

City of Philadelphia



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

(Resolution No. 020154)

RESOLUTION

Authorizing the Committee of the Whole to conduct public hearings on the City's economic strategies including an investigation of the City's current tax schemes and structures; an examination of the City's revenue growth; and an assessment of the City's economic stimulus plans.

WHEREAS, Since 1995, the City has incrementally lowered the tax burden to encourage business growth by reducing the Wage Tax paid by City residents from 4.96% to 4.5385% and reducing the Wage Tax paid by non-residents from 4.3125% to 3.9462%, representing an overall reduction of 8.5%; and by reducing the Gross Receipts portion of the Business Privilege Tax from .325% in 1995 to .240% in 2002, a reduction of 26.15% in the Gross Receipts Tax; and

WHEREAS, The City has provided a series of real estate tax abatements to encourage industrial, commercial and residential development including a ten-year abatement of the increase in real estate taxes attributable to improvements to new or existing commercial, industrial or other business properties to encourage additional business investment in the City as authorized by the City in 2000; and a ten-year abatement from Real Estate Taxes on improvements to convert deteriorated industrial, commercial or other business property to commercial residential use as authorized by the City in 1997; and

WHEREAS, Since 1995, the City has created twenty-five Tax Increment Financing (TIF) districts that allow a portion of certain taxes generated by new developments in such TIF districts to be used to support debt service of the targeted developments; TIF financing has been used to retain and expand corporate centers like the PNC Operations Center in Eastwick and the Glaxo SmithKline headquarters in Center City; to facilitate the growth of the hospitality industry by financing the Loews Philadelphia Hotel in the former PSFS building, The Marriott Courtyard Hotel in the former City Hall Annex and the Marriott Hotel expansion in the Reading Terminal Headhouse; to expand the City's manufacturing base with assistance to Cardone Industries and the Kvaerner Shipyard; and to stimulate the development of neighborhood

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commercial centers such as the shopping center development in West Parkside at 52nd street, the Schmidt's Plaza development on Girard avenue on the site of the former Schmidt's Brewery and the Goldman Properties redevelopment along 13th street; and

WHEREAS, The City has aggressively pursued Federal and State programs offering incentives for business development becoming one of the first six cities designated as a Federal Empowerment Zone in 1994; receiving one of the first designations of Renewal Community status in early 2002 to offer additional federal tax benefits for business growth in targeted neighborhoods; and receiving Keystone Opportunity Zone designation from the Commonwealth of Pennsylvania for twenty designated areas of the City that provide exemption from all state and local business taxes for up to thirteen years which has already resulted in the creation of over 2,100 new jobs like those created by the large distribution facility developed in Northeast Philadelphia for T.J. Maxx and the retention of an additional 1,500 jobs; and

WHEREAS, The City has provided nearly \$150 million in economic stimulus funding since 1994 resulting in the creation or retention of thousands of jobs for the City's workforce including corporate headquarters for Crown Cork and Seal, Delaware Investment Funds, Lincoln National, Day & Zimmerman and Philadelphia Stock Exchange; supporting manufacturers such as Phoenix Foods, Packaging Coordinators, Inc., Dietz & Watson, DuPont, Grayboyes, and Mothers Work; encouraging the creation and expansion of technology and service-based companies such as Numoda Corp., the Port of Technology Center, Amtrak, Arthur Andersen, and Computata, Inc.; and providing funding assistance to neighborhood-based organizations such as Mount Airy USA, New Kensington CDC, Point Breeze Performing Arts Center, Nueva Esperanza, Triumph Community Development Corp., Universal Homes, Beech Interplex, and the Small Business Service Center; now, therefore

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Authorizes the Committee of the Whole to conduct public hearings on the City's economic strategies including an investigation of the City's current tax schemes and structures; an examination of the City's revenue growth; and an assessment of the City's economic stimulus plans.

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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

Anna C. Verna
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Blackwell, Krajewski, Mariano and Goode

Sponsored by: Councilmembers Council President Verna, Reynolds Brown,
Tasco, Ortiz, Cohen, Clarke, Rizzo, Nutter, Miller, O'Neill and
Longstreth

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