June 16, 2020

The Honorable Darrell Clarke

City Council President

City Hall, Room 490

Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to the list of questions sent prior to the May 18, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021-26 proposed Capital Program and Budget.

Councilmember Oh: Why did the Capital Budget receive such a significant cut?

As you know the COVID19 pandemic has caused significant revenue losses and new costs for the City of approximately $749 million. The debt service for the capital budget is paid out of the operating budget and as such, if we can borrow less for the capital budget, this in turn reduces our debt service payments on the operating side.

Councilmember Gauthier: An Air Monitoring Study was originally proposed for FY21 but is now showing a $250K budget reduction. Can we confirm that this new air quality monitoring will or will not be happening?

The air monitoring project was requested as a result of the south Philadelphia refinery study. Ultimately the Administration chose not to fund this study at this time due to more pressing funding issues related to COVID-19.

Councilmember Gauthier: What is the detail on the following expenses (some of which are set forth in the capital budget) that seem to be focused in the Lower Schuylkill?

There are two projects that are located on the Schuylkill River. The first is a partnership with the Schuylkill River Development Corporation and this funding will support a large trail extension project commonly referred to as the Christian to Crescent Connection. This portion of the trail closes the gap between Center City and Bartram's Garden. The project cost includes the construction of a bridge and acquisition of land for the trail. The project is being leveraged by a federal TIGER grant of $12M for this project as well as some State DCNR grants.

The second project along the Schuylkill is a streetscape improvement project in partnership with PIDC to improve the neighborhood immediately adjacent to the Bartram's Garden and the Bartram's Village Philadelphia Housing Authority site. The neighborhood has several large industrial parcels as neighbors and driving and walking throughout the area is challenged by poor lighting, paving and pedestrian safety. This funding will help to address those streetscape issues for residents while also serving as a catalyst for future economic development parcels that PIDC has in its portfolio.

Councilmember Richardson: What opportunities are there to reduce our annual debt obligations? Has the COVID-19 crisis impacted our borrowing plans for Rebuild?

The City Treasurer's Office continually monitors refunding opportunities to reduce debt service costs for the City. The Tax Cuts and Jobs Act of 2017 eliminated tax-exempt advanced refundings, removing an important cost reduction tool for municipalities. This means that the City can only refund existing debt when it is currently callable (within 90 days of its call date) or issue taxable bonds to advance refund outstanding tax exempt bonds (outside of the 90 day call date window).

In 2019, City Council granted $1.5 billion in refunding authorization to allow the City to refund outstanding General Obligation bonds that produce savings in accordance with the City's Debt Management Policy. This legislation will help the City quickly respond to any future opportunities as they occur.

Due to COVID19 and the stoppage of the construction industry, there may be a delay to the next Rebuild borrowing.

Councilmember Richardson: Provide greater detail around cutting funding to the African American Museum and specifically if the 600,000 maintenance fee in the FY20 is in the FY21 budget.

Currently, the African American Museum does not have funding in the FY21-26 Capital Program. However, the full amount of operational funding has been restored in the FY21 budget at $350,000.

If you have any additional questions, please feel free to contact my office.

Thank you,

Marisa Goren Waxman

Budget Director

June 18, 2020

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the May 26, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget for Philadelphia Parks and Recreation (PPR). At this hearing, the following questions were asked:

Councilmember Henon: We have a recent lead crisis that has struck the parks and recreation centers in the Riverwards. What is the estimated cost that is needed for that remediation, is that cost included in your budget?

Currently the three impacted sites are Samuel, Heitzman & Monkiewicz Playgrounds.

<u>Samuel:</u> *The estimated cost of the field improvements is $750k and $1 Million including the adjacent playground area. The design for remediation and field improvements has been funded but the construction funding is not currently in our budget. Once final design documents are complete this Fall, we will have a better cost estimate*

<u>Heitzman:</u> *The field is being upgraded as part of a previously planned Philadelphia Water Department improvement project. Additional testing is underway to ensure elevated lead levels are addressed as part of the PWD project, which will begin this fall. As this is a ReBuild site, any additional areas may be addressed using Rebuild funds.*

<u>Monkiewicz:</u> *PPR is coordinating with the Pennsylvania Department of Transportation (PennDOT) to ensure that any upgrades to the site align with a previously planned PennDOT capital project. The timeline to address the fields at Monkiewicz are driven by the PennDOT project as that project will impact significant part of the site and alter future layout of the amenities.*

Councilmember Henon: The Department has had to cancel summer programming and the pool season. How much money is being saved due to the pools not opening this year?

PPR is saving $3,121,550 due to pools not opening this summer.

Councilmember Henon: The Department has closed all its facilities including basketball courts and playgrounds, as things reopen how does the Department plan to keep these spaces clean and sanitized? What will be the estimated additional costs for cleaning and sanitizing?

PPR is developing Standard Operating Procedures (SOP) for the cleaning and disinfecting of their facilities, interior and exterior. There will be a daily checklist which will include hour by hour tasks and after use instructions. We will deploy Operations staff who normally work in the grounds crews to facilities without a caretaker to support camp staff with cleaning tasks. All staff will attend a training by our Safety Director and Sustainability Manager to review the SOP's and cleaning checklist, with focus on *the difference between deep cleaning and disinfecting, proper PPE equipment, and how to safely use disinfectant chemical solution.*

Equipment and cleaning supply costs are being determined this week and will be available soon.

Councilmember Henon: In the 6th Council District, Riverfront North is in the process of finalizing Bridesburg Park, this park is one of our trail connectors and Riverfront North uses money from the City to receive grant funding at the State level. This project has been zeroed out in the 5 year plan. Riverfront North is willing to go from $500k across 5 years to $120k. Does PPR believe this park is a priority that aligns with the Department's long term goals.

PPR does believe that this park is a priority that aligns with our long term goals. The proposed park will fulfill a vision of the 2005 North Delaware River Greenway Master Plan to add recreational amenities that will transform the largely industrial and inaccessible Delaware River shoreline. Bridesburg Riverfront Park is part of the 750 mile Circuit Trails and the 3,000 mile East Coast Greenway. The park will serve as a trailhead to provide amenities including parking, restrooms, and water fountains as well as space for Community activities and gatherings, concerts, farmer's markets, and significant space for active and passive recreation.

Phase 1 construction is $5 Million, of which $2,975,000 is committed ($1,500,000 from the William Penn Foundation, $1,250,000 from FY19 and FY20 City Capital, and $475,000 from state grants). Due to the volume of valid requests for capital funding the Budget office had to make some extremely tough decisions for FY21 and unfortunately did not have enough funding to fulfill this request. We are hopeful that we can revisit a commitment to Bridesburg Park in the future.

If you have any additional questions, please feel free to contact my office.

Thank you,

Kathryn Ott Lovell
Commissioner
Philadelphia Parks and Recreation

June 15, 020

The Honorable Darrell Clarke

City Council President

City Hall, Room 490

Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the June 5, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget for Office of Innovation and Technology. At this hearing, the following question was asked:

Councilmember Domb: Are we using technology to improve City operations specifically with Streets and Sanitation?

Yes. In FY20, OIT and Streets completed the following projects:

1) Modernization of the code violation system. The new system provides improvements to streamline processes for the digital recording of violations, issuance of tickets, and transmittal of records to Office of Adjudicate Review for processing for sanitation and ROW code violations.

2) Philadelphia Vehicle Location (PVL) for Sanitation. PVL has been coupled with the Department's recently developed route assignment software. This enables tracking of vehicles to ensure the status of assigned collection for rubbish and recycling. Managers will be able to reassign vehicles to routes near-real to ensure completion through recognizing available resources. The same route monitoring and performance management approach is being developed for snow operations.

The following joint project is underway and scheduled for completion in early 2021: Electronic plan review system - the new systems is designed to manage submittals to the Streets Department and approvals within the department for roadwork and development projects. The system will facilitate the receipt of electronic planning diagrams for the purpose of red lining plans, managing workflow, and effectively archiving submitted materials.

Councilmember Domb: What is the cause for the $40 million increase in OIT's budget since FY19?

The Office of Innovation and Technology has seen an 28% increase or $28,448,193 in General Fund FY19 Original Appropriations to FY21 Proposed Appropriations. From FY20 Estimated Obligations to FY21 Proposed Appropriations there was an increase of $12,155,284 and from FY19 Original Appropriations to FY20 Estimated Obligations there was an increase of $16,332,909 Below please see the Class breakdown in appropriations:

Class 100

- *FY19 Original Appropriations to FY21 Proposed Appropriations - Increase of $3,345,971*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations - Decrease of ($101,220)*

- *FY19 Original Appropriations to FY20 Estimated Obligations – Increase of $3,420,191*

Class 200

- *FY19 Original Appropriations to FY21 Proposed Appropriations - Increase of $9,630,294*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations – Increase of $2,237,701*
    - *FY19 Original Appropriations to FY20 Estimated Obligations – Increase of $7,392,593*

Class 300

- *FY19 Original Appropriations to FY21 Proposed Appropriations – Decrease of $184,495*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations – Decrease of $1,733,755*
    - *FY19 Original Appropriations to FY20 Estimated Obligations – Increase of $1,549,760*

Class 400

- *FY19 Original Appropriations to FY21 Proposed Appropriations - Increase of $15,696,423*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations – Increase of $11,725,558*
    - *FY19 Original Appropriations to FY20 Estimated Obligations – Increase of $3,970,865*

The 911 Administration program general fund contribution saw an increase of $18,184,947 from FY19 Original Appropriations to FY21 Proposed Appropriations and accounts for much of the increase in OIT's budget. From FY20 Estimated Obligations to FY21 Proposed Appropriations there was an increase of $12,349,000 and from FY19 Original Appropriations to FY20 Estimated Obligations there was an increase of $5,835,078. The 911 Appropriations function like a grant, and are only spent when matching revenue is received. The increase will only be expended if additional funds become available. Below please see the Class breakdown of the 911 Administration program that saw increases in General Fund appropriations.

Class 100

- *FY19 Original Appropriations to FY21 Proposed Appropriations – Increase of $380,641*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations – Decrease of $75,000*
    - *FY19 Original Appropriations to FY20 Estimated Obligations – Increase of $455,641*

Class 200

- *FY19 Original Appropriations to FY21 Proposed Appropriations – Increase of $2,804,306*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations – Increase of $2,878,448*
    - *FY19 Original Appropriations to FY20 Estimated Obligations – Decrease of $74,142*

Class 300

- *FY19 Original Appropriations to FY21 Proposed Appropriations – $0*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations – Decrease of $1,570,658*
    - *FY19 Original Appropriations to FY20 Estimated Obligations – Increase of $1,570,658*

Class 400

- *FY19 Original Appropriations to FY21 Proposed Appropriations – Increase of $15,016,700*
    - *FY20 Estimated Obligations to FY21 Proposed Appropriations – Increase of $11,117,079*
    - *FY19 Original Appropriations to FY20 Estimated Obligations – Increase of $3,899,621*

If you have any additional questions, please feel free to contact my office.

Thank you,

Mark Wheeler
Chief Information Officer

June 24, 2020

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the Law and Public Safety hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget. At this hearing, the following question was asked:

Councilmember Parker: Will OOPA requirements be waived during COVID?

The only requirement to get an OOPA is that someone must be a homeowner. Households at any income can qualify for an OOPA, but their terms change based on income. The City is not waiving the requirement that a taxpayer must be the homeowner (or have a legal claim on the property).

If you have any additional questions, please feel free to contact my office.

Thank you,

Frank Breslin
Revenue Commissioner

PHL PHILADELPHIA INTERNATIONAL AIRPORT
PNE NORTHEAST PHILADELPHIA AIRPORT
www.phl.org

June 18, 2020

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions following the May 18, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget for the Division of Aviation. After this hearing, the following questions were asked:

Councilmember Parker:

Question: What are the opportunities to do deferred maintenance with the lower traffic currently being experienced?

Response:

During this recent period of reduced activity, Aviation has been able to perform some deferred maintenance work. This includes maintenance and rehabilitation of escalators (particularly in the International Terminal A-West), installation of new security doors at the B Checkpoint and restriping of the airfield as well the Employee Parking Lot. Our dedicated crews on site have also been focused on some COVID-related activities to prepare our Airport for recovery. These include producing and installing physical distancing signs at doors, restrooms, moving walkways and elevators and installing additional hand sanitizer stations in the terminals and our employee areas.

Question: What is Aviation doing to build DBE capacity?

Response:
The Airport's Office of Diversity and Inclusion has a strong DBE capacity building component and these efforts have continued through the pandemic. We've been able to continue provide all our core services (certification, contract compliance, concession services, monitoring) virtually with most staff working from home.

