

NEWS



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MAYOR'S OFFICE OF COMMUNICATIONS

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John F. Street, Mayor
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Mayor John F. Street Greater Philadelphia Chamber of Commerce Mayor's Annual Luncheon Remarks

Philadelphia is a world-class city at the heart of a world-class region. From Mother Bethel Church to Longwood Gardens we are blessed with history and beauty unsurpassed by any city or region in America.

New Hope in Bucks County, the covered bridges of Montgomery County, the wineries in Chester County, the Philadelphia Flower Show, the Philadelphia Art Museum and the potential for the Barnes collection on the Parkway all add to our region's growing international appeal.

Our history and our culture are sources of pride and inspiration. The world's greatest democracy started HERE! There is only one original Liberty Bell! Over the last decade, Philadelphia has measurably improved the quality of life for its citizens and businesses. We are strategically located between the financial and political capitals of the world; we proudly boast more than 80 colleges and universities with an annual enrollment exceeding 300,000 students. Our transportation system makes us readily accessible. We have a quality workforce that will only get better as our schools continue to improve. There are plenty of reasons for us to feel good about ourselves and become more confident and unapologetic advocates for this city and its surrounding counties.

In a recent meeting with the Commission Chairs from Bucks, Chester, Delaware and Montgomery Counties, we discussed the ways our communities are interdependent. One very important overriding sentiment emerged! We must bridge the geographic and political boundaries that divide our counties, and work together to promote regional growth and prosperity.

Promoting regional growth is at the heart of the Chamber's Select Greater Philadelphia Campaign to market the region as a business destination. It will be a tremendous force for progress, as well as an important signal to decision makers around the world that Philadelphia and this region mean business.

Imagine Steve Steinour explaining to other CEOs the reasons Citizen's Bank decided to locate and invest in Philadelphia, or Joe Neubauer explaining the numerous regional assets, which prompted ARAMARK to stay.

To support marketing this region, I will propose in my budget to City Council that the City contribute \$1 million to the Select Greater Philadelphia Campaign. This effort marks the latest in a long line of strategic partnerships between the City and the Chamber.

Our efforts to cooperate will inevitably cause us to spend our resources marketing to companies outside the region rather than simply competing with each other within the region.

Speaking about competition, go Comcast! The mere possibility that Comcast may acquire the Walt Disney Company has generated a whole lot of incredible media attention and given us a taste of the opportunities associated with having a global giant headquartered and growing in our City. The Comcast commitment to keep its corporate headquarters and grow jobs here in Philadelphia is a model we hope other companies will emulate! Atlanta has Coca-Cola; Seattle has Micro-Soft; Cincinnati has Proctor & Gamble! We have Comcast! Our goal is a long term, well-defined partnership that is great for Comcast, as well as the people of this City and region.

I am, therefore, pleased to announce my support for the designation of 17th and JFK Blvd as a KOIZ so that Liberty Property Trust can build Pennsylvania Plaza as a spectacular new 21st Century headquarters for Comcast.

My administration has worked with the Governor's office to draft state legislation that authorizes the designation of a KOIZ for Liberty Properties with strict requirements for job growth or equity investments applicable to all tenants looking to occupy space in Pennsylvania Plaza. The legislation also closes the net profits tax loophole.

I am also pleased to announce that the City supports the construction of a headquarters building for Towers Perrin at 15th & Arch Streets, which will allow us to retain its 1400 jobs in Philadelphia.

Construction of the Pennsylvania Plaza, the Towers Perrin Buildings along with the Cira Center at 30th Street and the renovations Ace plans for 436 Walnut Street will generate more than \$1 billion dollars of construction and over one thousand jobs in the next several years. That investment is important to our labor community and the economy of our region and Commonwealth. Just like 1983 was the right time to break the height limit and build Liberty Place, now is the time to build these buildings and move confidently and aggressively into the 21st century!

This growth and economic expansion will provide an excellent opportunity for minorities and women to become more appropriately engaged in both business and employment opportunities.

A careful review of the demographics of our region supports the fundamental proposition that appropriate minority participation is a sound business decision, not just good social policy. It is abundantly clear the private sector can and should do better!

It is encouraging that the Greater Philadelphia Chamber of Commerce and the African American, Hispanic and Asian are developing programming and networking opportunities for their members.

