



PhillyStat Outcomes

Goal 3: Philadelphia is a place of choice

About PhillyStat

What is PhillyStat?

- PhillyStat is the City of Philadelphia's performance management program, led by the Managing Director's Office in partnership with the Finance Office. During PhillyStat meetings, City leaders review departmental performance metrics and progress toward the Mayor's strategic goals.

What are PhillyStat Outcomes Meetings?

- PhillyStat Outcomes meetings are a high-level review of the Mayor's goals and outcomes. At PhillyStat Outcomes, the Mayor or his Chief of Staff chairs while one or more Core Team member presents. The City's Core Team is comprised of the City Solicitor, the Communications Director, the Finance Director, the Managing Director, and the Deputy Mayors.

The Mayor's 5 Strategic Goals

1. Philadelphia becomes one of the safest cities in America
2. The education and health of Philadelphians improves
3. Philadelphia is a place of choice
4. Philadelphia becomes one of the greenest and most sustainable cities in America
5. Philadelphia government works efficiently and effectively, with integrity and responsiveness

Philadelphia is positioned well in a competitive region

Availability of Skilled Workers

- High rate of professional degrees, flourishing creative economy

Cost of Doing Business

- Overall costs of doing business are less than New York, Boston, and Washington

Transportation Infrastructure

- Highways, airport, port complex, and commuter rail

Research and Development

- High rates of expenditure on R&D by colleges and universities

Entrepreneurial Climate

- Fast-growing companies

Quality of Life

- World-class amenities, low cost of living

Business leaders believe Philadelphia is a Smart Choice

Tim Reeves, CEO of the Neiman Group

“Philadelphia has been rocket fuel for our growth. Tremendous talent. A vibrant creative culture. A dynamic digital community, which is key for us. World-class office space at affordable terms, enabling lower overhead that helps us to compete successfully for national clients. And a true partner in the PIDC. They have radiated enthusiasm for helping our business to grow. Our only regret is that the resulting growth and clients have us working too hard to fully enjoy the tremendous restaurants, sports and cultural amenities that also are part of Philadelphia's magic.”

William Marth, President and CEO of Teva Pharmaceuticals— The Americas.

“Making this investment in Philadelphia is significant for us both financially and emotionally as we've always considered Philadelphia to be our hometown. We have strong partnerships in Philadelphia and we're glad to be furthering our investment in this great city.”

David Adelman, CEO of Campus Apartments

“The City of Philadelphia was a true partner in bringing this project to life... As a long-time Philadelphia-based company, we are proud to work with an administration that is clearly focused on creating a welcoming environment for business and creating jobs for our local community.”

Nick Gregory, Director of Operations for Kimpton Hotels Philadelphia

“The city has been incredibly welcoming of us and the guest response to our type of product has been extremely positive. We look forward to further integrating into the community with the addition of our second property, the Monaco, and helping Philadelphia become a top travel destination.”

**Mayor's
Goal 3**

Our City Faces Challenges



- Poverty
- City/County
- Education

Goal 3

Philadelphia is a place of choice

Owner: Deputy Mayor Alan Greenberger

Outcome 1: Philadelphia is business-friendly

Lead Departments or Programs:

- Office of the Deputy Mayor for Economic Development
- Department of Commerce
- Philadelphia Industrial Development Corporation
- Licenses and Inspections
- Office of Economic Opportunity
- Workforce Investment Board
- Philadelphia Workforce Development Corporation
- Office of Finance

Outcome 2: People choose to live and stay in Philadelphia

Presented in November

City policy fosters entrepreneurship, improves processes



Philadelphia is a place of choice – a place businesses choose to start and grow and a place people come to live, work, and visit. A place like this will not just happen; it must be made by individuals and organizations that see opportunity in Philadelphia and commit the resources, time, and attention required to create a thriving, connected, renewed city.

City government's role in this context is to create a climate where public life is geared to support entrepreneurs. The strategies and initiatives outlined in this presentation mark the daily pathways we follow toward this goal.