We have also been able to transition our outreach and capacity building efforts virtually. One great example of this is our Construction Management Program. This class was provided in partnership with Temple University and provided a recognized credential for graduates. This is a challenging program covering all aspects of this business including estimating, bonding, blueprint reading and accounting. The class met for 9 months 2 evenings a week at the Airport. When the pandemic hit, we were able to switch to an online classroom that allowed attendees to present their final projects and graduate.

We were very proud of our DBE firms who completed this challenging program while juggling their responsibilities towards their businesses, their families and during National Guard service. We are particularly proud of one of our students who completed the program while living in emergency housing services. We thank SELF, Inc. for partnering with us to support this talented homeless individual, enhance his transformation and help him reach his goals.

Aviation's Office of Business Diversity has engaged our DBE community since the beginning of the pandemic to keep them informed on developments at PHL, what resources become available for businesses in the crisis and how to best position themselves for the recovery.

Our recent webinar on May 5th; Relief, Regulations and Resources was part our ongoing efforts to assist small diverse businesses weather the pandemic. This webinar focused on providing DBE's & ACDBE's who have or hope to receive Paycheck Protection Program Loans information and tools to help them prepare for the future forgiveness process of these loans when some expenses can be converted to grants. Our post event survey of attendees showed that 81% of the DBE's had applied for Paycheck Protection Loan and 51% had received them. Since then we have heard from several other additional DBE firms who have succeeded in receiving these loans.

Our ongoing capacity building workshops have included:

- PHL's Annual Business Opportunity Forum
- OSHA Requirements
- How to do Business with the Airport
- Doing Business with Regional Transportation Agencies; partnering with the Enterprise Center, SEPTA, PennDot, DRPA and the Port Authority
- The Federal Certification Process
- Access to Capital - Financial Strategies for Airport M/W/DBE's in partnership with the Mayor's Capital Consortium and local lending institutions.
- Anatomy of a Request for Proposal
- Software Solutions for Small Businesses
- How to Structure a DBE Concessions Joint Venture Agreement
- Focused Strategies for Winning Construction Contracts

PHL's Office for Diversity and Inclusion supports capacity building by maintaining strong ties and partnerships with the ethnic business chambers, serving as the Chair of the Statewide Pennsylvania Federal DBE Program and serving on the Diversity Contracting Committee of the National Transportation Research Board. PHL is currently working to re-vision our Annual Business Opportunity Forum as a virtual event; it will continue during the pandemic.

If you have any additional questions, please feel free to contact my office.

Thank you,

DocuSigned by:

Rochelle I Cameron

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Rochelle L. Cameron, CPA, C.M.

Chief Executive Officer

June 26, 2020

The Honorable Darrell Clarke

City Council President

City Hall, Room 490

Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the June 5, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget for the Office of the Chief Administrative Officer. At this hearing, the following questions were asked:

Council President Clark: Please provide summary of the work of the CAO. How much money has been saved by the creation of the CAO, and was there an increase in the level of efficiency?

About CAO:

The mission of the CAO is to collaborate with City departments to transform their service delivery and strengthen their administrative functions for the better. We do this by building a culture of creative problem solving to design, pilot, and implement person-centered solutions with measurable impact. Our vision is inclusive and transparent public service delivery that provides efficient, effective, and equitable outcomes. The CAO has built a team of analysts, service designers, technologists, project managers, and policymakers. Our multidisciplinary team has the deep expertise to help City departments reengineer operations and policy, build resources and tools to support process change, design services through a person-first lens, and manage enterprise-wide implementation efforts from beginning to end.

The CAO is comprised of an executive office that oversees the Contracts Unit (CU), the Office of Administrative Review (OAR), the Service Design Studio (SDS), an outgrowth of the former Office of Open Data and Digital Transformation, Human Resources and Talent (HR&T), and a cluster of City departments including the Office of Innovation and Technology (OIT), Records Department, and Procurement Department.

Savings and Efficiencies Created:

- **Strategic Initiatives –** CAO's multi-disciplinary team leads or supports various enterprise-wide projects seeking to deliver government service more efficiently, effectively, and equitably:
    - CAO led workstreams vital to the COVID-19 response that created long-term efficiencies while ensuring short-term critical City operations were maintained.
        - Enabling Virtual Work through development of Virtual Work and various HR policies and remotework.phila.gov, the central source of information and resources to support virtual work as well as the automation of several paper-based or in-person processes, including leading the transition to electronic invoice approval process and the transition to online adjudicative hearings, online bid openings, and public meetings.
        - Development and administration of Emergent Contracting/Procurement protocols

        - Development of reopening guidance and communications for internal departments, including the deployment of tools to support employee symptom screenings as well as virtual hearings and appointment scheduling for the public.
        - Process and policy development to support COVID-19 costs recovery efforts
    - CAO launched a pilot to improve vendor payment through development of an electronic process. Through the electronic payment process more than 50% of our invoices are now paid within 30 days, a 15% improvement. COVID-19 and increased virtual work has caused for the rapid expansion of the pilot electronic process, which is continuing to be improved.
    - CAO has provided project management support and leadership for the "Optimize Procurement & Accounting Logistics" or OPAL project, which seeks to redesign the financial, grants, procurement, supply chain and business intelligence business processes, and leverage new, market-leading technology solutions in order to create efficiencies and savings through improved systems functionality and ease of use, and to promote enhanced compliance and transparency.
    - CAO has developed digital processes and tools to create efficiencies and improve services and outcomes including:
        - The "Discover Benefits" pilot platform, a digital tool developed by the CAO to improve City residents' access to the many housing-related programs available through one digital platform. The tool will be expanded in FY21 and will include a focus on the COVID-19 recovery.
        - The development of the electronic signature card process for approval and documentation of signature cards.

- **Contracts Unit (CU):** CAO has drastically reduced the time it takes to contract with the City through process improvements, new technology, and policy, regulatory, and legislative changes that simplify and streamline businesses' ability to contract with the City.
    - Decreased contract conformance times by about 37% since 2017:
        - The implementation of an electronic signature and workflow tool for professional services contracts that allows City agencies and the awarded vendor to sign contracts electronically and more quickly and easily. This not only increases staff productivity and expedites service delivery but results in savings from the reduction in paper and postage.
        - Creation of an expedited amendment process for renewing annual professional services contracts that do not include scope of work changes or funding changes.
        - In FY19 alone CAO reduced the average conformance time by over 20 days.
    - In partnership with Councilperson Green, developed and implemented the Local Business Purchasing Initiative (LBPI) which seeks to improve contracting opportunities for Local Business Entities (LBEs) and Minority-, Women-, and Disabled-owned Business Entities (MWDSBEs) and make the contracting process easier and faster.
    - Promulgated new regulations and, in partnership with Councilperson Green, developed legislation to clarify and amend Chapter 17-1400 to make contracting with the City simpler and easier.
    - Advocacy for and implementation of the Best Value Charter Change, which modernized City procurement by allowing the City to evaluate vendors on factors other than price alone, including vendor past performance, including meeting or exceeding M/W/DSBE goals.

- **Service Design Studio (SDS):** Utilizes participatory service design processes to make City services more inclusive, equitable, and accessible.
    - Led digital transformation critical to enterprise wide efficiency and service improvements through the development and launch of the new phila.gov website.
    - Set content guidelines using plain, inclusive language, to make City services more accessible.
    - Awarded Knight Cities Challenge grant in partnership with the Office of Homeless Service to transform the City's homeless intake sites into trauma-informed service environments.
    - Developed a Jobs Board tool that provides residents improved access to all City jobs, exempt and civil service, through a user-friendly interface.
    - Developed Resource Finders - a digital tool developed to give residents access to City resources.
- **Human Resources and Talent (HRT):** Supports City departments through talent management, professional development, and process and policy improvement.
    - Provided recruitment services for exempt and civil service employees in partnership with the Offices of Human Resources with a focus on diversity and hard-to-fill positions.
    - Developed Exempt Hiring Playbook to establish required procedures and best practices in the hiring process to ensure the City is attracting and hiring diverse and qualified talent. From FY16 to current we've seen the exempt workforce grow from 38% diverse to 45% diverse. Provided increased training opportunities through both in-person trainings for HR professionals and online professional development opportunities for the entire workforce through the Learning Management System (LMS) implemented and managed by CAO.
    - Established baseline time-to-hire metrics so can demonstrate measurable success.
    - In partnership with OHR, conducted several pilot programs that reduced time-to-hire including the redesign of the indebtedness check process and augmented third party medical evaluation services. Over 170 laborers participated in both of these pilots and through these efforts we reduced the overall time to hire from the date of certification from 14-18 weeks in 2016-2018 to 2-6 weeks during the pilot period. Additionally, medical evaluation result wait times were reduced from weeks to roughly 3-4 days absent complicating factors.
- **Office of Administrative Review (OAR):** Administers hearings where citizens can dispute fines, bills, and violations issued by the City; consists of the Bureau of Administrative Adjudication (BAA), Code Unit, and Tax Review Board (TRB)
    - Improved the efficiency of internal processes to provide a better customer service experience:
        - Reduced the wait-time for initial master-level hearing from approximately 5-6 months to 3-4 months for each category of tax appeal.
        - Focused on scheduling additional hearings and increasing the amount of cases heard in each designated time slot, identifying the categories with the most cases, such as water and real estate.
        - Additionally, we have increased our notice times from 5-6 weeks to 7-8 weeks. This has allowed both the petitioners and the City more time to prepare and settle issues, resulting in less continuances and less cases to schedule.
        - Developed a process to submit petitions online, providing another tool for petitioners to submit and get answers in a timely way.

- **Council President Clark:** Please provide plans for the City of Philadelphia's work from home policy going forward.

In response to the above question, the City’s expanded Virtual Work Policy is included here as an attachment.

If you have any additional questions, please feel free to contact my office.

Thank you,

Stephanie Tipton
Chief Administrative Officer

Virtual Work Policy for City Employees

Effective Date: June 1, 2020
Policy Version No.: 4
Point of Contact: Stephanie Tipton, Chief Administrative Officer and Michael Zaccagni, Interim Human Resources Director

I. Statement of Policy

The City of Philadelphia's workforce provides essential services to over 1.5 million City residents, including protecting residents' lives, providing residents with educational opportunities, and improving residents' health. Although providing those services often requires onsite presence, the City remains committed to enhancing the work-life balance of its employees and offering flexible working environments when possible. To that end, this policy applies to all City employees who have been directed or approved to work remotely to support City operations and sets forth the circumstances under which City employees may work remotely, and the responsibilities of all parties to any remote work arrangements.

II. Virtual Work Definition and Eligibility

"Virtual work" is defined as conducting work remotely, whether from home or an alternate location away from the office. All employees may be eligible for virtual work, either intermittent or regularly scheduled, depending on their job duties and the operational needs of the Appointing Authority. When necessary, Appointing Authorities may require employees work virtually. All virtual work requires prior approval by an Appointing Authority.

III. Permissible Virtual Work Arrangements

The primary goal of this policy is to enhance workplace flexibility while ensuring that City employees continue to deliver high-quality work product that meets the needs of City government and City residents.

Appointing Authorities may decide how many days per week an employee may work virtually, up to a maximum of three days (or 22.5 hours), unless the Appointing Authority has received authorization to exceed this maximum from the appropriate cabinet member. In exigent circumstances, for example, in the case of an emergency declaration, employees may be authorized to work virtually for an extended period of time beyond this maximum. If employees are allowed to decide which weekdays they work virtually, Appointing Authorities may require that they designate virtual workdays with sufficient advance notice to allow the Appointing Authority to accommodate operational needs.

After an Appointing Authority has approved virtual work for an employee, the Appointing Authority and employee should select an arrangement from those detailed below that best fits the work pattern of that department and the work which the employee in question will be expected to complete. An Appointing Authority may authorize a temporary deviation from a selected arrangement to accommodate unforeseen circumstances on the part of the employee.

A. *Set Schedule.* Appointing Authorities may use a set schedule for approved virtual work. Set schedule virtual work requires the Appointing Authority develop a schedule for the virtual work to which the employee will be expected to adhere (e.g., 8 a.m. to 4 p.m., 9 a.m. to 5 p.m., etc.) Set schedule virtual work should be used when an employee is expected to provide services, either internally or externally, during a set period, and not expected to work outside that period.

B. *Core Hours.* Appointing Authorities may designate certain "core hours" during which a virtual work employee is expected to be working (e.g. 10 a.m. to 2 p.m., 10 a.m. to 12 p.m. and 2 p.m. to 4 p.m., etc.) Employees are then permitted to flex the remainder of the workday. Core hours virtual work should be used when employees are expected to be available to work collaboratively or answer questions, but also have self-directed tasks that may be completed without direct interaction or supervision. Employees are required to complete the minimum work hours according to their work schedule (e.g, 7.5 or 8.0 daily, 75 hours biweekly, etc.)

