

CITY OF PHILADELPHIA

Department of Commerce

Michael A. Rashid Director of Commerce

1515 Arch Street, 12th Floor Philadelphia, PA 19102

MEMORANDUM

Date: May 10, 2021

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

Cc: James Leonard, Department of Records

From: Michael A. Rashid, Director of Commerce

RE: First Source Jobs Policy, Quarter I 2021 Report January 1, 2021 – March 31, 2021

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 fourth quarter report for calendar year 2020.

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

- 1. Pennsylvania Real Estate Investment Trust (Fashion District of Philadelphia Project))
- 2. Orinoka Mills, L.P.
- 3. New Kensington Community Development Corporation

The Fashion District Project remains a tax increment financing (TIF) project, 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. All projects will continue to be tracked as needed and are ready for hiring employees and transaction of business or services.

At the time of this report, which spans the period from January 1, 2021 to March 31, 2021, the impact of the COVID-19 pandemic continues in some sectors, but the retail sector is experiencing some resurgence since the implementation of restrictions being gradually lifted, and the availability of the COVID-19 vaccine. Continued limited capacity of stores, public spaces, and other measures implemented to prevent the spread of the virus, have affected the projects covered in this report; however as the months move on, we anticipate more restrictions being lifted in Q2 and preparation to see improved activity at the Fashion District.

The Business Services Team and PA CareerLink[®] Philadelphia staff continue to work and connect with employers and job seekers remotely. They continue to maintain connections and provide all services to job seekers and retail businesses via virtual opportunities and events and telephone calls and email correspondence.

Updates on Fashion District retailers as reported by PA CareerLink[®] Business Services Team as 01/01/21 - 03/31/21)

- Total businesses that will be tenants/contractors at Fashion District: 74
- Total businesses that we received contact information for: 57
- Total number of businesses that responded to outreach: 35
- Total number of businesses that have not responded to outreach: 22
- Total number of job orders received: 60
- Total number of hires reported: 193

Burlington	Columbia Sportswear	Round 1
Allied Security	Dolly's Boutique	Samsonite
American Eagle	Guess	Skechers
American Hats	H&M	SMS
As Seen on TV	Jewels and Treasures	Spencer's Gifts
Asics	Justice	Stockings to Stuff
Beef Jerky Outlet	Las Vegas Hemp	Sunglass Hut
Bella Shoes	Miracle Brow	Ulta
Century 21	Nike	Wills Eye
City Winery	REC Philly	Zales
AMC	Dunkin Donuts	Eddie Bauer
Francesa's	American Shaman	A/X Armani
Claire de Lune	Windsor	Kae Spade
Yoyoso	Sephora	Primark
Ardene	Torrid	

The chart below reflects changes as compared to Q4 activity. The Q1 updated numbers below reflects the slowly returning activity with the Fashion District of Philadelphia businesses as the pandemic continues to impact consumers and retailers.

 Table 2: Referrals to Fashion District businesses (cumulative data – not per quarter)

 Referrals sent to Fashion District businesses by PA CareerLink® Staff

Fashion District Update from Macerich, Inc.:

FDP had many tenants reopen this year and some (AMC, Wonderspace, Round1, City Winery, Candytopia) are planning to expand hours as COVID restrictions diminish and people return to Center City in the 2nd quarter. New deals and opening in the 1st quarter are listed below. Their standard lease contains language making all tenants aware of the First Source Agreement. Macerich team also

speak with the tenants early in the process, supports their compliance, and make them aware of the agreement and encourage tenants to reach out about their staffing needs.

As of this writing, there were <u>6</u> new leases signed during Q1, as reported by our **Macerich** representatives

NEW FDP TENANTS/DEALS	OPEN DATE	UPDATES	
Shoppers World	Anticipated June, 2021	Former Century 21 space. Under construction	
Naturally Us	4/1/2021	Small independent business	
Lids	4/30/2021	Temp space	
African Shades	5/1/2021	Small independent business	
2020 leases - Opening Update			
Starbucks Kiosk	Anticipated 5/11/2021	Preparing to Open	
Primark	Anticipated Sept. 2021	Under construction; not hiring yet	

The Department of Commerce will continue to monitor and track the status of the three projects in their phases of development and reopening or other changes and will report on these projects as we move through the Response, Restart and Reimagine phases of the City's recovery approach to the COVID-19 impact.

*Note during this period ending 3/31/21, face to face services via the PA CareerLink[®] system continue to be suspended but are due to resume appointment only opening in the next 4 weeks with limited capacity and safety restrictions in place.