Hospitality, which supports over 57,000 jobs throughout the region, will continue to be a focus of our economic activity and job creation efforts. This administration has overseen a quantum investment in our tourism infrastructure over the last four years. During the past four years, the Airport has doubled in size; the Kimmel Center, Constitution Center and Visitor's Center have been completed; and two new stadiums representing a \$1 billion dollar investment have been constructed. Therefore, I support the immediate expansion of the Pennsylvania Convention Center!

Each year as part of this Chamber message I report with pride the positive things happening in our city. This year is no different.

I am pleased to announce that the city has reached agreement with Dranoff Properties on the next major project to be constructed along the Avenue of the Arts – an \$88 million dollar development that will include 167 new condominiums and a new 450-seat theatre for the Philadelphia Theatre Company.

We are working aggressively with the Chamber and the State to retain those corporations, which are a major part of Philadelphia's business community. We are optimistic that CIGNA, Sunoco and FMC will join ARAMARK, Radian and the thirty-five other major office users, which have renewed their Center City leases during the past two years. You might want to say a special thanks to Jim Cuorato for all that great work. We are equally committed to developing a new state of the art Produce Market in South Philadelphia where more than 1,000 people earn their livelihood.

Construction is underway on 235 units of market rate housing at the Preserve at Packer Park in South Philadelphia, 144 units in Brewerytown at 29th and Girard, and construction will soon begin at the old Naval Home in Grays Ferry.

MTV recently announced that its popular show, the Real World, will be filmed in Philadelphia during this spring; Business 2.0, a new economy magazine, has designated Philadelphia one of the 20 hottest job markets in the country; and Saveur magazine has described Philadelphia as the most under-rated restaurant city in America.

We have identified a site for the Microsoft High School; the Please Touch Museum will occupy Memorial Hall and the Audubon Bird Sanctuary will be another great addition to Fairmount Park.

Sunoco is partnering with the School District to establish a Petrochemical High School Academy; Citizen's Bank has exceeded all of its goals as part of its support for our NTI program.

Southwest and Frontier Airlines are coming to the Philadelphia International Airport, and Southwest has agreed to become a major supporter of our July 4th Independence Day celebration.

However, despite all this good news, Philadelphia, like the Commonwealth, remains plagued by the twin curses of population and job loss. To reverse the trend we must fight back by doing at least two very basic things: first, we must become a more economically competitive place and secondly, we must make significant strategic investments that ignite a sustained cycle of job growth and business development which will carry beyond the current bad economy and prepare us for the more challenging world economy within which we compete.

Therefore, I vigorously support pending legislation in Harrisburg that will authorize a limited form of gaming, which will enable us to reduce the Philadelphia wage tax. Gaming offers an important new and needed source of revenue.

Locally, we must do more to help ourselves.

By using technology more effectively as a part of government, we are transforming our service delivery and interaction with residents, businesses and visitors. Within 60 days the City will be equipped to accept the payment of bills by credit card and users will be able to obtain building and other permits online.

We also believe that a wireless environment is important to enhancing Philadelphia's appeal and I am pleased to announce that by June 15th, Love Park will be established as a free wireless hotspot which will join the more than 42 other wireless or mobile hot spots that already exist in the City.

There can be no doubt about the need for a more rational, progressive and less onerous tax structure in Philadelphia. Our tax burden layered on an otherwise reasonable cost of living too often makes Philadelphia a tough choice even with all of the attributes and amenities of the city. We owe our businesses, residents and workers comprehensive tax reform that does not compromise the fiscal integrity of the City.

For example, it is important that we change the way we levy our business taxes. Instead of punishing businesses for doing business in the City by basing their business privilege tax liability on the amount of property and payroll they have in the City in addition to the level of sales they have, we should base that tax solely on sales. This change will remove a disincentive for firms to locate inside the City. We support the recommendation of the Tax Reform Commission to move to 100% annual real estate assessments and a gradual shift to land value taxation. The Commission report outlines numerous vital recommendations, which will improve, in a dramatic, way our business climate. We will take the work of the Tax Reform Commission as the blueprint for this difficult but necessary task.