IV. General Guidelines

The City recognizes that its departments, offices, and agencies provide very different services with very different attendant operational needs. The following guidelines are intended to provide a baseline for all virtual work engaged in by City employees and are not intended to prevent Appointing Authorities from issuing additional specific and reasonable rules, restrictions, or policies.

A. *Work Location and Assessment*. Employees who work virtually on a regular basis are expected to do so from a location that allows the employee to work in an ergonomically appropriate workspace free from distractions. All regular virtual work arrangements should be approved by a departmental safety officer after an assessment of the employee's home workspace conducted in concert with ergonomic guidelines provided by Risk Management. Appointing Authorities may approve sporadic virtual work without such an assessment.

B. *Virtual Work Technology*. Employees must have access to appropriate technology to facilitate virtual work.

1. <u>City-owned Devices.</u> Virtual work should be conducted using City-owned devices. Appointing Authorities should work with the Office of Innovation and Technology (OIT) to ensure that City-owned machines are provided to employees who are expected the engage in virtual work.

i. **Computers.** It is the City's policy to provide laptop computers to employees working virtually. In exigent circumstances, Appointing Authorities may authorize employees to take home desktop computers to facilitate virtual work.

ii. **Phones.** Appointing Authorities should provide cellular telephone for employees expected to perform customer-facing functions that involve telephone contact virtually. These cellular telephones may be voice-only if the virtual work does not require data usage.

iii. **Peripherals.** When necessary, the City will provide each employee one set of peripherals (keyboard, mouse, monitor). That set of peripherals should be used by the employee at his or her principal work location (e.g., home or office). Other specialized peripherals (e.g., fax machines) may be provided to an employee working virtually when deemed necessary by the Appointing Authority in consultation with CAO and OIT.

iv. **Multi-Factor Authentication and Virtual Private Network.** Employees are required to adhere to security measures to limit and control access to their email and network credentials as to preserve and protect City data and technology operations vulnerable to compromise.

2. Personal Electronic Devices. Employees who have not been provided City-owned devices may work virtually using personal devices only with the approval of their Appointing Authority. Appointing Authorities should approve the use of personal devices only under exigent circumstances and may not approve use of personal devices for employees whose work uses programs and databases that do not have web-based interfaces (e.g., FAMIS, etc.), or employees whose work involves sensitive and/or confidential information protected by federal, state, or local statutes (e.g., HIPAA or CHRIA-protected information, taxpayer information, etc). Employees working virtually using personal devices must follow all guidelines set forth in the Office of Innovation and Technology's Personal Computing Device Policy (https://remotework.phila.gov/wp-content/uploads/Personal-Computing-Device-Policy.pdf).

C. *Reimbursable Expenses*. Appointing Authorities may choose to reimburse employees for consumables ordinarily provided to employees while working onsite, such as paper, writing utensils, or other office supplies, when employees must purchase those items to virtual work. All reimbursable expenses must be pre-approved prior to purchase to be eligible for reimbursement. The City will not reimburse employees working virtually for the following expenses:

- Expenses related to home internet services, including installation costs, ongoing service costs, or data overages;
- Expenses incurred in purchasing, using, repairing, or replacing personal devices, including computers, cellular telephones, and peripherals such as printers, keyboards, and mice;
- All other expenses not specifically enumerated as reimbursable in this policy.

D. *Child Care.* Employees are expected to obtain childcare for dependents as necessary to ensure that employees may effectively work virtually. Appointing Authorities may relax this childcare expectation during exigent circumstances (e.g., sporadic school closures, illness, or other emergencies that prevent employees from obtaining childcare).

E. *Timekeeping.* Employees may combine virtual work with onsite work and/or leave time when appropriate. All virtual work should be tracked on the employee's timesheet using the appropriate time code provided by payroll.

F. *Discipline.* Employees working virtually must abide by the same rules, regulations, and policies regarding conduct and work performance that they would be expected to adhere to while working onsite. Employees who fail to follow such rules, regulations, or policies, or who abuse virtual work may have their virtual work privileges be revoked and/or be disciplined, with sanctions up to and including termination.

G. *Signed Agreements.* Prior to working virtually on a regular basis, an employee must sign a virtual work agreement form that delineates any restrictions on that employee's virtual work and memorializes that employee's agreement to abide by this policy and any other applicable department-specific policies. Appointing Authorities shall maintain signed copies of such agreements for any employees permitted to work virtually on a regular basis.

V. Role Responsibilities

Employees, supervisors, and Appointing Authorities must work cooperatively to ensure that employees' virtual work meets the highest standards of quality and quantity. This section delineates the responsibilities of each role in the virtual work arrangement.

A. *Appointing Authority's Responsibilities*.

1. Appointing Authorities are expected to work diligently to arrange work so that it can be completed virtually when possible.
2. Appointing Authorities should provide on virtual work schedules, and deviation from those schedules should be pre-approved.
3. Appointing Authorities must ensure that all overtime earned while working virtually is accurately recorded and timely paid, regardless of whether such overtime was approved. <u>If an employee worked unapproved overtime while working virtually, the Appointing Authority should discipline the employee appropriately.</u>
4. Appointing Authorities must ensure that all employees working virtually are provided with appropriate performance metrics and/or deliverable requirements to ensure that those employees produce the quality and quantity of working expected.
5. Appointing Authorities must ensure that all employees working virtually participate in City-offered trainings on virtual work.

B. *Supervisor's Responsibilities*.

1. Supervisors (or other individuals designated by the Appointing Authority) must approve all virtual work that would result in an employee earning overtime. Supervisors should approve such overtime work only if that employee is working on time-sensitive matters that cannot be completed during a standard work-day.
2. Supervisors will review all work product delivered and functions performed to ensure employees are completing the appropriate quantity and quality of work while working virtually.
3. Supervisors should ensure that employees working virtually may participate in the organization's work to the same extent they would be able to participate if working onsite. This may include ensuring that meetings may be joined virtually, providing call-in numbers for important conference calls, or ensuring that important communications are timely sent by electronic means.
4. Supervisors will immediately document and work to resolve any performance issues.

C. *Employee's Responsibilities*.

1. Employees must ensure that they are prepared to work virtually prior to engaging in virtual work, including ensuring that they have access to necessary devices, documents, applications, information, and communication tools required to perform work effectively.
2. Employees must preserve work material created while working virtually as they were working onsite, including preserving work material created using personal devices.
3. Employees using personal devices for virtual work must surrender any such device at the City's request so that the City may obtain information for potential disclosure in responding to City obligations, such as Right-to-Know requests, internal or external investigations, or lawsuits.
4. Employees working virtually must regularly submit such records of work deliverables as their Appointing Authorities deem appropriate.
5. Immediately report any and all technical issues related to virtual work to the OIT Support Center by emailing ITHelp@phila.gov. Individuals may report technology emergencies by calling (215) 686-8213. OIT cannot provide support for virtual work being conducted on personal devices.
6. Employees should communicate as necessary with supervisors by email and telephone and plan to participate in scheduled business meetings as if working onsite.
7. Employees are expected to timely attend all trainings targeted towards virtual work.
8. Employees will provide supervisors and HR staff with a contact cellular telephone number, if they have not been provided a city-issued mobile phone by their Appointing Authority. Supervisors will see to it that this information is recorded and available in city administrative systems utilized by human resources and OIT as to contact in case of emergency or cyber security incident.

POLICE DEPARTMENT
Headquarters: Franklin Square
Philadelphia, PA 19106

DANIELLE M. OUTLAW
COMMISSIONER

CITY OF PHILADELPHIA

June 16, 2020

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the June 10, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget for Police Department. At this hearing, the following questions were asked:

Councilmember Thomas: How much have we spent as a city on Overtime during the pandemic, both before and after the civil unrest?

The Police Department has incurred the following overtime specifically related to the pandemic:

03/15/2020 – 05/29/2020	*$1,554,817.48*
05/30/2020 – 06/15/2020	*$30,599.44*

This overtime was used to staff security details at testing sites, quarantine locations, and supply warehousing locations. The costs listed include overtime costs and do not reflect straight time costs or any "essential pay" costs for personnel during the pandemic.

Councilmember Thomas: Would social-distancing officers be beneficial?

It is our preference that police resources are not used to enforce non-criminal matters.

Councilmember Thomas: *Are there communication or customer service trainings for officers.*

The recruit training curriculum includes components that address both interpersonal communication and customer service; both of which are vital to successful police-community relations. To bolster these efforts, procedural justice training will be incorporated into recruit training and in-service curricula. In addition to this, the PPD is currently exploring opportunities for public/private partnerships to develop training in this area.

Councilmember Oh: How much money is needed to properly train officers in the use of non-lethal force?

Currently, personnel receive training while in the following areas as alternatives to the use of lethal force; understanding the force continuum, reality-based training, tactical de-escalation, defensive tactics. Additionally, in service training includes reality-based training and refreshers on the force continuum and tactical de-escalation as part of annual training requirements. The Training & Education Services Bureau has the following number of personnel assigned to handle these trainings with associated annual costs of the personnel:

Rank	*Number*	*Annual Costs*
Lieutenants	*02*	*$ 287,648*
Sergeants	*04*	*$ 508,987*
Corporals	*03*	*$ 373,742*
Police Officers	*18*	*$ 2,012,264*
Total		*$ 3,182,641*

Additionally, generally, we have an idea of specific costs for external training once the training has been identified. At this time, implicit bias and EPIC are the trainings planned to be rolled out in the near future. We believe the EPIC training will be at no cost. We do not yet have quotes for procedural justice training (also being planned). Also, as we acquire new technology and/or adopt new policies or programs there will be required training to accompany them.

Finally, to equip every sworn member of the Department with a taser, it would cost approximately $6,585,770 which would include the taser, all accompanying equipment and all required training related to on the use of the taser.

Councilmember Maria Quinones-Sanchez: With regards transparency, why has the department been reluctant to release datasets for the public to view?

The Police Department considers transparency an integral part of maintaining a good relationship with the community we serve. It is for this reason we currently make available the following information on the PPD website; crime statistics, PPD policy directives, complaint against police data and officer involved shooting data. Additionally, the PPD releases the name of officers involved in shootings within seventy-two hours of the incident. We continue to strive for transparency with the deployed of body worn cameras to more than half of the personnel assigned to operations assignments and continue to deploy additional BWCs as we push to our goal of outfitting all operations personnel with a body work camera by the end of 2021.

Councilmember Quinones-Sanchez: Have you had opportunities to evaluate abuses of resources (i.e. OT)?

*The Police Department continually monitors and reviews overtime. The PPD also has policies which dictate the oversight and required approvals for the earning of overtime; Directive 8.15, "*Overtime Management*" and Directive 11.1, "*Daily Attendance Report.*" The Police Department also has a section within the Audits and Inspections Division which specifically monitors and reviews overtime. Copies of Directives 8.15 and 11.1 are included with this letter.*

Councilmember Gym: *Please provide a plan to strengthen the homicide division.*

The Police Department brought the Police Executive Research Forum (PERF) to perform an independent review of operations within the Homicide Unit. From that review, PERF made seventy-two recommendations to improve operations and to ensure the PPD was following best policing practices. The PPD has implemented those recommendations.

Additionally, the Homicide Unit manpower was increased by nine detectives to assist in meeting policing best practices as it relates to case load per detective.

Currently, we are strategizing with the FBI to establish a Violent Crime Working Group to more consistently identify cases that are appropriate for federal prosecution.

Councilmember Brooks: Please provide the breakdown of funding items for the anti-violence efforts included in Police's budget.

While the Philadelphia Police Department's core mission supports violence prevention, the Police Department's proposed FY21 budget includes $2,096,282 to support the Roadmap to Safer Communities, which includes the following:

Class 100	*$ 1,758,372*	*(34) Intelligence Analysts, (1) Intelligence Analyst Manager*
Class 200	*$ 334,850*	*Technology Staff Augmentation, Pinpoint Mobile Phone data plan, & repair & maintenance charges*
Class 300	*$ 3,060*	*Photographic supplies*

If you have any additional questions, please feel free to contact my office.

Thank you,

Danielle M. Outlaw
Police Commissioner

C I T Y O F P H I L A D E L P H I A

DEPARTMENT OF PLANNING AND DEVELOPMENT
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ANNE FADULLON
Deputy Mayor

June 17, 2020

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the June 5, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget for the Department of Planning and Development. At this hearing, the following question was asked:

1. Council President Clarke

Question: Please provide a full breakdown of COVID-19 federal dollars that have been used to fill gaps in housing funding. Provide the funding stream breakdown of CDBG dollars, COVID relief dollars, each stream's flexibility, and the plan to backfill that was previously provided to Councilmember *Green.*

Answer: See Chart Below and Attachments I CDBG YEAR 46 (FY 21) both in thousands.[1]

[1] The State of Pennsylvania is set to receive $225 million in federal coronavirus relief money to help businesses get back on their feet.