**Outcome 1:
Philadelphia Is
Business-Friendly**

Philadelphia ranks 12 as a “Major City of the Future” by fDi

fDi Top Ten Major Cities		
1	New York, NY	US
2	Chicago, IL	US
3	Houston, TX	US
4	Toronto, ON	Canada
5	Atlanta, GA	US
6	Montreal, QC	Canada
7	Boston, MA	US
8	Austin, TX	US
9	Miami, FL	US
10	San Jose, CA	US
12	Philadelphia, PA	US

Philadelphia ranked 12th overall in a ranking of 76 Major North and South American cities by fDi, a division of the Financial Times.

fDi rankings are used by investment promotion agencies, companies, services providers and academic institutions to identify locations with the best prospects for inward investment, economic development, and business expansion.

TARGET: Philadelphia will rank in the fDi top-ten Major Cities within 6 years.

Philadelphia has room to improve its rankings

Philadelphia's Category Rankings

Human Resources	12
Infrastructure	12
Quality of Life	21
Business Friendliness	24
Foreign Direct Investment Strategy	25
Economic Potential	31
Cost Effectiveness	68

Although Philadelphia performed well given the large number of cities involved in the ranking, its individual category rankings show opportunities for improvement.

The fDi rankings help position Philadelphia on a global scale.

JUDGING CRITERIA

ECONOMIC POTENTIAL

- Population
 - Population forecast
 - GDP
 - GDP per capita
 - Unemployment rate
 - Total outward FDI
 - Proportion of outward FDI per 100,000 population
 - Total inward FDI
 - Proportion of inward FDI per 100,000 population
 - Number of patents
 - Growth in number of patents
 - Proportion of patents per 100,000 population
 - FDI in R&D and DDT
 - FDI in manufacturing
 - Number of mega projects (capex)
 - Number of mega projects (jobs created)
 - Capital expenditure on R&D projects
 - Global competitiveness index
 - Inflation
- (Information collected by fDi Benchmark)*

COST EFFECTIVENESS

- Average ann. salary for unskilled worker
- Average ann. salary for semi-skilled worker
- Average ann. salary for a skilled worker
- Average ann. office rent for a prime city-centre location
- Average ann. rent for a factory/industrial unit in a prime location
- Average price of three-bedroom house
- Cost of electricity
- 3-star/4-star hotel room price
- Petrol prices
- Minimum wage
- Cost of registering property
- Cost to export
- Cost to import
- Cost of establishing a business
- Corporation tax – state

- Corporation tax – country
- (Information collected by fDi Benchmark)*

HUMAN RESOURCES

- Unemployment rate
 - Number of 'world top-500' universities
 - Number of colleges and universities
 - Top business schools
 - Labour force with tertiary education
 - Brain drain
- (Information collected by fDi Benchmark)*

QUALITY OF LIFE

- Life expectancy at birth
 - Infant mortality rate
 - Hospital beds per 1000 population
 - SAT scores
 - Tertiary education
 - Adult literacy rate
 - GDP (PPP) per capita
 - Unemployment rate
 - Percent below poverty line
 - Household income
 - Perception of corruption
 - Crime rate
 - Download speed
- (Information collected by fDi Benchmark)*

INFRASTRUCTURE

- Upload speed
 - Download speed
 - Number of airports serving the city
 - Distance to the nearest airport
 - No. of international destinations served
 - Port size
 - World port rankings – cargo volume
 - World port rankings – container traffic
 - Logistics performance index
 - Network readiness index
 - Environmental performance
- (Information collected by fDi Benchmark)*

