



CITY OF PHILADELPHIA
Department of Commerce

Anne Nadol
Director of Commerce

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MEMORANDUM

Date: May 9, 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 I 2022 Report
January 1, 2022 – March 31, 2022**

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 first quarter report for calendar year 2022.

Since the implementation of the First Source Jobs Policy, the Department of Commerce has been aware of the 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 continue to be tracked as needed and are set for hiring employees and transaction of business or services.

At the time of this report, which spans the period from January 1, 2022, through March 31, 2022, the impact of the COVID-19 pandemic has continued to impact business, hiring and growth, but signs of increased consumer shopping and foot traffic in center city. A recent study supported by the Center City District reported that the business is at 86% of pre-pandemic levels downtown, but there is more work to do to

increase it to February 2020 levels. Nonetheless, our local retailers continue to recharge and move forward, and make progress with signs of recovery and expansion as it relates to business and retail spaces.

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. All parties 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 COVID-19 virus. The Commerce Department teams are supporting and providing resources to all local businesses in addition to providing technical assistance and access to other supports as needed.

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 Q1

Employer Engagement Data

Most responsive employers this quarter: *Naturally Us, Fasion De Viv, and Papaya Clothing*

- Total businesses that will be tenants/contractors at Fashion District: 88
- Total businesses that the Business Services Team received contact information for: 70
- Total number of businesses that responded to outreach: 38
- Total number of businesses that have not responded to outreach: 32
- Total number of job orders received: 65
- Total number of hires reported: 204

The PA CareerLink® 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 continues to energize business productivity 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
	Papaya	
City Winery	REC Philly	Zales
AMC	Dunkin Donuts	Eddie Bauer
Francesa’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 Q4 activity. The Q1 updated numbers below reflect slight change since Q4

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

Employer Referrals	Hired	Not Selected	Pending Feedback	Grand Total
Allied Security	1			1
American Eagle	3			3
Aramark	131	251		382
Asics	2	14		16
Burlington	4	12		16
Candytopia	4	2		6
City Winery	3	14		17
Columbia Sportswear	6	71		77
DSW	4	26		30
Eddie Bauer	1			1
Fashion De Viv	3	10	7	20
Guess	2			2
H&M	1			1
Justice	5	10		15
Levi's	7			7
Pandora	1			1
Papaya Clothing			4	4
Samsonite	1			1
Sephora		1		1
Ulta	2	16		18
Pandora	2	32		34
Skechers	4	19		23
Sunglass Hut		1		1
SMS	11	13		24
Wonder Spaces	5	19		24
Guess	2			2
Burlington	3	12		16
Sephora		1		1
Wetzel's Pretzels	1	17		18
Kate Spade		16		16
Samsonite	1			14
Grand Total	204	544	11	759

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 4 new leases signed during Q4 with openings scheduled as below:

NEW FDP TENANTS/DEALS	OPEN DATE	UPDATES
Papaya	03/11/2022	All employees quit on 3/24. Papaya was referred to PA CareerLink. New staff on 4/4.
Burger Fi	01/04/2022	All employees quit on 4/2. Burger Fi was referred to PA CareerLink. New staff on 4/25.
<i>2021 leases - Opening Update</i>		
DEO	Anticipated 07/2022	Construction delayed until approximately 6/1/22
<i>2022 leases - Opening Update</i>		
Claire's	05/13/2022	Gallery II
Custom Apparel Company (CAC)	06/01/2022	Gallery I
Stay Humble Stay Hungry	06/01/2022	Gallery II
Got The Look	07/01/2022	Gallery I

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.