCRA is planning for those parts of CCRA's area that is not covered by the Center City District.

Center City District is much more than street cleaning. It's an important component of Center city life. It has helped to revitalize Center City.

I've lived and worked in Center City for 35 years. And the District, under the leadership of Paul Levy, has made many important contributions to quality of life in Center City, whether it's cleaning the sidewalks and streets, graffiti removal, street lighting, public safety, street scape beautification, the lighting of the Ben Franklin Parkway and its statues or

communicating a positive image of Center City and that all it has to offer.

I would not want to contemplate what Center City would be like without the Center City District. CCRA strongly supports the continuation of the Center City District.

I know of no person or organization that has done more for the quality of life in Center City than the Center City District during its 14 years of existence.

And if the Center City District has found a way to make the financial burden a little easier for those who pay the freight, that's a good thing.

CCRA is happy to have this opportunity to speak in favor of the good work that Center City District does, and in favor of extending the legal life of the Center City District from its current termination in 2015 until 2025 and the District's five-year plan and budget for '05-'09.

We urge the Rules Committee to

report out Bill Number 040873 to City Council with a favorable recommendation, that Council pass the bill, and that Mayor Street sign the bill, enacting it into law. Thank you.

COUNCILMAN CLARKE: Thank you.

Any questions from members of the Committee?

COUNCILMAN KELLY: I just have a comment.

COUNCILMAN CLARKE: Councilman Kelly.

COUNCILMAN KELLY: Yes. I just have a comment. I'd like to commend Mr. Zaritsky, and Mr. Levy, and of course you, Mr. Coffey, for doing a great job, I think, in Center City.

And to just look at the resurgence in Center City, and I think it's going in the right direction. I think that a lot of people now are just looking at that as a real gem in Philadelphia. And I want to commend all of you gentlemen for doing, I think, a remarkable job.

And I think this Council will be able to help you in the future. Thank you.

MR. ZURITSKY: Thank you.

COUNCILMAN CLARKE: Thank you, Councilman. I concur.

Thank you, Mr. Coffey.

Mr. Levy, I think one of the members has a question of you. Could you please come forward.

Councilwoman Miller.

COUNCILWOMAN MILLER: Hi. Good morning.

MR. LEVY: Good morning.

COUNCILWOMAN MILLER: How are you doing?

MR. LEVY: Good.

COUNCILWOMAN MILLER: I'd also like to agree with what Councilman Kelly just said. I think the Center City District is a real gem.

And you know, Paul, you and I worked very closely before I became a Council member, to do a special service district in Germantown.

And I recently attended their board meeting maybe a month ago. And it's my understanding that Germantown and Frankford are having problems. I don't know whether you've heard that.

So I thought maybe... Would you be available, you know, to talk, particularly to Germantown -- I can't speak for Frankford at this moment -- to maybe provide some technical assistance around resource development or brainstorm, to get some ideas, you know.

Out in the neighborhoods, you know, Germantown and Frankford were the fist two in the neighborhoods. And we were very excited nine or ten years ago to get this district started.

And most recently the public funding has been decreased.

MR. LEVY: Yes.

COUNCILWOMAN MILLER: And I really don't know whether they can live on a life of their own, particularly since they don't have the large institutions.

When I'm reading your testimony, and you mention here about the hotels and what they'll save, and they certainly don't have large office buildings or they're not like one that University of Penn helps. So... And they don't have what South Street has. So, I was just wondering if you'd be available.

MR. LEVY: The answer is absolutely yes. We'd be delighted to help. We were certainly helpful at the beginning. And I recognize the challenge of the assessed value in that area. So, I will call your office and we'll set something up very quickly.

COUNCILWOMAN MILLER: Okay. Thank you.

MR. LEVY: Appreciate it.

COUNCILMAN CLARKE: Councilman Kenney.

COUNCILMAN KENNEY: Thank you, Mr. Chairman.

Mr. Levy, I agree also with my colleagues on the benefits of the Center

City District, and on many different levels.

Although I would -- I think you would agree with me -- and I know your work towards that goal, that nothing's ever perfect, and we keep on trying to improve it.

One of the things that has been a concern to me -- not lately but for a little while now -- is the seeming lack of police presence in the Broad Street area, on -- especially this time of year when most of our theaters and facilities are led, with a lot of food traffic on the street.

I notice when you go to New York there's always police officers directing traffic. And I notice, for example, Broad and Walnut, just trying to cross the street leaving the Academy of Music or leaving, you know, any of the facilities there is a very difficult thing.