BUSINESS FRIENDLINESS

- Total companies within high-tech manufacturing sector

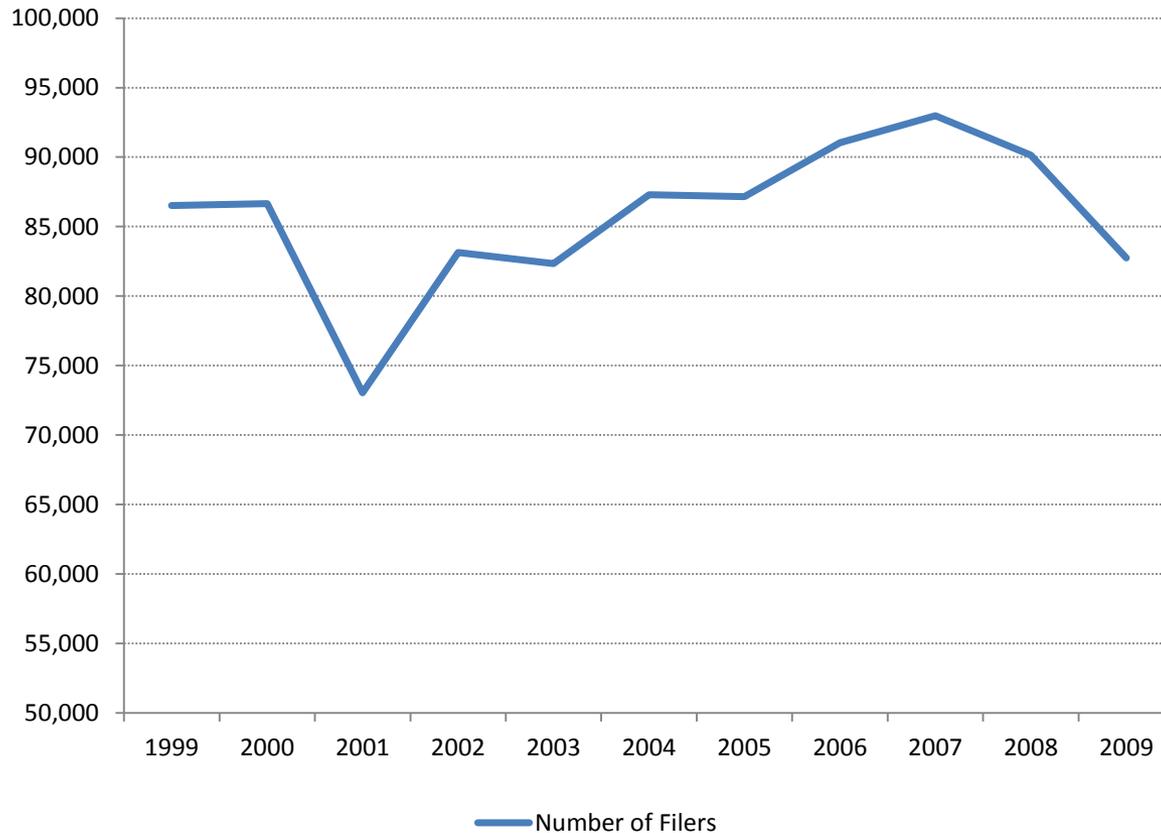
- Total companies within high-tech service sector
 - Total companies within the knowledge based sector
 - Proportion of companies within high-tech manufacturing sector per 100,000 population
 - Proportion of companies within high-tech service sector per 100,000 population
 - Proportion of companies within the knowledge-based sector per 100,000 population
 - Growth of companies within high-tech manufacturing sector
 - Growth of companies within high-tech service sector
 - Growth of companies within the knowledge-based sector
 - Number of jobs created by all inward FDI
 - The Banker's Top 1000 World Banks
 - Days taken to start a business
 - Firing costs
 - Ease of Doing Business Index
 - Economic Freedom Index
 - Corruption Perception Index
 - Free-trade agreements
 - Strength of Investor Protection Index
 - Credit rating
- (Information collected by fDi Benchmark)*

FDI PROMOTION STRATEGY

- Number of staff dedicated to promoting and facilitating inward investment and systems/programmes in place to train staff and measure performance
 - Key initiatives implemented
 - Information on high-growth sectors offering potential for inward investment
 - Incentives available to inward investors
 - Major infrastructure and planning projects
 - The vision for achieving the location's full FDI potential and why it is a location of the future
- (Information provided by cities and judged by our judging panel)*

The number of businesses filing taxes has declined 11% between 2007 and 2009

Number of Business Privilege Tax Filers Calendar Year 1999 - 2009



TARGET: To be determined.

