



City of Philadelphia

City Council
Chief Clerk's Office
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Philadelphia, PA 19107

Legislation Text

File #: 200164, **Version:** 0

Authorizing the Committee on the Environment and the Committee on Transportation and Public Utilities to hold hearings to examine the impact of the sale of the Philadelphia Energy Solutions.

WHEREAS, The Refinery Complex in South Philadelphia, currently the site of Philadelphia Energy Solutions' ("PES") defunct oil refinery, has hosted petroleum-related activity since the late 1800s. Owned by Sunoco since the 1980s, PES purchased the facility in 2012 and continued its operations until last year; and

WHEREAS, On the morning of June 21, 2019, there was a major explosion at the Refinery Complex refinery that was heard and felt for miles. The explosion caused a catastrophic fire that was captured on video and circulated on national news. The Philadelphia Fire Department worked quickly to contain the fire and there were no fatalities or serious injuries as a result of the explosion; and

WHEREAS, The next day, PES announced the closure of the Refinery Complex and their intention to sell the property. The facility's closure had an immediate impact on over 1,000 workers who were laid off over the next month; and

WHEREAS, In January 2020, Hilco Redevelopment Partners, a Chicago-based developer specializing in the redevelopment of industrial sites, agreed to purchase the Refinery Complex for \$240 million. On February 13, 2020 a U.S. Bankruptcy Court judge approved the sale of the PES complex; and

WHEREAS, The PES refinery was previously the largest source of air pollution in Philadelphia. It accounted for 9% of the city's fine particle emissions, 20% of the City's greenhouse gas emissions, and 57% of the City's toxic emissions; and

WHEREAS, With over 100,000 residents living within one mile of the Refinery Complex complex, public health and safety is of utmost concern. Historically, these neighborhoods have been home to lower-income communities of color that have coped with the health effects of living in proximity to this pollution. While some of the long term health effects from the refinery remain unknown, Philadelphia has high rates of lung and kidney cancer which are both linked to benzene and particulate emissions; in May 2019, an air monitor at PES detected a benzene reading that was more than 21 times the federal limit.

WHEREAS, PES was an important engine of economic activity in Philadelphia. On average, PES employed nearly 2,000 full-time workers and contractors. The average salary for a PES employee was \$107,000. In terms of generating tax revenue for Philadelphia, it is estimated that PES had an annual tax impact of \$33.2 million; and

WHEREAS, Hilco Redevelopment Partners reportedly intends to demolish the refinery and replace it with a mixed-use industrial park; and

WHEREAS, The sale and redevelopment of the Refinery Complex will have an immense impact on the health, environment, and economy of surrounding South Philadelphia neighborhoods and the greater City. It is imperative that City Council works with Hilco and the surroundings community to develop a healthy and

equitable solution; and

WHEREAS, The sale of the Refinery Complex creates the potential for abundant economic development and job opportunities that will have a great impact on the local community and economy; and

WHEREAS, There is pressing need to holistically understand the issues and opportunities associated with the sale and development of the Refinery Complex to Hilco. It is imperative that City Council begin discussions around the development now to develop a plan for a healthy, environmentally sustainable and prosperous future in Philadelphia; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on the Environment and the Committee on Transportation and Public Utilities to hold hearings to examine the impact of the sale of the Philadelphia Energy Solutions.