		FY 2020					FY 2021				
PROGRAM	FEDERAL	LOCAL	Wells Fargo	**TOTAL**	FEDERAL	LOCAL	**TOTAL**	DiFF	**CDBG-CV**	Wells Fargo	**DiFF w Addl Resources**
Rental Housing Production/Preservation	12,619	10,530		**23,149**	11,955	2,000	**13,955**	***-9,194***			**-9,194**
Home Improvement Programs											
--Heater Hotline		1,000		1,000		1,000	**1,000**	0			**0**
--BSRP	8,385	16,551		24,936	10,122	551	**10,673**	-14,263	**3,758**		**-10,505**
--Targeted BSRP		559		559		0	**0**	-559	**500**		**-59**
--Adaptive Modifications Program		4,355		4,355		1,355	**1,355**	-3,000			**-3,000**
Subtotal	8,385	22,465		**30,850**	10,122	2,906	**13,028**	***-17,822***	**4,258**		**-13,564**
Housing Counseling/Tangled Title	5,392	1,630		**7,022**	5,392	630	**6,022**	***-1,000***	**3,300**	**250**	**2,550**
Direct Assistance											
--Settlement/Downpayment Assistance		5,715	2,500	8,215		0	**0**	-8,215		6,000	**-2,215**
--Mortgage Assistance		525		525		0	**0**	-525	**1,000**	750	**1,225**
--Rental Assistance/Shallow Rent		4,000		4,000	2,000	2,659	**4,659**	659	**11,500**		**12,159**
--Utility Emergency Services Fund		1,070		1,070		0	**0**	-1,070	**1,570**		**500**
Subtotal		11,310		**13,810**		2,659	***4,659***	***-9,151***	***14,070***	***6,750***	**11,669**
			TOTAL	**74,831**		**TOTAL**	**37,664**	***-37,167***	***21,628***	***7,000***	**-8,539**

2. Councilperson Quinones Sanchez

Question: Please provide more detail on new funds for homeless services and how it is prioritized? How is the $12 million for homeless prevention being used?

Answer: Answer is being compiled by the Office of Homeless Services and will be sent separately once available.

Question: *What is the dollar value, number of units, and the loss of dollars leveraged of the affordable housing projects we will not be able to fund due to the decrease in Housing Trust Fund dollars?*

Answer: Final approved budget contains an additional $20 million for the Housing Trust Fund and thus there was not a decrease from the original proposed. See Attachment III: SHARC Projects CIG & DHCD Pipeline Report. No specific projects identified.

3. Councilmember Green:

Question: Please provide more information on the dollars sent to the Philadelphia Housing Authority.

Answer:

The City supported PHA or its development partner for the following projects from the attached SHARC report:

Complete

North Central Neighborhood II

North Central Neighborhood III

Under Construction

Norris Homes Phase V

Pre-Development

Sharswood Phase I

HELP Phase VI

Awarded -- waiting to hear from PHFA

Sharswood Phase 2

4. **Councilmember Thomas**

Question: How much federal funding from CARES has arrived in Philadelphia for housing and rental support?

Response: Total of $34.4 Million of the $40.4 Million of CDBG, HOPWA and ESG CARES Act funding is supporting housing and rental programs - See below tables with budget breakdown.

Proposed Amendments

CDBG-CV Budget Allocation - $26,257,809

PROGRAM	***AMOUNT***
Basic Systems Repair Program (BSRP) – roof, electrical, plumbing and structural repairs	3,758,000
Targeted BSRP – leverage home repair services to Habitat for Humanity/Rebuilding Together Philadelphia	500,000
Housing Counseling & Legal Services - prevent eviction & foreclosure	2,800,000
Emergency Mortgage Assistance – one-time payment to lender for work-out agreement	1,000,000
Emergency Rental Assistance – payment to landlords to cover 3 months of rent	11,500,000
Vacancy Prevention - VIP provide services & funds to resolve tangled-title issues	500,000
Utility Emergency Services Fund – assists residents w/ utility arrears	1,570,000
Technical Assistance to Small Businesses – TA to strengthen minority/small business	500,000
Neighborhood Development Fund – assist neighborhood business to reopen/retool	1,140,000

Targeted Corridor Management Program- CBOs increase outreach/assistance to businesses	510,000
Neighborhood Advisory Committees – increase outreach to connect residents to programs	313,809
Administration	
PHDC	1,750,000
DHCD	250,000
Commerce	166,000
TOTAL	$26,257,809

ESG-CV Budget Allocation – $12,976,572

PROGRAM	*AMOUNT*
Emergency Shelter	9,026,145
Rapid Rehousing – focus on moving people in emergency housing programs into permanent stable housing. Assist up to 24 months over any three-year period.	505,000
Homelessness Prevention – target people "imminently at risk" of becoming homeless. Assist once in a 12-month period	2,176,416
Administration	1,269,011
TOTAL	$12,976,572

HOPWA-CV Budget Allocation (Philadelphia) - $1,059,147
HOPWA-CV Budget Allocation (Bensalem Township) - $117,251

PROGRAM – Philadelphia & Bensalem	*AMOUNT*
Short Term Rental, Mortgage and Utility Assistance	499,251
Tenant Based Rental Assistance	516,050
Sponsor Administration	90,550
DHDC Administration	70,547
TOTAL	$1,176,398

Question: Please provide salaries of top officials at PHA.

Answer: PHA is not part of the Department of Planning and Development. This information needs to come from PHA. We do not have access to the data.

Councilperson Gauthier

Question: Provide details on the federal support that P&D is helping the LandCare program apply for and how much money that would restore?

What possible federal support is there for lot cleanup and how much?

Response: PHS in partnership with JEVS applied for $102,000 grant from the Department of Labor for Re-Entry program for young adults (18-24). PHS will train and place 20 young adults over 24 months. Graduates will be placed with landscaping contractor partners. Additionally, some local funding for LandCare has been restored.

If you have any additional questions, please feel free to contact my office.

Thank you,

Anne Fadullon

Director, Department of Planning and Development

BUDGET DETAIL
CDBG YEAR 46 (FY 21)
(IN THOUSANDS)

	CDBG YEAR 45 FISCAL YEAR 2020										CDBG YEAR 46 FISCAL YEAR 2021								
	CDBG	COVID	HOME	HOPWA	STATE	HTF	HTF-New	ESG	OTHER	TOTAL	CDBG	HOME	HOPWA	STATE	HTF	HTF-New	ESG	OTHER	TOTAL
AFFORDABLE HOUSING PRODUCTION & PRESERVATION																			
A. Affordable Rental Housing																			
1. Neighborhood-Based Rental Production	2,584		3,845			4,160				10,589	2,559	3,845			1,000				7,404
2. Development Financing for Homeless & Special-Needs Housing			1,500							1,500		1,500							1,500
3. Neighborhood-Based Rental Preservation	2,500		2,190			800				5,490	2,525	1,526			1,000				5,051
4. Affordable Housing Production and Preservation							5,570			5,570									0
5. Special Loan Funds										0									0
Subtotal: Affordable Rental Housing	5,084	0	7,535	0	0	4,960	5,570	0	0	23,149	5,084	6,871	0	0	2,000	0	0	0	13,955
B. Home Repair and Weatherization Programs																			
1. Heater Hotline - PHDC/ECA						1,000				1,000					1,000				1,000
2. Weatherization & Basic Systems Repair Program																			
- BSRP	8,385	3,758				551			16,000	28,694	10,122				551				10,673
- Targeted Preservation		500				559				1,059									0
3. Energy Coordinating Agency	522									522	522								522
Subtotal: Home Repairs and Weatherization	8,907	4,258	0	0	0	2,110	0	0	16,000	31,275	10,644	0	0	0	1,551	0	0	0	12,195
Total: Affordable Housing Production & Preservation	**13,991**	**4,258**	**7,535**	**0**	**0**	**7,070**	**5,570**	**0**	**16,000**	**54,424**	**15,728**	**6,871**	**0**	**0**	**3,551**	**0**	**0**	**0**	**26,150**
TENANT AND HOMEOWNER ASSISTANCE																			
A. Housing Counseling																			
1. Downpayment/Closing Cost/Seller Assist							5,715			5,715									0
2. Housing Counseling and Foreclosure/Eviction Prevention	5,244	2,800					500		470	9,014	5,244							470	5,714
3. Vacancy Prevention and Tangled Title	100	500				100	500			1,200	100				100				200
4. Urban Affairs Coalition - Employer Assisted Housing						60				60					60				60
5. Earned Income Tax Credit (EITC)	48									48	48								48
Subtotal: Housing Counseling	5,392	3,300	0	0	0	160	6,715	0	470	16,037	5,392	0	0	0	160	0	0	470	6,022
B. Direct Assistance										0									
1. Mortgage		1,000								1,000									0
2. Rent		11,500				2,000	2,000			15,500		2,000			2,659				4,659
3. Utility Emergency Services Fund		1,570				1,070				2,640									0
Total: Tenant and Homeowner Assistance	**5,392**	**17,370**	**0**	**0**	**0**	**3,230**	**8,715**	**0**	**470**	**35,177**	**5,392**	**2,000**	**0**	**0**	**2,819**	**0**	**0**	**470**	**10,681**
HOMELESS AND SPECIAL-NEEDS HOUSING																			
A. Emergency Solutions Grant								3,612	3,612	7,224							3,763	3,763	7,526
B. Tenant-Based Rental Assistance/Rapid Rehousing	108		2,033							2,141	108	2,033							2,141
C. HOPWA (including rental assistance)				7,333						7,333			7,333						7,333
D. Adaptive Modifications Program					300	1,355			3,000	4,655				300	1,355				1,655
E. Homeless Prevention Program						1,345	2,000			3,345					750				750
Total: Homeless and Special Needs Housing	**108**	**0**	**2,033**	**7,333**	**300**	**2,700**	**2,000**	**3,612**	**6,612**	**24,698**	**108**	**2,033**	**7,333**	**300**	**2,105**	**0**	**3,763**	**3,763**	**19,405**
VACANT LAND MANAGEMENT																			
A. Vacant Land Management	727								2,390	3,117	727							1,990	2,717
Subtotal: Vacant Land Management	727	0	0	0	0	0	0	0	2,390	3,117	727	0	0	0	0	0	0	1,990	2,717
Total: Vacant Land Management & Community Improvements	**727**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,390**	**3,117**	**727**	**0**	**0**	**0**	**0**	**0**	**0**	**1,990**	**2,717**
COMMUNITY ECONOMIC DEVELOPMENT																			
A. Business Assistance																			
1. Business Loan Programs	2,000	1,000							15,650	18,650	2,000							15,650	17,650
2. Section 108 Loan Program (PIDC)									20,000	20,000								20,000	20,000
3. Technical Assistance to Small Businesses	1,000	650								1,650	1,000								1,000
4. Storefront Improvement Program & Targeted Facades									600	600								350	350
5. Business Attraction and Expansion	500	500							300	1,300	500								500
Subtotal: Business Assistance	3,500	2,150	0	0	0	0	0	0	36,550	42,200	3,500	0	0	0	0	0	0	36,000	39,500

BUDGET DETAIL
CDBG YEAR 46 (FY 21)
(IN THOUSANDS)