The number of filers excludes BPT filers that file returns without any liability for either the gross or the net income portion of the tax.

Accounts in Keystone Opportunity Zones (KOZ) are excluded.

Strategies to encourage business growth and formation

I. Smart Government:

Make City services and transactions predictable and user-friendly

- 1) Make Philadelphia's Cost Structure More Competitive
- 2) Provide Businesses with One Point of Contact in the City
- 3) Streamline the Development Process
- 4) Promote the Economic Development of Minority-, Women-, and Disabled-Owned Business Enterprises (M/W/DSBEs)

II. Smart Location:

Invest in City infrastructure

- 1) Implement the Philadelphia 2035 Plan
- 2) Reform the Zoning Code
- 3) Invest in Infrastructure and Utilities

III. Smart People:

Invest in human capital

- 1) Provide Workforce Training and Professional Development to Job-Seekers in Philadelphia
- 2) Improve Educational Outcomes (Mayor's Goal 2)

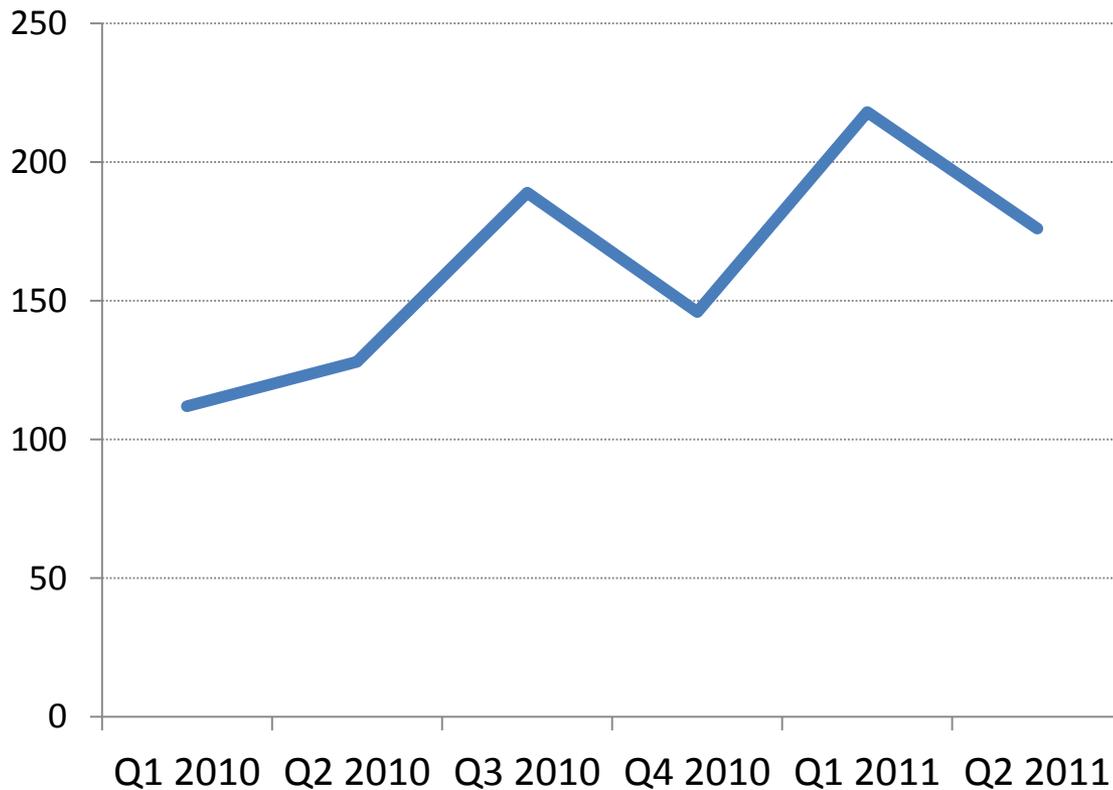
We will make Philadelphia more cost-effective through:

- In FY2014, the Administration will resume Wage and Business Privilege Tax rate reductions in order to lower the overall tax burden on businesses and residents
- The Revenue Department is piloting two programs that aim to remove disincentives for businesses to locate in the city, including market-based sourcing, and single receipts factor apportionment.
- The Administration is reforming the property assessment system in the city, and is currently implementing a complete reassessment of all real property, to ensure fair and equitable property assessments.
- The Administration is also constantly striving to improve tax collection and compliance. This year's merger of the Law Department's tax unit within the Revenue Department is expected to provide improved operational efficiency and effectiveness.
- While the City is undertaking these efforts, it is also important to recognize that **value** matters as much as **cost** when businesses make decisions.

A reorganized Office of Business Services (OBS) is handling more cases since 2010

Number of New Cases at the Office of Business Services

Calendar Years 2010 – 2011, by Quarter



Since a reorganization of the Office of Business Services in early 2010, the Office has seen significant growth in its caseload.

Smart Government: Point of Contact

OBS Client Satisfaction improved in 2010, has remained high

Customer Satisfaction with Office of Business Services

Calendar Years 2010 – 2011, by Quarter



Smart Government: Point of Contact

More information about the Office of Business Service

The Office of Business Services (OBS) was reorganized beginning of FY 2010.

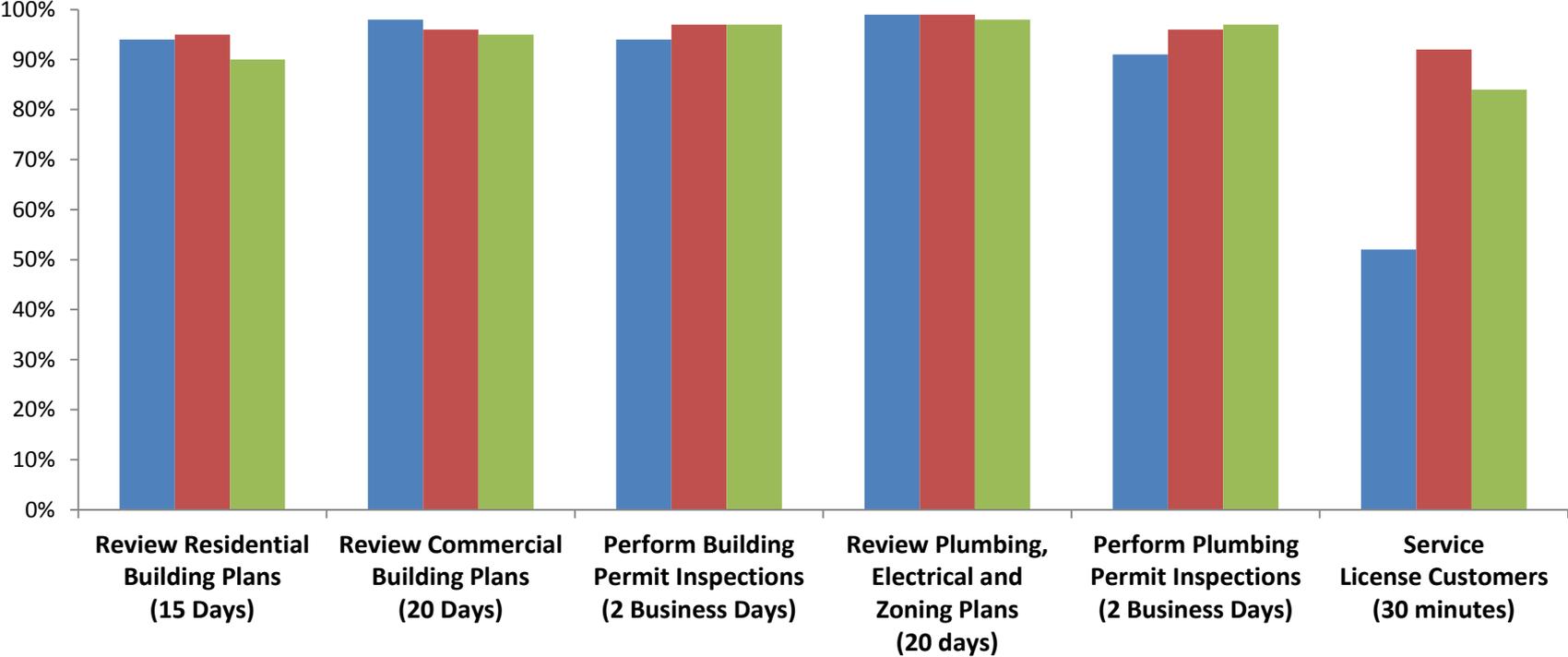
Since the reorganization, customer satisfaction with service has increased from 60% to 92%. Yet, the percent of customers who report their issue was solved hovers around 55%.