Have we looked at the possibility of trying to have more of a police presence

for not only traffic control but for what I believe is an increase in the panhandling situation, especially on those nights?

Seems to be a little bit of becoming more and more of a gauntlet of people that are, you know, demanding money from our visitors and people attending shows.

And do we do any type of surveys for people who frequent the area, as to what they like, what they don't like? And how do we articulate some of those things to the government?

MR. LEVY: Well, let me answer your last question first. We are just on the verge of working with Avenue of the Arts and working on exactly like, a survey of what people like the most about the Avenue of the Arts, and what are the things that can be done to enhance the area.

Clearly, the challenge -- I mean, when you have a very successful area, as we do, that also acts as a magnet to people who are panhandling. And we recognize that.

We do our own special deployment out there with our community service representatives, and we're well aware of the challenges that the Police Department, as all the City government are facing now.

And so, we certainly are trying to be very visible there. And we will take that message back again to the captain of our substation as well, about the need for more visible presence, in terms of just public safety.

I think the issue of traffic is one we've talked about. And I think as an ongoing discussion, in which it is certainly our hope that we can take the congestion problems, which are a sign of success in Center City, and do a little bit more to manage them.

I know there were discussions at some point with the Parking Authority and their role. I realize the sensitivity of that.

But we're prepared to work with the City, the Police Department, and any

parties to help us manage success, which is a nice problem to have in the downtown.

But I agree, the traffic congestion issue is one that could be harmful. And just as I think Council has taken good action on South Street to help manage that, we need to be looking at that, going forward.

COUNCILMAN KENNEY: Yeah. I know it's sometimes extremely difficult to just cross Broad Street at any given point from the Kimmel up to -- up to Chestnut Street because people just don't pay -- they don't give way to pedestrians.

And I do know that myself, when I'm in a city like New York or Chicago, that police presence gives, especially visitors, a better comfort level, that people are actually looking out for their safety.

So, I appreciate any efforts in that regard.

MR. LEVY: We'd be glad to help in that regard.

COUNCILMAN KENNEY: Thank you.

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COUNCILMAN CLARKE: Thank you, Councilman.

Any other questions from members of the Committee?

(No response.)

COUNCILMAN CLARKE: Thank you, Mr. Levy?

MR. LEVY: We have one other person who's prepared to testify. I'm sorry.

COUNCILMAN CLARKE: Okay. Any other members of the audience to testify on behalf of this bill?

MR. HOWARD: Good morning.

COUNCILMAN CLARKE: Good morning. Please state your name for the record.

MR. HOWARD: Larry Howard.

COUNCILMAN CLARKE: Please proceed.

MR. HOWARD: Yeah. I'm the General Manager of the Gallery at Market East, located at 9th and Market.

And I'm just here to also support -- to say that we're in favor of extending of the life of the loan for the Center City District.

I've been General Manager of the Gallery for eight years and just want to say that they've continued to do an outstanding job.

And I think that the services are certainly very much needed and beneficial to all the businesses on East Market. So again, I'm just here to offer my support.

COUNCILMAN CLARKE: Unrelated question. Have you been approached by one of the gaming facilities to put a casino in the Gallery?

MR. HOWARD: Councilman, I have not, no.

COUNCILMAN CLARKE: All right. Thank you.

MR. HOWARD: Okay.

COUNCILMAN CLARKE: Hold on, sir. Any questions by members of the Committee for this witness?

(No response.)

COUNCILMAN CLARKE: Could you state your full name again?

MR. HOWARD: Larry Howard,

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H-o-w-a-r-d.

COUNCILMAN CLARKE: Okay. Thank you, sir.

MR. HOWARD: Thank you.

COUNCILMAN CLARKE: Anyone else to testify on behalf of this bill?

For the record, there are actually two amendments for this particular bill. They have been circulated and will be offered during the public meeting.

Can the Clerk please read the title of the next bill?

THE CLERK: Do you want the resolution?

COUNCILMAN CLARKE: Next bill.

THE CLERK: Resolution 040388. I'm sorry.

COUNCILMAN DiCICCO: Point of information, if I can, Mr. Chairman.

In the interest of time for the people who are here for the Center City District, if you want to go into the meeting and then go back in for the purpose of my resolution...

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COUNCILMAN CLARKE: No problem.

COUNCILMAN DiCICCO: I don't have a problem if you want to handle it that way.

(Public hearing concluded at 10:46 p.m.)

CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the public hearing of The Philadelphia City Council, taken on October 25, 2004, and that this is a true and correct transcript of same.

_____

DAVID A. DEIK, RPR and
Commissioner of Deeds

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