



CITY OF PHILADELPHIA

Department of Commerce

Michael A. Rashid
Director of Commerce

1515 Arch Street, 12th Floor
Philadelphia, PA 19102

MEMORANDUM

Date: February 14, 2022

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

Cc: James Leonard, Department of Records
James Engler, Chief of Staff, Office of the Mayor

From: Heloise Jettison, Deputy Commerce Director

**RE: First Source Jobs Policy, Quarter IV 2021 Report
October 1, 2021 - December 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 2021.

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 III. 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 October 1, 2021 to December 31, 2021, the impact of the COVID-19 pandemic has continued to impact business, hiring and growth due to the Omicron variant surge. However, our retailers continue to push ahead, and made progress during the holiday season with some signs of recovery as it relates to businesses/retail spaces.

The 2021 holiday season was a success for The Fashion District. While traffic was a bit down due to Omicron, sales and conversions were up for many of the retailers. We welcomed Heirloom Market during this time, bringing a lot of excitement to the center. "Santa" joined the team for most of December, and Fashion District worked with Center City District to bring "Merry on Market" to Market Eats. This included live entertainment and a retailer market every Thursday in the month of December.

The PA CareerLink® system continues to adjust its service delivery, outreach and impact to recruit and refer viable candidates for hire to the Philadelphia business community as the holiday season began and through to January 1, 2022. In person services were impacted again this season due to the Omicron variant and safety mandates from the CDC and the Philadelphia Health Department.

We continue to follow the City of Philadelphia's guidance on prevention measures and other resources for local businesses as it relates to the mitigation of the spread and infection rates of the COVID-19 virus. Vaccination and masking policies and recommendations are adhered to and supported; the Commerce Department teams are supporting and providing resources to all local businesses in addition to providing technical assistance and access to relief funds when available.

The Business Services Team and PA CareerLink® Philadelphia staff are working with jobseekers and connecting with employers virtually and in-person as the PA CareerLink® centers are open with limited staff and by appointment in-person services. Virtual services are always available through the PA CareerLink® Portal for jobseekers and employers to ensure there are multiple points of access and connectivity. They continue to ensure all safety precautions and strategies are in place for jobseekers and employers to promote increased business and sales and revenue.

Fashion District retailers updates as reported by PA CareerLink® Business Services Team for Q4:

Total businesses that will be tenants/contractors at Fashion District: **88** (up from Q3 by 2)

Total businesses that we received contact information for: **70** (up from Q3 by 1)

Total number of businesses that responded to outreach: **38** (up from Q3 by 3)

Total number of businesses that have not responded to outreach: **32**

Total number of job orders received: **65** (down by 2 from Q3)

Total number of hires reported to date CY21: **198** (no change from Q3)

The Business Services team continues its due diligence regarding employer engagement and reaffirmation for all of the employer contacts last quarter. It is anticipated that with the recent activity, it is the catalyst needed to get business moving forward with a greater number of businesses responding to their outreach.

Table 1 Fashion District Stores active with PA CareerLink® (* highlighted updates provided by Macerich)

Burlington	Columbia Sportswear	Round 1
Allied Security	Dolly's Boutique	Samsonite
American Eagle	Guess	Skechers
American Hats - CLOSED	H&M	SMS
As Seen on TV - CLOSED	Jewels and Treasures	Spencer's Gifts
Asics	Justice - CLOSED	Stockings to Stuff - CLOSED
Beef Jerky Outlet	Las Vegas Hemp - CLOSED	Sunglass Hut
Bella Shoes – CLOSED	Miracle Brow – Never opened	Ulta
Century 21 - CLOSED	Nike	Wills Eye
City Winery	REC Philly	Zales
AMC	Dunkin Donuts	Eddie Bauer
Francesca's	American Shaman – Never opened	A/X Armani
Claire de Lune – Never opened	Windsor	Kate Spade
Yoyoso – Never opened	Sephora	Primark
Ardene	Torrid	

The chart below reflects changes as compared to Q3 activity. The Q4 updated numbers below reflect no change since Q3

Table 2: Referrals to Fashion District businesses (cumulative data – not per quarter)
Referrals sent to Fashion District businesses by PA CareerLink® Staff

Total Referrals	Hired	Interviewing	Not Selected	Pending Feedback	Grand Total
Aramark	131		251		382
Asics	2		2	12	16
Candytopia	4			2	6
City Winery	3		1	13	17
Columbia Sportswear	6		4	67	77
H&M	1				1
Justice	5		10		15
Levi's	7				7
Pandora	1				1
Ulta				18	18
Allied Security	1				1
American Eagle	3				3
Pandora	1			32	33
Skechers	1			22	23
Sunglass Hut			1		1
SMS	11		13		24
Wonder Spaces	5		9	10	24

Guess	2				2
Burlington	3			3	4
Eddie Bauer	1				1
Sephora				1	1
Wetzel's Pretzels	1			17	18
DSW	4			29	30
Kate Spade			1	15	16
Fason De Viv	3	4	6	6	18
Burlington	1	6		6	12
Samsonite	1				1
Grand Total	198	10	298	253	752

Fashion District Update from Macerich, Inc.:

Anchoring the west side of the center, Primark opened 9/16/21, with great customer turnout -- it was their #1 opening of their 13 US locations. The new deals and openings in the 3rd quarter are listed below. The standard lease contains the First Source Agreement for all permanent Tenants. The Macerich team makes new Tenants aware of the agreement early in the lease process by discussing it and sending out a marketing brochure on PA Career Link. Macerich supports Tenant compliance with the program and encourages tenants to reach out about their staffing needs, to take full advantage of this hiring resource. As of this writing, there were 2 new leases signed during Q4 with openings scheduled as below:

NEW FDP TENANTS/DEALS	OPEN DATE	UPDATES
Aim Point	10/15/21	Temp Space, Small independent business
Showtime Sneaker Boutique	10/15/21	Temp Space, Small Independent business
Banter By Piercing Pagoda	11/17/21	Kiosk Unit
Heirloom Market	12/16/21	801 Building
Dollar Party	11/1/21	Temp Space, Small Independent business
The Wok	11/3/21	Market Eats
2021 leases - Opening Update		
Papaya	Anticipated Dec 2021	Under Construction
DEO	Anticipated May 2022	Will start construction approximately 2/1/22

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 and recharge from the COVID-19 impact.

**Note during this period ending 12/31/21, face to face services via the PA CareerLink® were available primarily virtually due to the surge of the Omicron variant*