There are a few explanations for this development. Sometimes, clients call OBS very early in the process and the issue may not have been resolved at the time they were surveyed. Occasionally clients contact OBS with incorrect assumptions about what the Office has the ability to do, such as provide direct funding or grants.

OBS is working harder to better inform clients about how we help businesses do their best work. OBS regularly works with community partners to broaden exposure to their services.

Elements of the development process made more predictable

Licenses & Inspections Service Performance - Percent of Time Service Level Was Met



Note: In 2009 and 2010, the service level agreement for reviewing plumbing, electrical, and zoning plans was 25 days.

FY09 **FY10** **FY11**

Smart Government: Predictability of Process

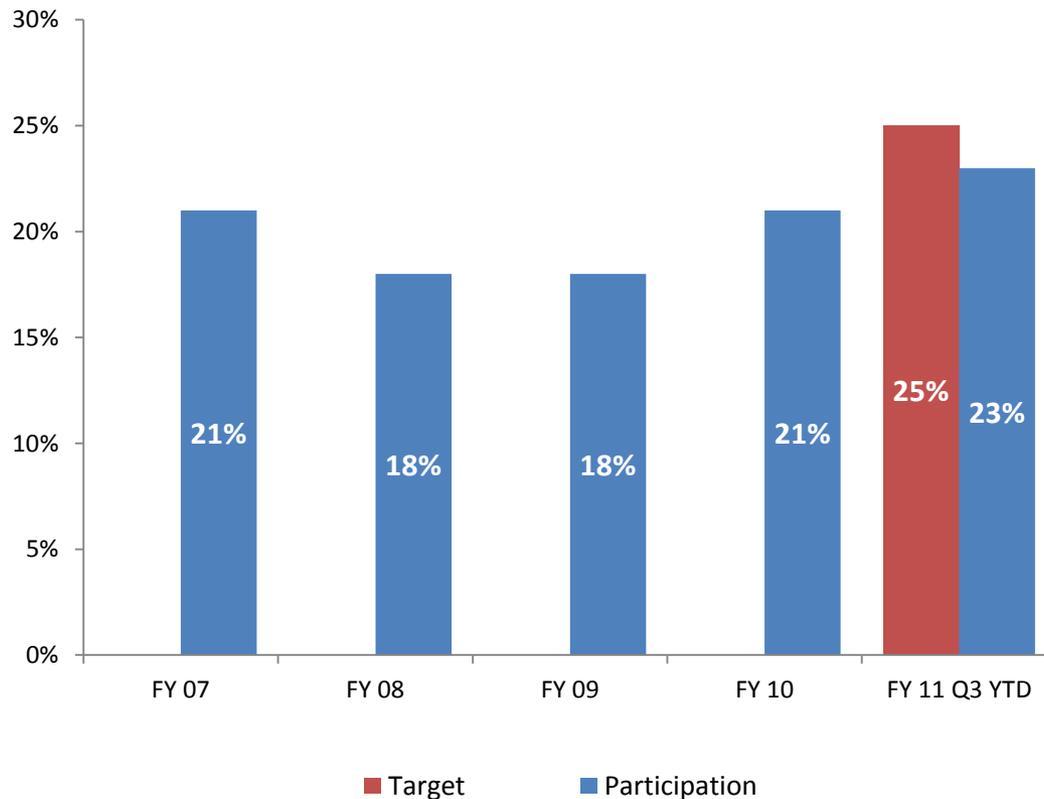
More information about improvements to the development process

