City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Text

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Authorizing the Committee on Commerce & Economic Development to hold hearings on the state of Philadelphia's neighborhood commercial corridors.

WHEREAS, Neighborhood commercial corridors are the economic arteries of our City. The businesses located on commercial corridors offer needed goods and services, and contribute to the neighborhood identities that make our City an attractive place to live, work, and shop; and

WHEREAS, Small businesses are also Philadelphia's leading employer, making up nearly three quarters of employment in the City, and producing over $31 billion in payroll and roughly $1.2 billion in wage tax revenues every year; and

WHEREAS, As of 2019, businesses with fewer than 500 employees account for 99.7% of all businesses in Philadelphia, and of those, 53.7% are microenterprises with 5 employees or fewer; and

WHEREAS, The businesses located on Philadelphia's neighborhood commercial corridors, many of which are small businesses, also provide opportunities for entrepreneurs of color and immigrant entrepreneurs, and help build household wealth; and

WHEREAS, When safe, clean, and vibrant, commercial corridors attract new residents to the surrounding residential area, this can lead to a revitalization of the entire neighborhood; and

WHEREAS, In fact, research shows that commercial corridors that are in "good" or "excellent" condition increase home values by 36% within a quarter-mile radius, but "poor" condition corridors decrease surrounding home values; and

WHEREAS, While commercial corridors in our City have benefited from external assistance via the City's Commerce Department, Community Development Corporations (CDCs), Business Improvement Districts (BIDs), and/or Chambers of Commerce, there can still be great disparity between the type of assistance a commercial corridor receives depending on its neighborhood, history, and surrounding anchor institutions; and

WHEREAS, Before COVID-19, the subsequent economic fallout, and civil unrest, the Philadelphia Association of Community Development Corporations (PACDC) and its Commercial Corridor Working Group (CCWG) called upon City Council and the Kenney Administration to boost investment in commercial corridor programs that have been effective, and to implement other policies that can help create more supportive environments for corridor-based businesses; and

WHEREAS, When the first COVID shutdown occurred in March 2020, businesses along commercial corridors experienced an economic blow that they never expected. Many of them did their best to survive; and

WHEREAS, Corridor-based businesses have been drastically hurt by the COVID-19 pandemic. A survey of nearly 3,000 small businesses conducted by the Commerce Department at the onset of the crisis showed that

small businesses were heavily impacted almost immediately by the pandemic and related shutdown measures, with 30% reporting an anticipated 91-100% decline in annual revenues, and 57% anticipating a decline of over 50%; and

WHEREAS, Just when things looked as if business might be improving and returning to some semblance of "normalcy" in late spring, civil unrest erupted in the wake of the killing of George Floyd. Many businesses experienced significant property damage, loss of inventory, extended closures, and other harms; and

WHEREAS, For many businesses, this was unfortunately the "final blow." The damage was too extreme, and they were forced to close permanently. For others, they did their best to repair and reopen; and

WHEREAS, For those businesses that survived, business improved during the summer months, with more diners returning to restaurants and more shoppers returning to retail stores. Additionally, small businesses such as salons and barbershops were allowed to reopen on June 28, 2020; and

WHEREAS, Unfortunately, after the fatal police killing of Walter Wallace Jr. in West Philadelphia on October 26, 2020, there were several more nights of property damage and looting on commercial corridors; and

WHEREAS, After this second round of property damage, Jameelah Scurry, who co-owns La'vanter Boutique in North Philly with her brother Jamil, said "The city could do more to protect businesses. None of us are protected. All our investment in the neighborhood is, like, done. Business owners don't want to come back because a whole lot, from the first time, got destroyed, like businesses got burnt down to the ground, and I was praying the first time, 'Please don't let them burn down our building'"; and

WHEREAS, Another small business owner, Kevin Phang of Sun Laundromat said, "Just boarding up, we got hit last night. I mean, it really sucks because you know, this is our only location. We're not a big corporation where we lost a store, it's fine, the next day we'll still make money. For small businesses, it really sucks"; and

WHEREAS, While capital has been made available through relief programs and local lending in 2020, neighborhood corridor-based businesses have struggled to access these programs and receive funding; and

WHEREAS, Philadelphia has critical programs that support commercial corridor management and development that have been vital in helping businesses navigate the challenges posed by COVID-19 and civil unrest, including the Targeted Corridor Management Program, CDC Tax Credit Program, the PHL-TCB program, Storefront Improvement Program, Business Security Camera Program, InStore, Neighborhood Development Fund, and other lending and grant programs administered by the Commerce Department and the Philadelphia Industrial Development Corporation (PIDC); and

WHEREAS, Additionally, Philadelphia has a strong network of CDCs, BIDs, Chambers of Commerce, and other organizations that focus on successful management of neighborhood corridors and support of businesses, and that have steadfastly worked to help businesses survive this tumultuous year; and

WHEREAS, While these assistance programs have been an effective safety net for much of 2020, there is concern that the safety net has now been stretched too far, and it will "snap." Many businesses are now facing a second round of COVID restrictions due to an alarming increase in the number of infections in the City, while at the same time confronting the reality of colder, darker winter months that naturally inhibit people from dining outside and even in-person shopping; and

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WHEREAS, The future success of the businesses on neighborhood commercial corridors, corridor programs, and corridor managing organizations will be critical in charting a path toward equitable neighborhood economic recovery in 2021 and beyond; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Authorizes the Committee on Commerce & Economic Development to hold hearings on the state of Philadelphia's neighborhood commercial corridors.