	CDBG YEAR 45 FISCAL YEAR 2020										CDBG YEAR 46 FISCAL YEAR 2021								
	CDBG	COVID	HOME	HOPWA	STATE	HTF	HTF-New	ESG	OTHER	TOTAL	CDBG	HOME	HOPWA	STATE	HTF	HTF-New	ESG	OTHER	TOTAL
B. Community-Based Organization Assistance																			
1. Neighborhood Development Fund	2,000									2,000	2,000								2,000
2. Neighborhood Development Grants	1,000									1,000	1,000								1,000
3. Targeted Corridor Revitalization Mgt Program	1,445								150	1,595	1,445								1,445
4. Keystone Communities Program/Main Street					175					175				175					175
5. Public Service for Commerical Corridors									900	900									0
6. Capacity Building Assistance	100									100	100								100
7. CDC Tax Credit Program									3,550	3,550								3,550	3,550
Subtotal: Community Based Organization Assistance	4,545	0	0	0	175	0	0	0	4,600	9,320	4,545	0	0	175	0	0	0	3,550	8,270
C. Employment Services and Training																			
1. YouthBuild Philadelphia	300									300	300								300
Subtotal: Employment Services and Training	300	0	0	0	0	0	0	0	0	300	300	0	0	0	0	0	0	0	300
Total: Community Economic Development	**8,345**	**2,150**	**0**	**0**	**175**	**0**	**0**	**0**	**41,150**	**51,820**	**8,345**	**0**	**0**	**175**	**0**	**0**	**0**	**39,550**	**48,070**
COMMUNITY PLANNING AND CAPACITY BUILDING																			
A. Neighborhood Advisory Committees	1,440	314								1,754	1,440								1,440
B. Capacity Building Assistance																			
1. Community Design Collaborative	50									50	50								50
2. Philadelphia Association of CDCs						45				45					25				25
C. Keystone Communities Program/Elm Street					100					100									0
D. Keystone Communities Program (Neighborhood Development)					300					300				300					300
Total: Community Planning and Capacity Building	**1,490**	**314**	**0**	**0**	**400**	**45**	**0**	**0**	**0**	**2,249**	**1,490**	**0**	**0**	**300**	**25**	**0**	**0**	**0**	**1,815**
ANNUAL OPERATING COSTS																			
A. Program Delivery																			
1. DHCD	246									246	246								246
2. PHDC	9,928	1,750				1,227			1,000	13,905	9,928				1,125				11,053
3. Commerce	726									726	726								726
4. PIDC	339									339	339								339
5. L&I	834									834	834								834
6. City Planning	253									253	393								393
Subtotal: Program Delivery	**12,326**	**1,750**	**0**	**0**	**0**	**1,227**	**0**	**0**	**1,000**	**16,303**	**12,466**	**0**	**0**	**0**	**1,125**	**0**	**0**	**0**	**13,591**
B. General Administration																			
1. DHCD	4,805	250	244	213		375				5,887	4,805	244	213		375				5,637
2. PHDC	2,272		560			148				2,980	2,272	910			0				3,182
3. Commerce	1,927	166								2,093	1,927								1,927
4. Law	332									332	332								332
5. City Planning	313									313	243								243
6. Unallocated							2,000			2,000									0
Subtotal: General Administration	**9,649**	**416**	**804**	**213**	**0**	**523**	**2,000**	**0**	**0**	**13,605**	**9,579**	**1,154**	**213**	**0**	**375**	**0**	**0**	**0**	**11,321**
Total: Operating Costs	**21,975**	**2,166**	**804**	**213**	**0**	**1,750**	**2,000**	**0**	**1,000**	**29,908**	**22,045**	**1,154**	**213**	**0**	**1,500**	**0**	**0**	**0**	**24,912**
GRAND TOTAL PROGRAM ACTIVITIES	***52,028***	***26,258***	***10,372***	***7,546***	***875***	***14,795***	***18,285***	***3,612***	***67,622***	***201,393***	***53,835***	***12,058***	***7,546***	***775***	***10,000***	***0***	***3,763***	***45,773***	***133,750***
RESOURCE ALLOCATION	***52,028***	***26,258***	***10,372***	***7,546***	***875***	***14,795***	***18,285***	***3,612***	***67,622***	***201,393***	***53,835***	***12,058***	***7,546***	***775***	***10,000***	***0***	***3,763***	***45,773***	***133,750***
NET RESOURCE ALLOCATION OVER/(UNDER) TOTAL PROGRAM ACTIVITIES	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***

SHARC : Projects | CIG & DHCD Pipeline Report

MAY-21-2020 8:45 AM

Filtering: Status by Formula contains Supported: Waiting for additional funding OR Status by Formula contains Pre-Development OR Status by Formula contains Under Construction OR Status by Formula contains PHFA Not Awarded OR Status by Formula contains Not Supported OR Status by Formula contains Complete AND Fiscal Year Complete Final is greater than 2018

CIG & DHCD Pipeline Report

Development Type	Status	Project	Developer	Council District	Units	City Support (Y/N)	Total DHCD Funding	Funding List	LIHTC Award (Y/N)	LIHTC (Limited Partner Equity) Amount	Settlement Date	Percent Complete	CO/Completion Date	Leased Date
Complete (10 Projects)														
Preservation (occupied)	Complete	Center City Affordability Initiative	Mission First Housing Group	1 ; 2 ; 3	29	Yes	$488,657	HTF	Non-PHFA Funded		05-22-2018	100%	03-31-2020	
Preservation (occupied)	Complete	Hogar de Esperanza Phase II	APM	5	20	Yes	$565,645	HTF	Non-PHFA Funded		08-29-2019	100%	01-22-2020	
Preservation (occupied)	Complete	Northeast Affordability Initiative	Mission First Housing Group	5 ; 6 ; 7 ; 10	38	Yes	$372,334	HTF	Non-PHFA Funded		05-22-2018	100%	03-31-2020	
Preservation (occupied)	Complete	Villas Del Caribe	HACE	7	81	Yes	$950,000	CDBG, HTF	Non-PHFA Funded		06-01-2018	100%	03-14-2019	
New Construction	Complete	Gloria Casarez Residence/1315 N 8th	Project HOME	7	30	Yes	$3,500,000	HTF, HOME	Yes	$4,300,870	11-09-2017	100%	02-25-2019	05-21-2019
New Construction	Complete	Cantrell Place	Presby's Inspired Life	1	61	Yes	$2,200,000	HOME	Yes	$13,198,680	08-29-2017	100%	12-05-2018	01-28-2019
New Construction	Complete	North Central Neighborhood II	PHA	5	89	Yes	$9,000,000	HOME, CHOICE	Yes	$12,339,615	07-13-2017	100%	03-31-2020	
New Construction	Complete	North Central Neighborhood III	PHA	5	50	Yes	$7,000,000	CHOICE	Yes	$11,727,629	10-31-2018	100%	03-31-2020	
Rehab (unoccupied or vacant)	Complete	Henry Avenue Senior Campus I	NewCourtland Elder Services	4	49	Yes	$1,500,000	CDBG	Yes	$5,788,310	12-19-2017	100%	06-21-2019	06-30-2019
Rehab (unoccupied or vacant)	Complete	Roberto Clemente Homes	Nueva Esperanza	7	38	Yes	$2,000,000	CDBG, HOME, FHLB	Yes	$16,363,459	06-02-2017	100%	03-28-2019	07-29-2019
TOT					**485**		**$27,576,636**			**$63,718,563**				
Not Supported (7 Projects)														
Preservation (occupied)	Not Supported	Oxford Village	Beech Interplex	5	137	No	$0							

Development Type	Status	Project	Developer	Council District	Units	City Support (Y/N)	Total DHCD Funding	Funding List	LIHTC Award (Y/N)	LIHTC (Limited Partner Equity) Amount	Settlement Date	Percent Complete	CO/Completion Date	Leased Date
Preservation (occupied) ; Rehab (unoccupied or vacant)	Not Supported	Friends Rehabilitation Program Community Homes: Phase 1	Friends Rehabilitation Program	3	50	No	$0							
New Construction	Not Supported	800 Vine Senior	Pennrose PHL, LLC	1	51	No	$0							
New Construction	Not Supported	Compassion Senior Living	Community of Compassion CDC	3	38	No	$0							
New Construction	Not Supported	Old First House	Community Ventures	1	34	No	$0							
Rehab (unoccupied or vacant)	Not Supported	House of W.I.N., Inc.	House of W.I.N., Inc.	7	9	No	$0							
Rehab (unoccupied or vacant)	Not Supported	Jardines Preservation	APM	5	45	No	$0							
TOT					**364**		**$0**			**$0**				
PHFA Not Awarded (4 Projects)														
	PHFA Not Awarded	Allegheny West Preserv Proj	Allegheny West Foundation	8	45	Yes	$2,500,000		No					
	PHFA Not Awarded	Eastwick Senior Apartments	Region Nine UAW Housing Corp	2	53	Yes	$2,000,000		No					
	PHFA Not Awarded	Mill Redevelopment at A & Indiana	Impact Services	7	48	Yes	$2,000,000		No					
	PHFA Not Awarded	New Court Apt Henry Ave 2A	New Courtland Elder Services	4	41	Yes	$2,000,000		No					
TOT					**187**		**$8,500,000**			**$0**				
Pre-Development (25 Projects)														
Preservation (occupied)	Pre-Development	Carl Mackley Apartments	Winn Development	7	184	Yes	$2,000,000	HTF, FHLB	Yes	$13,038,683				
Preservation (occupied)	Pre-Development	Fitzwater Homes	Holy Trinity Baptist Church	2	22	Yes	$1,000,000	CDBG, HTF, FHLB	Non-PHFA Funded					
Preservation (occupied)	Pre-Development	Imani Homes Preservation	PEC	3	55	Yes	$500,000	HTF	Non-PHFA Funded					
Preservation (occupied)	Pre-Development	Inglis Apartments at Elmwood	Inglis Housing Corporation	2	40	Yes	$320,056	HTF	Non-PHFA Funded					

Development Type	Status	Project	Developer	Council District	Units	City Support (Y/N)	Total DHCD Funding	Funding List	LIHTC Award (Y/N)	LIHTC (Limited Partner Equity) Amount	Settlement Date	Percent Complete	CO/Completion Date	Leased Date
Preservation (occupied)	Pre-Development	Parkside Neighborhood Preserv	Mission First Housing Group	3	82	Yes	$2,000,000	HOME	Yes	$4,184,542				
Preservation (occupied)	Pre-Development	Rowan Judson Diamond	Project HOME	5	39	Yes	$2,000,000	HTF, FHLB	Yes	$4,063,010				
Preservation (occupied)	Pre-Development	Monument Mews	Mission First Housing Group	4	60	Yes	$1,500,000	HTF, FHLB	Yes	$3,672,861				
Preservation (occupied)	Pre-Development	Karen Donnally/Iris Nydia Brown Townhomes Preservation	Women's Community Revitalization Project	7	44	Yes	$2,000,000	HTF	Yes	$3,676,365				
Preservation (occupied)	Pre-Development	Walnut Park Plaza	Altman Management Company, Inc.	3	227	Yes	$400,000	CDBG, FHLB	Non-PHFA Funded					
Preservation (occupied)	Pre-Development	Yorktown Arms	Yorktown CDC	5	56	Yes	$2,000,000	HTF	Non-PHFA Funded					
Preservation (occupied)	Pre-Development	Community Homes	Intercommunity Action	4	60	Yes	$2,000,000	HTF New	Non-PHFA Funded					
Preservation (occupied)	Pre-Development	Hogar de Esperanza Phase III	APM	5	20	Yes	$801,045	HTF	Non-PHFA Funded					
Preservation (occupied) ; New Construction	Pre-Development	Harlan and Sharswood Pres Dev	Michaels Organiaztion	5	111	Yes	$2,000,000	CDBG, HOME, FHLB	Yes	$8,320,080				
New Construction	Pre-Development	Peg's Place	Project HOME	5	40	Yes	$2,000,000	HTF, FHLB	Yes	$12,123,788				
New Construction	Pre-Development	Apartments at New Market West	Mission First Housing Group	4	41	Yes	$2,000,000	HTF, HOME, FHLB	Yes	$11,990,545				
New Construction	Pre-Development	Beury Building II	Shift Capital	5	50	Yes	$2,000,000	FHLB	Yes	$3,786,257				
New Construction	Pre-Development	Mamie Nichols Townhomes	WCRP	2	33	Yes	$2,000,000	HTF, HOME, FHLB	Yes	$10,957,987				
New Construction	Pre-Development	Rafael Porrata-Doria Place	HACE	7	30	Yes	$2,000,000	HTF, FHLB	Yes	$1,758,802				
New Construction	Pre-Development	Sharswood Phase I	Hunt Development Group	5	60	Yes	$2,000,000	HOME	Yes	$4,234,319				
New Construction	Pre-Development	St. Rita Place	Catholic Housing and Comm Serv	2	46	Yes	$2,500,000	CDBG, HTF, FHLB	Yes	$11,642,467				

Development Type	Status	Project	Developer	Council District	Units	City Support (Y/N)	Total DHCD Funding	Funding List	LIHTC Award (Y/N)	LIHTC (Limited Partner Equity) Amount	Settlement Date	Percent Complete	CO/Completion Date	Leased Date
New Construction	Pre-Development	Susquehanna Housing	Susquehanna Net Zero Housing, LP	5	80	Yes	$2,000,000	HTF	Yes	$5,875,000				
New Construction	Pre-Development	Strawberry Mansion Village	Pennrose PHL, LLC	5	77	Yes	$2,000,000	HOME	Yes	$8,590,461				
Rehab (unoccupied or vacant)	Pre-Development	HELP Philadelphia VI	HELP Development Corp	5	55	Yes	$2,000,000	HTF, HOME, FHLB	Yes	$10,750,043				
Rehab (unoccupied or vacant)	Pre-Development	Village Square on Haverford - Phase II	3600 Haverford Avenue Associates	3	32	Yes	$2,000,000	HTF	Yes	$2,596,775				
Rehab (unoccupied or vacant)	Pre-Development	School of Nursing	Project HOME	7	50	Yes	$2,000,000	HTF, HOME, FHLB	Yes	$5,703,236				
TOT					**1594**		**$43,021,101**			**$126,965,221**				
Supported: Waiting for additional funding (15 Projects)														
New Construction	Supported: Waiting for additional funding	8th and Berks Senior Living	APM	5	44	Yes	$2,000,000							
New Construction	Supported: Waiting for additional funding	(The) Allegheny West	SAA-EVI	8	45	Yes	$2,500,000							
New Construction	Supported: Waiting for additional funding	Bakhita Place	Presby's Inspired Life	9	49	Yes	$1,500,000							
New Construction	Supported: Waiting for additional funding	Be A Gem Crossing	North10 Philadelphia	5	41	Yes	$2,500,000							
New Construction	Supported: Waiting for additional funding	Eastwick Senior Apartments	Region Nine UAW Housing Corporation	2	53	Yes	$2,000,000							
New Construction	Supported: Waiting for additional funding	Frankford House	Wasserman Properties	7	42	Yes	$2,000,000							

