

# MEMORANDUM



## CITY OF PHILADELPHIA Department of Commerce

Anne Nadol  
Director of Commerce

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Date: February 15, 2023

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

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

From: Heloise Jettison, Deputy Commerce Director, Chief of Staff

RE: **First Source Jobs Policy, Quarter IV 2022 Report  
October 1, 2022 – December 31, 2022**

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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 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 III. 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 *October 1, 2022, through December 31, 2022*, Philadelphia continues to experience ups and downs in the retail sector due to many factors. Due to the soft market, there are continued challenges in recruitment and hiring in many industries, particularly in the retail sector. There are signs of increased consumer shopping in center city, but there is more work to do to increasing the viability in the center city area. The Commerce Department continues to work with the Office

of the Managing Director, and the division of Public Safety to support economic development coordination to address the safety and access concerns that impact the city’s retail businesses.

The PA CareerLink® system has adjusted 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 pertains to public health and safety. The Commerce Department business services 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 daily for appointments and 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 of Philadelphia- Quarterly First Source Report

*Quarter 4: October 1 – December 31, 2022*

### Employer Engagement Data

- Total businesses that we’re aware that will be tenants/contractors at Fashion District: 3
- Total businesses that we received contact information for: 1
- Total number of businesses that responded to outreach: 0
- Total number of businesses that have not responded to outreach: 0
- Total number of job orders received: 0
- Total number of hires reported:0

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 into the holiday season. The PA CareerLink®, Philadelphia Works, and Commerce partners are planning a meeting with the Macerich team to reestablish their relationship. It is a priority to discuss the objectives and intent of the Jobs Registry, and the partnership due to the turnover of the Macerich management team, and to connect in a meaningful way to support the retail industry with talent through the First Source legislation. In addition, PA CareerLink® Business Services team is working with Philadelphia Works to create a new process to engage the employers from the Fashion district with the hope that we can obtain new job orders that can be shared with Philadelphia residents.

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

<b>Burlington</b>	<b>Columbia Sportswear</b>	<b>Round 1</b>
<b>Allied Security</b>	<b>Fason Di Viv - CLOSED</b>	<b>Samsonite</b>
<b>Asics</b>	<b>Guess</b>	<b>Ardene</b>
<b>American Eagle</b>	<b>H&amp;M</b>	<b>Skechers</b>
<b>Burlington</b>	<b>Kate Spade</b>	<b>SMS</b>
<b>Beef Jerky Outlet</b>	<b>Levi’s</b>	<b>Spencer’s Gifts</b>
<b>Burger Fi</b>	<b>Nike</b>	<b>Sunglass Hut</b>
<b>Claire’s</b>	<b>Pandora</b>	<b>Ulta</b>
<b>DSW - CLOSED</b>	<b>Papaya</b>	<b>Express-</b>
<b>City Winery</b>	<b>REC Philly</b>	<b>Wills Eye</b>

Aeropostale	Dollar Party	Primark
AMC	Dunkin Donuts	Zales
Francesca's	Windsor	Eddie Bauer
Forever 21	Torrid	Wetzel's Pretzels
Gamestop	Starbucks	T-Mobile
Fever – different experiences	Sephora	A/X Armani
Tiffany's Bakery	Windsor	Carter's Clearance (new)

The chart below reflects changes ,if any. The Q4 updated numbers below reflect changes since Q3  
No changes during the past quarter.

**Table 2: Referrals to Fashion District businesses (cumulative data – not per quarter)**  
Referrals sent to Fashion District businesses by PA CareerLink® Staff [No change since Q3]

Employer Referral	Hired	Not Selected	Pending Feedback	Grand Total
Allied Security	1			1
American Eagle	3			3
Aramark – CLOSED (updated 11/2022)	131	251		382
Asics	2	14		16
Burlington	4	12		16
Candytopia – CLOSED (updated 11/2022)	4	2		6
City Winery	3	14		17
Columbia Sportswear	6	71		77
DSW – CLOSED (updated 11/2022)	4	26		30
Eddie Bauer	1			1
Fasion De Viv – CLOSED (updated 11/2022)	3	10	7	20
Guess	2			2
H&M	1			1
Justice – CLOSED (updated 11/2022)	5	10		15
Kate Spade		16		16
Levi's	7			7
Pandora	2	32		34
Papaya Clothing			4	4
Samsonite	1			1
Sephora		1		1
Skechers	4	19		23
SMS	11	13		24
Sunglass Hut		1		1
Ulta	2	16		18
Wetzel's Pretzels	1	17		18
Wonder Spaces	5	19		24
Panera	1			1

<b>Grand Total</b>	<b>204</b>	<b>544</b>	<b>11</b>	<b>759</b>
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**Fashion District Update from Macerich, Inc.: \*Highlighted new information**

Carter’s Clearance in Gallery II opened on 12/16/22, with great customer turnout. The new deals and openings in the 1<sup>st</sup> 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 CareerLink®. 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 **3** new permanent, and **4** temporary leases signed during Q3/Q4 with openings scheduled as below:

<b>NEW FDP TENANTS/DEALS</b>	<b>OPEN DATE</b>	<b>UPDATES</b>
2022 Lease Opening Date <b>Carter’s Clearance</b>	12/16/22	This tenant is a children’s clothes store that recently opened
<b>2023 leases - Opening Update</b>		
<b>Kid’s Castle</b>	3/2023	Gallery I – Not yet Open – construction ongoing
<b>The Fix</b>	3/2023	Gallery I
<b>Auntie Anne’s</b>	4/01/2023	Gallery II
<b>Got The Look</b>	3/2023	Gallery I – Not yet Open – construction ongoing
<b>Ruby Thai</b>	3/2023	Gallery II – Not yet Open – constructing ongoing

The Department of Commerce will continue to monitor and track the status of the three projects in their current development and reopening, or other changes and will report on these projects as we move through this calendar year ahead.