

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 171133)

RESOLUTION

Authorizing the City Council Committee of the Whole to hold hearings examining economic inclusion and diversity participation in professional services, capital projects, construction projects, business contracting, and other contracted work related to the Fashion District Philadelphia project, commonly known as the Gallery at Market East.

WHEREAS, Fashion District Philadelphia, a \$575 million project, represents a unique opportunity to reinvent the entire Gallery at Market East, while leveraging significant private investment, improving access to public transit, and promoting economic opportunity through construction and ongoing operations. According to Philadelphia's public-private economic development corporation ("PIDC") this project will involve 2,165 construction jobs during renovations, with a total of 3,950 permanent jobs in the renovated mall, 1,400 of those which will be new jobs. The project also includes a commitment of 25-30% inclusion for women and minorities among tenants of the new mall; and

WHEREAS, On December 7, 2017, the Philadelphia Inquirer reported that Fashion District Philadelphia's opening will be delayed from Spring 2018 until November 2018 according to PREIT CEO, Joseph Coradino. Meanwhile, the City of Philadelphia is providing \$55 million in tax increment financing and \$58 million in maintenance costs for surrounding public transportation projects over the next four decades. Fashion District Philadelphia represents a remarkable level of renewal efforts and an opportunity to provide a leveled playing field for women, minorities, and historically disadvantaged groups; and

WHEREAS, The City of Philadelphia's Annual Disparity Study for FY 2016 found that 30.7% of the \$991 million in City and quasi-public contracts went to M/W/DSBEs, up from 30.6% in FY15. However, Philadelphia's Office of Economic Opportunity reports a moderate growth in the availability of M/W/DSBE firms, 25.6%, which equals to a 0.1% increase over FY15; and

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WHEREAS, New public investment is an opportunity to grow the City's diversity and inclusion strategy. The City of Philadelphia must create opportunity for historically-disadvantaged groups with all the tools at its disposal, including a robust inclusion requirement for City contracts; and

WHEREAS, In addition to construction-related goals associated with the Fashion District Philadelphia project, PREIT has agreed to several innovative programs that encourage leasing to local and minority entrepreneurs and the employment of youth in Philadelphia; and

WHEREAS, PREIT has committed to the Homegrown Retail Pilot initiative that provides leasing options to independently owned Philadelphia retailers through PREIT's specialty leasing group and provide professional mentoring services; and

WHEREAS, PREIT also committed to the Food and Beverage Minority Entrepreneur initiative that it will reserve specialty food space for Philadelphia minority food vendors. Additionally, PREIT is committed to hold a job fair and coordinate with local agencies to create a pool of local residents and opportunities for employment of Philadelphia youth; and

WHEREAS, Fashion District Philadelphia creates a unique opportunity for the City of Philadelphia. The project will drive innovation and lead to positive economic benefits and growth. However, this rich economic and social opportunity must foster and encourage diversity and inclusion at all levels of production. By requiring involvement from M/W/DSBEs at all levels of a project, the City has the ability to tap the economic and business development potential of communities that the market has long overlooked. Goals are vital to the process, but they only represent the beginning. It is a fact that a diverse and an inclusive mix of voices translate into better discussions, decisions, solutions, and outcomes for everyone; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Hereby authorizes the City Council Committee of the Whole to hold hearings examining economic inclusion and diversity participation in professional services, capital projects, construction projects, business contracting, and other contracted work related to the Fashion District Philadelphia project, commonly known as the Gallery at Market East.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the fourteenth of December, 2017.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Reynolds Brown

Sponsored by: Councilmembers Reynolds Brown, Parker, Quiñones Sánchez, Jones, Johnson, Green, Oh, Bass, Domb and Blackwell