Development Type	Status	Project	Developer	Council District	Units	City Support (Y/N)	Total DHCD Funding	Funding List	LIHTC Award (Y/N)	LIHTC (Limited Partner Equity) Amount	Settlement Date	Percent Complete	CO/Completion Date	Leased Date
New Construction	Supported: Waiting for additional funding	Gaudenzia West Mill Place	Gaudenzia Foundation, Inc.	3	30	Yes	$2,000,000							
New Construction	Supported: Waiting for additional funding	Gwendolyn Richardson Arms	Conifer Realty, LLC	9	40	Yes	$2,000,000							
New Construction	Supported: Waiting for additional funding	NewCourtland Apts. at Bartholomew Place - Phase 2	NewCourtland Elder Services	7	40	Yes	$2,000,000							
New Construction	Supported: Waiting for additional funding	Ruth Street Civic House	New Kensington CDC (NKCDC)	7	44	Yes	$2,000,000							
New Construction	Supported: Waiting for additional funding	Triangle Senior Housing Phase 1	Elon Development Company, Inc.	3	40	Yes	$2,000,000							
New Construction	Supported: Waiting for additional funding	Allegheny West Plaza (The)	Allegheny West (The) Foundation & SAA EVI	8	45	Yes								
New Construction ; Rehab (unoccupied or vacant)	Supported: Waiting for additional funding	Sharswood Phase 2	Hunt Development Group, LLC	5	59	Yes	$2,000,000							
Rehab (unoccupied or vacant)	Supported: Waiting for additional funding	Lipscomb Square	MBID of Delaware, LLC	2	65	Yes	$2,000,000							
Rehab (unoccupied or vacant)	Supported: Waiting for additional funding	Mill Development @ A & Indiana	Impact Services	7	48	Yes	$2,000,000							
TOT					**685**		**$28,500,000**			**$0**				
Under Construction (11 Projects)														
Preservation (occupied)	Under Construction	Lillia Crippen Townhomes Preservation	WCRP	5	46	Yes	$1,440,000	FHLB	Yes	$3,882,817	12-05-2019	28%		
New Construction	Under Construction	Casa Indiana	HACE	7	50	Yes	$2,000,000	HTF	Yes	$11,398,860	04-29-2019	67%		

Development Type	Status	Project	Developer	Council District	Units	City Support (Y/N)	Total DHCD Funding	Funding List	LIHTC Award (Y/N)	LIHTC (Limited Partner Equity) Amount	Settlement Date	Percent Complete	CO/Completion Date	Leased Date
New Construction	Under Construction	Dauphin House	Maze Group Development	5	52	Yes	$2,400,000	HOME	Yes	$11,039,000	12-03-2019	5%		
New Construction	Under Construction	Francis House	Francis House on Fairmount LP	3	60	Yes	$2,375,000	HTF, HOME, FHLB	Yes	$11,338,866	06-27-2019	60%		
New Construction	Under Construction	GALA-Golden Age Living Accom	Conifer Realty, LLC	9	50	Yes	$2,085,562	HOME	Yes	$11,643,696	05-24-2019	64%		
New Construction	Under Construction	Liberty 52: Stephen F. Gold Community Residences	Liberty Housing Development Corp	3	24	Yes	$595,125	HTF, FHLB	Yes	$7,719,169	05-15-2019	59%		
New Construction	Under Construction	Nicole Hines Townhouses	WCRP	8	35	Yes	$1,979,495	HTF, HOME, FHLB	Yes	$11,046,584	08-15-2019	22%		
New Construction	Under Construction	Norris Homes Phase V	Jonathan Rose Companies	5	133	Yes	$14,255,749	HTF, HOME, CHOICE	Yes	$13,414,779	12-18-2019	5%		
New Construction	Under Construction	Philabundance	Philabundance	5	0	Yes	$4,000,000	CDBG, CHOICE	Non-PHFA Funded		04-26-2019	50%		
New Construction	Under Construction	Susquehanna Square	Community Ventures	5	37	Yes	$2,400,000	HOME, FHLB	Yes	$4,825,794	09-27-2019	30%		
Rehab (unoccupied or vacant)	Under Construction	Maguire-Willard	Project HOME	7	42	Yes	$2,000,000	HTF, HOME, FHLB	Yes	$11,579,041	02-15-2019	81%		
TOT					**529**		**$35,530,931**			**$97,888,606**				
TOT					**3844**		**$143,128,668**			**$288,572,390**				

CITY OF PHILADELPHIA
FIRE DEPARTMENT

240 SPRING GARDEN STREET, PHILADELPHIA, PA 19123-2991

ADAM K. THIEL
FIRE COMMISSIONER

(215) 686-1300
FAX (215) 922-3952

June 24, 2020

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised prior to the June 10, 2020 hearing before the Committee of the Whole on the Fiscal Year 2021 proposed budget for the Philadelphia Fire Department. At this hearing, the following questions were asked:

Councilmember Allan Domb: Please provide EMS revenue collections, including total billed and total received by year.

Below is an overview of the accounts receivable for EMS by fiscal year. FY2020 is year to date through April 2020.

Overview: PFD EMS Accounts Receivable			
Fiscal Year		Accounts Receivable	Revenue Received
2016	Actuals	$203,245,560.00	$42,549,136.28
2017	Actuals	$204,747,610.00	$41,412,516.98
2018	Actuals	$201,428,740.04	$40,852,725.97
2019	Actuals	$199,081,260.03	$41,688,714.53
2020	YTD	$158,725,820.01	$34,973,229.98

There is a large gap between the accounts receivable and revenue received due to the collectible rate on transport billing. On average, insurance reimbursement (revenue received) is around 40-55% of what is billed (accounts receivable) due to Medicare, Medicaid, and other insurance reimbursement rates. Additionally, a low rate of insurance coverage further lowers the collection rate.

Councilmember Allan Domb: Please provide current insurance agreements between the Fire Department and insurance carriers.

There is currently one formal agreement related to emergency medical services between the Philadelphia Fire Department and Independence Blue Cross, which is provided as an appendix to this letter.

Councilmember Allan Domb: Please provide current copy of the EMS revenue contract with payment structure included; provide a copy of all insurance agreements in place for payment of EMS services

The current amendment, with a copy of the payment structure, is included as appendices. Copy of insurance agreements is covered under prior question.

Councilmember Allan Domb: Please provide NFIRS Data from FY16 through FY21 to-date, in Excel, broken down by month and category; additional include total count of 3-, 4- and 5-alarm fires for each of those years.

Below is the NFIRS information. NFIRS data does not report on number of alarms; instead, data is categorized differently according to NFIRS requirements. Report on alarms was collated using internal department records.

PFD Incidents by Fiscal Year				
Fiscal Year	Fire	Medical	Other	Total
FY16	48,630	261,268	519	310,417
FY17	47,389	269,460	545	317,394
FY18	48,971	274,546	436	323,953
FY19	49,344	275,923	451	325,718

PFD - Fire Incidents, by Fiscal Year, by Alarm						
Fiscal Year	2 Alarm	3 Alarm	4 Alarm	5 Alarm	6 Alarm	Total
FY16	6	5	2	0	1	**14**
FY17	10	1	0	3	0	**14**
FY18	13	1	2	1	0	**17**
FY19	9	3	3	1	0	**16**

Councilmember Allan Domb: Please provide annual retirement/termination numbers by title, department, and bargaining unit.

Below is a summary of the separations from FY2018 to FY2020 (current). Details are provided as an appendix.

Separation Summary	IAFF Local 22			DC47			DC33			Exempt/ Non-Represented		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Retirement	16	48	50	0	0	1	1	1	3	0	0	0
Resignation	13	15	12	0	0	0	3	3	5	0	1	1
Termination	1	25	10	0	0	0	2	2	5	0	0	0
Other Separation	6	8	10	0	0	0	1	0	1	0	0	1
Totals	**36**	**96**	**82**	**0**	**0**	**1**	**7**	**6**	**14**	**0**	**1**	**2**

Councilmember Allan Domb: Please provide cost of new cadet classes in Fire inclusive of pension obligations and health care costs/benefits.

The PFD is in the process of gathering this information and will provide a complete response at a later date.

If you have any additional questions, please feel free to contact my office.

In service

Adam K. Thiel

Fire Commissioner/Director of Office of Emergency Management

Current Insurance Agreement, Philadelphia Fire Department, Independence Blue Cross

Independence
Blue Cross

www.ibx.com

1901 MARKET STREET
PHILADELPHIA, PA 19103-1480

April 4, 2006

Ms. Sue Elentrio
Director
City of Philadelphia – EMS Division
1835 Market Street – 9th Floor
Philadelphia, PA 19103

Dear Ms. Elentrio:

Enclosed, for your records, is a signed copy of the Independence Blue Cross and Affiliate Ancillary Provider Agreement. The revised agreement replaces the existing Letter of Agreement effective **March 1, 2006** and includes the revised rates from the Letter Agreement.

Please note that we have included an Attachment to Exhibit C – Compensation for Emergency Medical Transport/Ambulance Providers which was not on the original agreement. This attachment includes the provision for an annual increase which was previously agreed to but inadvertently omitted from Exhibit C.

If you should have any questions, please contact me at (215) 241-4659.

Sincerely,

Christine Anastasia

Christine Anastasia
Provider Contract Administrator

Enclosure

2500

INDEPENDENCE BLUE CROSS AND AFFILIATE ANCILLARY PROVIDER AGREEMENT

This Ancillary Provider Agreement ("Agreement") effective the first day of March 2006 ("Effective Date") is made and entered into by and between **The City of Philadelphia – EMS Division** ("Provider") and Independence Blue Cross, and its subsidiaries and affiliates, including Keystone Health Plan East, QCC Insurance Company, and AmeriHealth HMO, Inc. (collectively referred to herein as "**Independence**").

RECITALS

A. Provider is an entity that provides professional health care services and/or medical products and supplies.

B. Independence is part of a network of health maintenance organizations (HMOs), preferred provider organizations (PPOs), and third party administrators (TPAs) (hereafter referred to as Affiliates and defined herein), which administer indemnity and managed care Benefit Programs of all types in many states. Unless otherwise specified in this Agreement or any attachment thereto, references to "Independence" shall include Affiliates in the capacities as listed in Exhibit B of this Agreement.

C. Independence and Provider mutually desire to enter into this Agreement whereby Provider shall provide Covered Services to Beneficiaries of Independence and shall be compensated by Independence therefore as more explicitly described hereafter:

AGREEMENT

NOW THEREFORE, in consideration of the above recitals and the mutual covenants contained herein, the parties hereby agree as follows:

I. DEFINITIONS

The terms used in this Agreement shall have the following meanings:

1.1 Affiliates. The Affiliates are those entities listed in Exhibit B as well as any corporation or other organization owned or controlled, either directly or through parent or subsidiary corporations by Independence Blue Cross or under common control with Independence Blue Cross. The Affiliates provide, arrange or administer one or more Benefit Programs on behalf of themselves or other Affiliates. Unless otherwise specified in this Agreement or any attachment thereto, references to "Independence" shall include, but are not limited to, the Affiliates as may be amended by Independence.

1.2 Beneficiary (Member or Subscriber). An individual who, on the date of service, is eligible to receive Covered Services under a Benefit Program or Benefit Program Agreement. This term shall include Medicare and Medicaid Beneficiaries, as applicable.

1.3 Benefit Program: The health insurance contracts, managed care programs, or other types of health care coverage and health care administrative services or programs which are provided by or managed by Independence, as set forth in the applicable Exhibits to this Agreement. These include the Indemnity Benefit Program, the Health Maintenance Organization (HMO) commercial Benefit Program, the Medicare HMO Benefit Program, the Preferred Provider Organization (PPO) Benefit Program, and the Medicare PPO Benefit Program. Each Benefit Program includes all products offered under that Benefit Program as shown in the applicable Exhibit to this Agreement. Benefit Programs and the products within a Benefit Program may be amended from time to time by Independence.