Sustaining an aggressive tax reform agenda and achieving the Charter mandated a balanced budget in this tough economy will require that my administration and City Council make some tough decisions. The next two fiscal years are going to demand sacrifice in order to achieve both tax reform and tax reduction. We must confront these very serious issues in an environment of respect, cooperation and candor.

In my first term I proposed to turn our attention to neighborhoods without turning our backs on Center City. We did! And our neighborhoods are better! The Neighborhood Transformation Initiative, the Safe Streets Program and our after school programs have garnered national acclaim – not to mention the work we did working with Governor Schweiker to make sure we had a world class school district.

We will now turn our attention to our economy, without turning our backs on our neighborhoods.

We will focus on economic development and job creation. Our goal: create a dynamic economy which supports an exciting new Philadelphia, one that is truly competitive...with more jobs to support population growth; we will stimulate a vibrant spirited economy grounded in growth for the entire region. But we cannot do it alone. We will need the help of our entire community to create an economic blueprint for the future. Together we can create a roadmap that will be rational, achievable, and against which our progress can be measured! To allow all stakeholders to have input into the development of that blueprint and to insure that the full spectrum of opinions and perspectives is considered, I have asked our new Commerce Director Stephanie Naidoff to plan an Economic Development Summit with recommendations due before the 30th of June.

The summit will also address issues important to small businesses; minority businesses and micro businesses. It will reinforce our plans to capitalize on our strategic location, unique assets and special amenities. Neighborhood economic development strategies will be refined, so the economic vitality of our neighborhoods will be strengthened. Many young people, some here today, have brought great new energy to our city and making the "New Philadelphia" your permanent city of choice will be an important focus of the summit. We appreciate your contribution to our city and look forward to seeing you at our summit.

However, perhaps the most critical component of our growth strategy will be the creation of a city-sponsored \$500 Million Economic Development Fund. Although the fund will be established and obligated over the next four years, I will propose in my FY05 budget to City Council (in less than two weeks) my plan to make the first \$125,000,000 available before the end of the calendar year.

The economic development fund resources will be targeted at making Philadelphia a first tier competitor for national and international businesses. The first installment on our vision for establishing new 21st century communities will be at the Navy Yard, along the Schuylkill River South and the Delaware River North. These special areas represent 15 miles of magnificent waterfront, which when developed will put Philadelphia in the forefront of waterfront development in the country.

Our confidence in this vision is supported by the revival of the Navy Yard since the city acquired it in the year 2000. We propose to use the Fund to make the infrastructure improvements necessary to leverage private investment of over \$2 billion dollars in recreational, residential and business opportunities, in essence creating a new waterfront neighborhood at the Navy Yard.

On the Delaware River north, we are poised to select a developer for the Philadelphia Coke Company site and the Army has agreed to demolish the Tacony Warehouse site and transfer it to the city; whereupon we will make it immediately available for development, in accordance with our Delaware River North plan, generated in the first term of my administration, and supported so aggressively by former Congressman Bob Borski!

By partnering with institutions and developers like the University of Pennsylvania, Drexel University and the Schuylkill River Development Corporation, we can spawn new waterfront communities from the South Street Bridge to the historic Bartram Gardens along the Schuylkill River and from the Benjamin Franklin Bridge to the Poquessing Creek along the Northern Delaware River. When you add Penn's Landing, and the Water Works, we can make Philadelphia the New River City in America.

Improving the quality of life and physical conditions in neighborhoods will undoubtedly slow the number of middle-income families who love Philadelphia but leave because the emotional and financial costs are too great. Reducing our wage and business taxes, thereby, creating a more competitive business climate will admittedly attract more businesses and jobs. But in the end, although those things will make us a better and more appealing Philadelphia, they alone will not reverse the population and job loss that threaten our long-term future. Like North Carolina, which has the research Triangle, Philadelphia must develop an identity, a distinct set of assets that distinguish us and become our bridge to a prosperous future. For me, that bridge is the development of our waterfront. New well-planned mixed-use 21st century communities that will be home to thousands of new, young Philadelphians that will generate new economy and knowledge industry jobs. It will change our skyline, extend the boundaries of our city; give us a new image that will appeal to graduates from our colleges and universities and promote a New Philadelphia for the 21st Century. We can do it! I know we can do it! And when we do, our future will be secure.

Thank you! And God Bless America!