



CITY OF PHILADELPHIA
Department of Commerce

Harold T. Epps
Director of Commerce

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MEMORANDUM

Date: July 28, 2017

To: Council President Darrell Clarke; Chief Clerk of Council Michael A. Decker

Cc: James Leonard, Department of Records

From: Harold T. Epps, Director of Commerce

RE: First Source Jobs Policy, Quarter II 2017 Report

Per the First Source Jobs Policy, Chapter 17-1900 of the Philadelphia Code, the Department of Commerce (designated by the Mayor as the "Designated Department" responsible for overall implementation and enforcement of the "First Source Jobs Policy") is submitting the 1st Quarter Report for 2017.

Since the implementation of the First Source Jobs Policy, the Department of Commerce has been made aware of four beneficiaries that are covered by and will comply with the First Source legislation. The beneficiaries are:

1. W/Element Hotel
2. Pennsylvania Real Estate Investment Trust (Gallery Project)
3. Orinoka Mills, L.P.
4. New Kensington Community Development Corporation

The W/Element Hotel and the Gallery Project are TIFs, and the Orinoka Mills and New Kensington projects are below market rate land transactions.

To date, there have been no additional beneficiaries to the report since Quarter I. Three of the projects above, W/Element Hotel, Orinoka Mills, L.P., and New Kensington CDC, are still in the development phase.

The project with the Pennsylvania Real Estate Investment Trust (PREIT) that is re-developing the former Gallery Mall into the Fashion Outlets of America, has made progress and there has been communication by the Department of Commerce in the following way:

- 1) A conference call was held with Signet Jewelers, that is the parent company for the retail store, Zales Jewelers, which will be a tenant in the Fashion Outlets site. The call provided more information to give clarity to the expectation of First Source to them as a tenant which confirmed their agreement to sign the lease with Macerich. The attorney from Ballard Spahr that will oversee the entire Fashion Outlets tenants' leases was a party to this phone call
- 2) A second phone conference was held with Signet Jewelers and the Business Services Representative of the PA CareerLink and the Chief Operating Officer of Philadelphia Works and the first steps towards planning and preparing for candidates to be provide to Zales for the Philadelphia location were developed. Moving forward, all steps and progress will be tracked and monitored by both PA CareerLink and the Dept. of Commerce to provide support for the process under First Source.
- 3) A conference call with L Brands, the parent company for White Barn Candle and Bath & Body Works stores, is scheduled for August 1st, to discuss any issues and questions they have regarding First Source hiring requirements as they prepare to sign their lease with Macerich.

In addition, an "Implementation Guide for Tenants" of retail projects that are subject to First Source agreements, was shared with the parties above so that everyone is aware of the steps and roles of Philadelphia Works, the PA CareerLink and the Department of Commerce as it relates to the agreement and hiring process.

The Department of Commerce continues to monitor all four projects closely in their phases of construction and will report on these projects once construction is complete and entry-level jobs are created.