1.4 Benefit Program Agreement. Those agreements among Independence or Affiliates and an employer, insurer, labor union, trust, state or federal agency (for Medicare and other governmental programs) or other organization or entity, or an individual, that specify the Covered Services to be provided to or arranged for or reimbursed to or for the benefit of Beneficiaries and the terms and conditions under which those services are to be provided or arranged for or reimbursed, and which are consistent with applicable Benefit Program Requirements. Benefit Program Agreements may be amended from time to time by Independence.

1.5 Benefit Program Requirements. The rules, procedures, policies, protocols and other conditions to be followed by Participating Providers and Beneficiaries with respect to providing and receiving Covered Services under the Benefit Program.

1.6 Capitation Compensation. The per Member per month (PMPM) payment, payable monthly for each Member who is eligible to receive Covered Services, as may be applicable.

1.7 Clean Claim. A claim for payment for a Covered Service which has no defect or impropriety. A defect or impropriety shall include lack of required substantiating documentation or a particular circumstance requiring special treatment which prevents timely payment from being made on the claim. The term shall not include a claim from Provider, which is under investigation for fraud or abuse regarding that claim.

1.8 Coinsurance. The percentage of the reimbursement for Covered Services that a Beneficiary is obligated to pay under a particular Benefit Program and Benefit Program Agreement.

1.9 Coordination of Benefits. The allocation of financial responsibility between two or more payers of health care services, each with a legal duty to pay for or provide Covered Services to a Beneficiary at the same time.

1.10 Copayment. That portion of the reimbursement for Covered Services that a Beneficiary is obligated to pay as a fixed dollar amount each time a Covered Service is provided under a particular Benefit Program and Benefit Program Agreement.

1.11 Covered Services. The Medically Necessary health care services and supplies that are to be provided to a Beneficiary pursuant to a Benefit Program, including specifically those services which Provider is required to provide under this Agreement pursuant to Exhibit B. Except where the context indicates that the term is to be given its broadest construction, Covered Services shall only refer to those Medically Necessary health care services and supplies that Network is to arrange or provide for Beneficiaries pursuant to Exhibit B of this Agreement.

1.12 Deductible. A specified amount of the reimbursement for Covered Services that a Beneficiary is obligated to pay before Independence will be liable for payment of the Covered Services under a particular Benefit Program or Benefit Program Agreement.

1.13 Emergency. The sudden onset of a medical or psychiatric condition manifesting itself in acute symptoms of sufficient severity or severe pain, such that a prudent layperson who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in:

A. placing the Beneficiary's health, or in the case of a pregnant Beneficiary, the health of the Beneficiary or unborn child, in jeopardy;
B. serious impairment to bodily functions; or
C. serious dysfunction of any bodily organ or part.

Emergency shall also include that term as defined in the applicable Exhibit(s) attached for particular Benefit Programs, as well as any condition that may require treatment or attention as required under the "anti-dumping" provisions of the Medicare Act, 42 U.S.C. Section 1395dd or Section 8 of the Act of July 8, 1989 Pub.L. 408, No. 89, 35 P.S. Section 449.8 (Purdon Supp. 1991) as may be amended, or any similar statutory or regulatory requirement, or where immediate treatment and/or admission is pursuant to a court order.

1.14 Emergency Care:. Covered Services provided to a Beneficiary in an Emergency, including emergency transportation and related emergency services provided by a licensed ambulance service. Emergency Care is available twenty-four (24) hours a day, seven (7) days a week.

1.15 Excluded Services. Those health care services and supplies, which are determined not to be Medically Necessary or which otherwise, are not Covered Services under the Benefit Program. Excluded Services include, but are not limited to, services in excess of benefit limitations, services in conjunction with research studies, and experimental and investigative services.

1.16 Medically Necessary or Medical Necessity. The requirement that a Covered Service is recommended by the Primary Care Physician or other Participating Provider, as applicable, and Independence's Medical Director or Physician designee determines that it is all of the following:

A. It is a "health intervention". A health intervention is an item or service delivered or undertaken primarily to treat (i.e., prevent, diagnose, detect, treat or palliate) a "medical condition" or to maintain or restore functional ability. A medical condition is one of the following: disease; illness; injury; genetic or congenital defect; pregnancy; or biological or psychological condition that lies outside the range of normal, age-appropriate human variation. A health intervention is defined not only by the intervention itself, but also by the medical condition and patient indications for which it is being applied.

B. It is the most appropriate supply or level of service, considering the potential benefits and harms to the Beneficiary.

C. It is known to be "effective" in improving "health outcomes". Effective means that the intervention can reasonably be expected to produce the intended results and to have expected benefits that outweigh potential harmful effects. Health outcomes are outcomes that affect health status. The effectiveness of an intervention is based upon being a "new" or "existing" intervention as defined in Exhibit A hereof.

D. It is cost-effective for this condition compared to alternative interventions, including no intervention. "Cost effective" does not necessarily mean lowest price. An intervention is considered cost effective if the benefits and harms relative to costs represent an economically efficient use of resources for patients with this condition. In the application of this criterion to an individual Beneficiary, the characteristics of the individual Beneficiary shall be determinative.

An intervention may be medically indicated yet not be a Covered Service or meet this definition of Medical Necessity. An intervention is covered if: (a) it is a Covered Service; (b) it is not an Excluded Service, and (c) it is Medically Necessary.

1.17 Participating Provider (Participating). A hospital, physician, physician organization, other health care practitioner, facility or organization which has a contractual relationship with Independence to render Covered Services to Beneficiaries.

1.18 Physician. A doctor of medicine or osteopathy licensed to practice medicine or surgery in the State.

1.19 Preapproval. The approval, which the Provider or other Participating Provider must obtain from Independence or its designee to confirm Independence coverage for certain, Covered Services as specified in the Benefit Program Requirements and this Agreement. Such Preapproval must be obtained prior to providing Beneficiaries with such Covered Services. Preapproval will be given by Independence or its designee, under the supervision of a Medical Director. Preapproval is not a guarantee of payment if the Beneficiary is subsequently found to be ineligible. If Participating Provider is required to obtain Preapproval, and provides the Covered Services without obtaining such Preapproval, neither the Beneficiary nor Independence will be responsible for payment.

1.20 Primary Care Physician (PCP). The Participating Physician who is selected by or assigned to a Beneficiary and who is responsible pursuant to the Benefit Program for providing all primary care Covered Services and coordinating and managing the delivery of other Covered Services to Beneficiaries.

1.21 Provider Manual. A manual for Participating Providers of the policies, procedures, and administrative practices of Independence.

1.22 Quality Management Program. The functions, including, but not limited to, credentialing, recredentialing and certification of Participating Providers, site visits, review and audit of medical and other records, medical outcomes, peer review and Participating Providers appeals and grievance procedures performed or required, as applicable, by Independence or any other permitted person or entity, to review the quality of Covered Services rendered to Beneficiaries. Independence shall notify Provider on a periodic basis of changes or additions to the Quality Management Program that are relevant to the terms of this Agreement.

1.23 Referral. Written or electronic documentation from the Beneficiary's Primary Care Physician or other Participating Provider designated by Independence that authorizes certain Covered Services to be rendered by a Participating Provider specifically named on such documentation. Referrals to non-Participating Providers require Preapproval by Independence or its designee. A Referral must be issued to or for the Beneficiary prior to the Beneficiary's receipt of certain Covered Services and is valid for ninety (90) days from the date of issue.

1.24 Service Area. The geographic areas within which Independence is approved to arrange for the provision of Covered Services to Beneficiaries.

1.25 State. The applicable state or states in which Provider is to provide or arrange for the provision of Covered Services to Beneficiaries pursuant to the terms and conditions of this Agreement.

1.26 Utilization Management Program. The functions, including, but not limited to Preapproval, Referral and prospective, concurrent and retrospective review, case management and disease management performed or required by Independence or any other permitted person or entity, to review and determine whether medical services or supplies which have been or will be provided to Beneficiaries are covered under the applicable Benefit Program and meet the criteria as Medically Necessary, as applicable.

II. PERFORMANCE PROVISIONS:

2.1 Provider Warranties as Participating Provider

(a) Provider warrants that for the duration of this Agreement, Provider and its employees, as applicable, shall maintain in good standing and without limitation appropriate State licensure, certification, and accreditation by an accrediting organization acceptable to Independence for the Covered Services to be furnished hereunder and that Provider has sufficient professional and administrative resources to participate in this Agreement. Provider shall also be certified and in good standing to participate in the Medicare and Medicaid programs under Titles XVIII and XIX of the Social Security Act, respectively, or other applicable State law pertaining to Title XIX of the Social Security Act, as applicable to Provider type. Evidence of satisfaction of the requirements set forth in this section shall be submitted to Independence upon request. Provider shall notify Independence immediately in the event it receives notice from any state or federal agency of any violations or other reasons which, if unchanged or uncured, will result in the revocation, suspension, sanction or initiation of other action of any kind against Provider's required licensure, accreditation, Medicare certification, or other status under the Medicare or Medicaid programs.

(b) Provider shall cooperate with Independence's credentialing and recredentialing activities, and upon request, furnish Independence in a timely manner with such information as may be necessary for such purposes.

(c) Provider represents and warrants that all written information furnished to Independence in connection with Provider's seeking and maintaining its Participating status under this Agreement is accurate, complete and true. Provider acknowledges that any materially inaccurate or incomplete information, or fraudulent misrepresentation by Provider, may be considered grounds for immediate termination of this Agreement by Independence.

2.2 Provision of Services.

(a) Provider agrees that it shall render Covered Services to Beneficiaries in accordance with: (1) the terms and conditions of this Agreement; (2) all laws, rules and regulations applicable to Provider or Independence, including specifically all State and/or federal standards applicable to delivery of Covered Services; (3) the Utilization Management Program, Quality Management Program, Benefit Program Requirements and Beneficiary grievance procedure and other policies and procedures under which the Covered Services are rendered, as detailed in the applicable Provider Manual and this Agreement; (4) the same manner, and with the same availability, as services are rendered to other patients without regard to reimbursement; (5) the clinical quality of care and performance standards that are professionally recognized and/or adopted, accepted or established by Provider's professional community and/or Independence, as applicable.

(b) The parties recognize that there may be various implementation dates established for the Benefit Programs as applicable in the Service Areas of each State, as described in Exhibit B and other attachments. Regardless of the effective date of this Agreement or the implementation date of any Benefit Program, State or other Service Area, Provider shall not begin providing Covered Services to Beneficiaries and Independence shall have no obligation to pay for such services, until Provider has completed the credentialing processes to qualify as a Participating Provider.

(c) Provider further agrees that it shall not participate in restrictive or exclusive practice arrangements with other entities, which would preclude or substantially interfere with accepting Beneficiaries enrolled in the Benefit Programs offered by Independence.

(d) Nothing in this Agreement shall be construed to prohibit, restrict or impede the ability of Provider to freely and openly discuss all available treatment options regardless of whether the services may be considered Covered Services in accordance with this Agreement.

(e) Where required under an applicable Benefit Program Requirements, Provider's furnishing of Covered Services must be pursuant to a Referral by a Participating Provider and/or Preapproval. If all or any part of Covered Services that would otherwise be payable hereunder are furnished to a Beneficiary by Provider, but were not included or specified on a Referral by a Participating Provider and/or Preapproved as may be required under an applicable Benefit Program, the Provider shall not charge either Independence or the Beneficiary, for the non-referred and/or non-Preapproved portion of such Covered Services.

(f) Covered Services shall be furnished by Provider without any advance deposit or other charge to Beneficiary, except that Beneficiary shall be responsible for payment of applicable Copayments, Coinsurance or Deductible amounts in accordance with Benefit Programs.

2.3 Offices and Hours. Provider shall maintain such offices, facilities, equipment, patient service personnel and allied health personnel as may be necessary to provide Covered Services under this Agreement. Provider shall provide Covered Services under this Agreement at its offices or facilities or at the homes of Beneficiaries, as applicable, during normal business hours or such other times as may be Benefit Program Requirements, and shall be available to Beneficiaries by telephone twenty-four (24) hours a day, seven (7) days per week for consultation on Emergency medical concerns.

2.4 Coverage. Provider will arrange for coverage in the event of an employed or contracted health care professional's illness, vacation or other absence from the agency and shall ensure that such coverage conforms to the terms of this Agreement. Provider will ensure that its employed or contracted health care professional: (a) will provide Covered Services in accordance with the terms of this Agreement; (b) will be paid by Provider and not seek compensation from Independence for services; (c) will not bill Beneficiaries for Covered Services under any circumstances; except for applicable Copayments, Deductibles and Coinsurance; and (d) will obtain Preapproval from Independence as required by the Benefits Program.