A goal for this administration is to improve the development process - the process through which developers obtain the necessary permitting and licensing to develop projects.

One part of this initiative was to improve the speed of delivery of predictability of Licenses and Inspections services. The Department of Licenses and Inspections has shown consistent improvement in this area over the last three years.

As a percentage of spend, the City is contracting more with Minority, Women, Disabled-Owned Business Enterprises

**M/W/DSBE Participation by Fiscal Year
Operating Departments and Citywide Contract**



The number of M/W/DBEs registered with the City has also increased nearly 20% from FY10 to FY11 YTD. Today there are 1,775 registered Minority, Women, or Disabled-owned Business Enterprises.

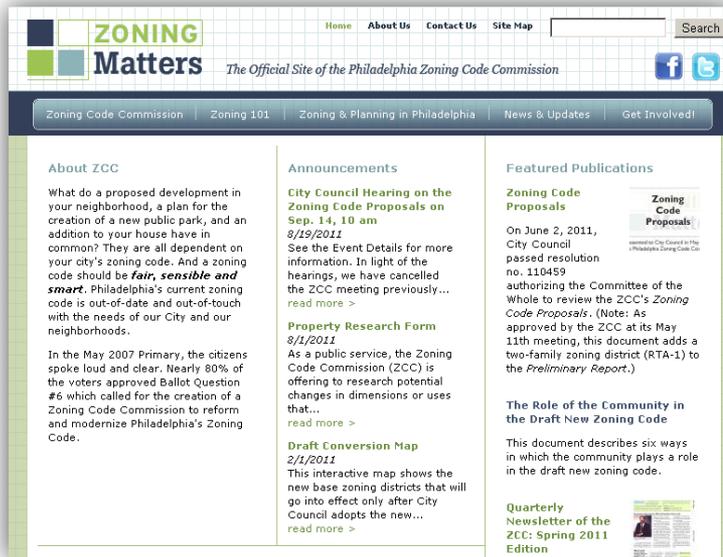
Smart Government: Promote M/W/DSBEs

Planning and Zoning Reform are Economic Development Tools



Philadelphia 2035 is the City's first comprehensive plan in 50 years. Planning organizes public will and makes development more predictable

