



CITY OF PHILADELPHIA
Department of Commerce

Harold T. Epps
Director of Commerce

1515 Arch Street, 12th Floor
Philadelphia, PA 19102

MEMORANDUM

Date: April 12, 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 I 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 IV. Three of the projects above, W/Element Hotel, Orinoka Mills, L.P., and New Kensington CDC, are still in the early development phase.

However, we received an update from the New Kensington CDC point of contact, Kevin Gray (Real Estate Development Director) that their process is moving along nicely and is on

schedule with their development. The project is expected to be completed by June of 2017, therefore, there are no jobs to post at this point. Mr. Gray stated that he will soon have a firmer picture of the project completion and rental lease-up schedule and will be able to provide more information on the timing of any potential entry level positions.

With respect to the Pennsylvania Real Estate Investment Trust (PREIT) that is re-developing the former Gallery Mall into the Fashion Outlets of America, there has been communication by the Department of Commerce with two specific contacts;

- 1) Chris Mrozinski of PREIT, inquired about how to instruct potential tenants that will hold retail space in the mall regarding the First Source Jobs Policy. We advised him of the process and with his input created a Memo that explains the process and policy as it relates to future tenants (provided along with this Memo as Appendix A). It will be used as the template for all First Source beneficiaries that have “tenants” impacted within their First Source Agreements.
- 2) Ms. Michelle Gumbs of the Urban Affairs Coalition, represents the local agency monitoring Economic Opportunity Plan requirements for the construction of the Fashion Outlets project. She will also monitor the hiring of new and entry level positions of the retail Tenants that will inhabit the building. Commerce provided Ms. Gumbs with information and the procedural requirements concerning First Source in order to advise the future tenants that have contacted her to date.

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.