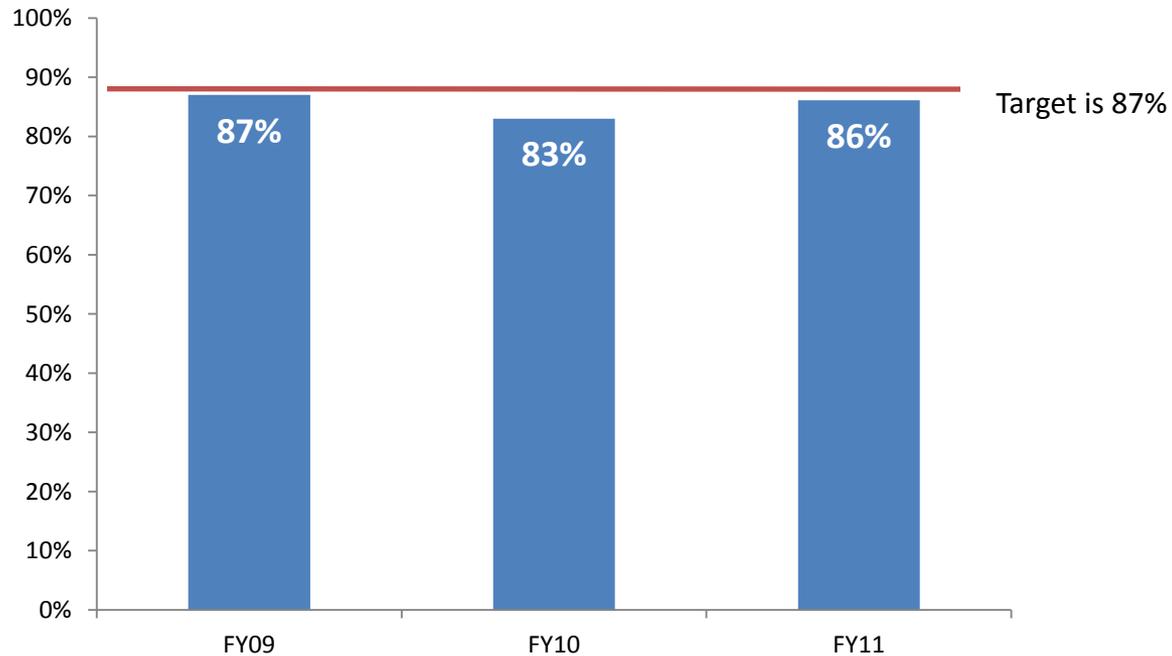
The number of projects that require zoning variances is intolerably high (above 40%). Zoning reform sets modern standards, makes development easier to accomplish, while recognizing community interests



Smart Location: Implement Philly 2035, Reform Zoning

The Philadelphia Workforce System is finding jobs for Philadelphians

Percent of Dislocated Workers Placed by the Public Workforce System who are Working 6 Months After Placement



Smart People: Workforce Development

Hunting Park



Outcomes:

\$19 million in investment

450 jobs

Timeline

SEPT 2010 - Strategic Plan Completed, Adopted by Philadelphia City Planning Commission

SEPT 2010 - Kroc Center Opens

Wissahickon Avenue Improvements

New traffic signalization at Kroc Center entrance

Frontage improvements to the SEPTA Midvale Yard

Relocated SEPTA bus stops

MAY 2010 - TastyKake Relocation to Navy Yard

JULY 2010 - Zoning Remapping Adopted by Council

MARCH 2011 - Ground Breaking for Baker Centre

Seamless transition of vacated site to new use

Adds a supermarket to the neighborhood

MAY 2011 - CarVest Acquires Budd Site

FALL 2011 - Proposed Remapping

Central Delaware Waterfront



Outcomes:

\$12 million in investment

First new public space now operating at the Race St. Pier

Timeline

JAN 2011 - Race Street Connector Ground Breaking

JUNE 2011 - Central Delaware Master Plan

MAY 2011 - Race Street Pier Opens

SEPT 2012 - Philly Fringe New Home

SEPT 2013 - Waterfront Trail

Baltimore Avenue



Outcomes

\$2.3 Million in investments

12 New Businesses

An estimated 60 new jobs

Improved greenspace throughout the corridor and neighborhood

Timeline

January 2010 – August 2011

Market East



Timeline

JULY 2009 - Strategic Plan Completed

SEPT 2010 - Transportation Plan Completed

DECEMBER 2010 - PhillyRising Task Force

JUNE 2011 - Sign Legislation Approved

Key Takeaways

Philadelphia's diverse economy helps the City weather economic downturns, but difficulties remain, including high poverty and low educational attainment

City's "Smart City. Smart Choice." strategy seeks to build on Philadelphia's assets while addressing opportunities to improve

Key elements of this strategy include:

- **Smart Government** → Retooling government to enable an entrepreneurial, growth-oriented economy
- **Smart Location** → Making long term investments to capitalize on Philadelphia's geographic advantages
- **Smart People** → Utilizing the workforce and education system to prepare Philadelphians with the skills they need to have successful careers

Critical Challenge: Grow the City's economy in a way that is both sustainable and equitable, providing long-term opportunities for all Philadelphians