2.5 Non-Discrimination. Provider shall not discriminate against any Beneficiary in the provision of Covered Services hereunder, whether on the basis of the Beneficiaries' coverage under a Benefit Program, age, sex, race, color, religion, ancestry, national origin, disability, handicap, health status, source of payment, utilization of medical or mental health services or supplies or other unlawful basis including, without limitation, the filing by such Beneficiary of any complaint, grievance or legal action against Provider or Independence. Provider shall be precluded from terminating his/her relationship with a Beneficiary who has complicated or expensive medical or other health care needs unless Provider has shown to the satisfaction of Independence that there is good cause for such termination and that such termination is in the Beneficiary's best interest. The parties also agree to comply with applicable non-discriminatory requirements in federal, state and local laws and regulations which, if required to be stated herein, shall be deemed incorporated in this Agreement by reference.

2.6 Utilization Management Requirements. Provider agrees to participate in, cooperate with and comply with all decisions rendered in connection with the Utilization Management Program as detailed in the Provider Manual, as applicable. Provider also agrees to provide such records and other information as may be required or requested under such Utilization Management Program(s).

2.7 Encounter Data. To the extent applicable, Provider agrees to report encounter data on Covered Services to Independence within thirty (30) days of provision of Covered Services to Beneficiaries. Utilization and cost data relating to Provider may be distributed in the aggregate by Independence to other Participating Providers, including Participating Providers who are parties to risk arrangements with Independence. Confidential data relating specifically to Provider may be identified by Independence subject to Provider's consent.

2.8 Preapprovals and Referrals. Where required under the Benefit Program Requirements or Independence Utilization Management Program, Provider agrees not to seek payment for Covered Services other than those described at Exhibit B from Independence unless (i) Preapproval and/or a Referral was obtained for the rendering of such services; and (ii) such payment to Provider is permitted under the terms of this Agreement including the applicable Benefit Program.

2.9 Participating Providers.

(a) Except in an Emergency, as otherwise described in the Benefit Program Requirements, or as otherwise required by law, Provider shall refer Beneficiaries only to Participating Providers for Covered Services. If a Participating Provider is not available, Provider shall obtain Preapproval before referring a Beneficiary to a non-Participating Provider. In the event Provider refers a Beneficiary to a non-Participating Provider without Preapproval, or provides an Excluded or otherwise non-Covered Service to Beneficiary, Provider agrees that it shall inform the Beneficiary in advance, in writing: (i) of the service(s) to be provided, (ii) that Independence will not pay for or be liable for said services; and (iii) that Beneficiary will be financially liable for such services. In the event the Provider does not comply with the requirements of this Section 2.9, it shall be required to hold the Beneficiary harmless in accordance with Section 3.6.

(b) Additionally, for services rendered to or customized for Beneficiary by Provider for which Preapproval is required and not obtained, Provider shall be responsible for payment of claims incurred for the non-Preapproved Covered Services, and Provider agrees, in accordance with Sections 3.6 and 3.7 of this Agreement, to hold harmless the Beneficiary for such claims. For certain Covered Services for which Preapproval is required and which Independence determines to be specialized procedures and/or services, Independence may require that the most cost effective, qualified Participating Provider be utilized for such care.

2.10 Quality Management Program. Provider shall be solely responsible for the quality of Covered Services rendered to Beneficiaries. The quality of Covered Services rendered to Beneficiaries shall be monitored under the Quality Management Program applicable to the Benefit Program. Provider agrees to participate in, and cooperate in all respects with the Quality Management Program, as applicable. Provider also agrees that it shall provide Independence such medical, health care and other records related to Covered Services or performance of other terms of this Agreement within ten (10) days of receipt of written notice, and such review data and other information as may be required or requested under the Quality Management Program. In the event that the standard or quality of care furnished by Provider is found to be unacceptable under the Quality Management Program, Independence shall give written notice to Provider, as applicable, to correct the specified deficiencies within the time period specified in the notice. Provider shall correct such deficiencies within that time period.

2.11 Notice of Adverse Action. Provider shall notify Independence in writing within five (5) business days of receiving notice of any material adverse action including: (1) any malpractice suit or action, or other arbitration action naming or otherwise involving a Beneficiary of Independence or Independence; (2) (a) any other event, occurrence or situation which could severely disrupt the performance of any of Provider's duties and obligations under the Agreement or (b) any event, occurrence or situation which, in the reasonable determination of Independence, jeopardizes the health, safety and welfare of any Beneficiary in any manner or constitutes gross misconduct or fraud; (3) any action against any license, certification or participation of Provider under Title XVIII or Title XIX or other applicable provision of the Social Security Act or other State law and/or regulation, or medical staff or other professional privileges at any facility, as applicable; (4) any material change in the ownership or business operations of Provider as specifically required by Section 2.18. Provider shall forward to Independence any written complaint or grievance of a Beneficiary against Provider to Independence within five (5) business days of receipt thereof. Provider shall maintain a written record of any Beneficiary complaint and provide such record to Independence promptly upon request.

2.12 Professional Liability and Other Insurance. Provider shall maintain appropriate and adequate general liability, professional liability, workers compensation and other insurance to insure Provider, its employees, agents and contractors against any claims, liabilities, damages, or judgments arising directly or indirectly in connection with the performance or non-performance of services under this Agreement. Provider shall ensure that professional liability insurance in an amount equal to the greater of the amount required by State law, or the prevailing community standard is maintained. Provider agrees to provide Independence with written evidence, acceptable to Independence, of such professional liability and other insurance coverage within three (3) days of such request by Independence. Provider also agrees to notify, or to ensure that the insurance carriers notify, Independence at least thirty (30) days prior to any proposed termination, cancellation, or material modification of any policy for all or any portion of the coverage provided.

2.13 Listing of Providers. Provider agrees that Independence may list the name, address, telephone number and other factual information of Provider in its marketing and information materials. It is understood that Independence shall not be responsible or liable for any and all damages arising from an error or omission in the Participating Provider directory.

2.14 New Benefit Programs. Independence may develop new Benefit Programs by providing prior written notice to Provider in accordance with Section 6.1 hereof. Notwithstanding the foregoing, Independence may make changes to existing Benefit Programs by providing Provider with notice of such changes only.

2.15 Beneficiary Grievance Procedure. Provider shall comply with the Beneficiary Grievance Procedure of the applicable Benefit Program, including the HMO Medicare beneficiary appeals process to the extent applicable, and shall abide by the determination of the Beneficiary Grievance Procedure, which may be modified from time to time by Independence. In this regard, Independence and Provider shall each bring to the attention of the other all Beneficiary grievances involving Provider. Provider shall investigate complaints as soon as possible and use its best efforts to resolve them in a timely, fair and equitable manner that does not interfere with the Independence Beneficiary Grievance Procedure. Provider agrees to notify Independence promptly of any action taken or proposed with respect to the resolution of such complaints and the avoidance of similar complaints in the future.

2.16 Compliance with Rules and Regulations. Provider shall be bound by and comply with the provisions of applicable state and federal laws, regulations and Benefit Program Requirements.

2.17 Subcontracting.

(a) Where Provider subcontracts for the performance of Covered Services under this Agreement, Provider shall provide written notice of the subcontractual arrangement to Independence within thirty (30) days of entering into such subcontract. Every subcontract between Provider and a subcontractor shall (a) be in writing and comply with all applicable local, State and federal laws; (b) be consistent with the terms and conditions of this Agreement; (c) contain the Independence and Beneficiary hold harmless language as set forth in section 3.6 hereof; (d) contain a provision allowing Independence and/or its designee access to such subcontractor's books and records as necessary to verify the nature and extent of the Covered Services furnished and the payment provided by Provider to subcontractor under such subcontract; and (e) be terminable with respect to Beneficiaries or Benefit Programs by Provider upon request of Independence.

(b) Independence shall be a third party beneficiary of any said subcontract. Provider shall furnish Independence, upon its request, with copies of any and all such subcontracts within thirty (30) days of execution of this Agreement and within thirty (30) days of execution of any subsequent subcontracts by Provider. Where standard form subcontracts are used by Provider, a representative copy of such standard form shall be provided to Independence. Each such subcontractor shall be required to be a Participating Provider, to the extent that such subcontractor is in a provider category credentialed by Independence for participation. Provider shall ensure that all Covered Services provided to Beneficiaries under such subcontracts shall be specifically identified in each Beneficiary's medical record, which shall be maintained in accordance with Section V herein. Provider shall be financially responsible to the subcontractor for the services and Independence shall pay Provider for such services on the same basis and at the same rates as if the Covered Services had been provided directly by Provider. Neither Provider nor Provider's subcontractor shall bill Beneficiaries for such services, except for applicable Copayments and Deductibles, and Provider shall hold and ensure that subcontractors hold Independence and Beneficiaries harmless from and against any and all claims which may be made by such subcontractors in connection with Covered Services rendered to Beneficiaries under such subcontracts. Upon request, Provider shall disclose to Independence the financial arrangements between Provider and its subcontractor(s). Notwithstanding the above, Independence reserves the right to pay Provider's subcontractor directly for Covered Services and to reduce Provider's payment commensurate with such direct payment to subcontractor.

(c) Provider shall terminate a subcontractor with respect to providing Covered Services to Beneficiaries immediately upon request of Independence, in the event of: (a) subcontractor's failure to comply with applicable Utilization Management Program, Quality Management Program and/or credentialing criteria or any other term of this Agreement; or (b) upon request of Independence.

2.18 Notice Of Certain Changes And Events. Each party shall give the other party written notice within five (5) business days after the occurrence of any of the following events:

(a) any merger, consolidation, sale of all or substantially all of its assets, division or dissolution or any other change in ownership of any party to this Agreement, or any formal corporate action approving any such transaction;

(b) any material reduction or discontinuance of services or material reduction in the capacity of any party to this Agreement, or any formal corporate action approving any such reduction or discontinuance;

(c) any action by any party seeking protection under any bankruptcy or insolvency law, or any appointment of a trustee or receiver for such part, or a substantial portion of its assets;

(d) receipt of any written or oral notice of any adverse action, occurrence or situation which is likely to materially interfere with, modify or alter performance of any party's duties or obligations under this Agreement.

2.19 Additional Terms. Provider and Independence shall perform such other services and adhere to all other terms and conditions stated herein, including, but not limited to those specified in other Exhibits and attachments to this Agreement. The parties understand that separate Exhibits may be developed now and hereafter to address the particular requirements of each State and/or to detail aspects of the Benefit Programs and Benefit Program Requirements applicable to this Agreement.

2.20 Independence shall not sanction, terminate or fail to renew Provider's participation for any of the following reasons:

(a) Advocating for Medically Necessary and appropriate health care services for a Beneficiary;

(b) Filing a grievance on behalf of and with the written consent of a Beneficiary, or helping a Beneficiary to file a grievance;

(c) Protesting an Independence decision, policy or practice which Provider believes interferes with his/her ability to provide Medically Necessary and appropriate health care services; or

(d) Taking another action specifically permitted by Sections 2113, 2121 and 2171 of Pennsylvania's Act 68 (40 P.S. §§991.2001 - 991.2361) or similar State law.

III. PAYMENT FOR COVERED SERVICES

3.1 Compensation. Provider shall accept as payment in full for Covered Services rendered to Beneficiaries under this Agreement the amounts payable by Independence, as set forth in Exhibit C, less applicable Copayments, Coinsurance and Deductibles as may be required of Beneficiaries under Benefit Programs. Provider shall not seek additional payment from Independence or from Beneficiaries unless permitted by the applicable Benefit Program. Provider understands that Independence is solely responsible for paying Provider for Covered Services rendered to Beneficiaries under this Agreement, unless otherwise expressly permitted by the applicable Benefit Program.

3.2 Billing, Payment and Appeals.

(a) Billing. When fee-for-service payment is required, Provider shall submit to Independence Clean Claims in a format approved by Independence for Covered Services rendered to Beneficiaries within sixty (60) calendar days after such services are rendered. Where Independence is the secondary payer under Coordination of Benefits, such sixty-(60) day-period shall commence once the primary payer has made payment on or has denied the Clean Claim. Independence shall not be under any obligation to pay Provider on any claim not submitted in a timely manner.

(b) Payment. Unless the claim is disputed, Independence shall make payment to Provider on each Clean Claim for such services within thirty (30) days of receipt of each such Clean Claim or within the time required by applicable State, federal law or regulation or such other period of time as set forth in Exhibit C to this Agreement. Independence shall have the right to offset claim payments to Provider by any amount owed by Provider to Independence. Provider shall not be entitled to reimbursement from Independence if the Beneficiary was not eligible at the time services were rendered regardless of any prior authorizations. Any interest due Provider by Independence under applicable state and federal law and regulation shall be paid in accordance with such law and regulation. Provider understands and agrees that any payments Independence makes directly or indirectly to Provider under this Agreement shall not be made as an inducement to reduce, limit or delay Medically Necessary Covered Services to any Beneficiary.

(c) Performance Guarantees. If Independence determines that deficiencies identified and reported in writing to Provider relating to the Quality Management Program, Utilization Review Program, credentialing, recredentialing, encounter reporting, or financial reporting have not been corrected within a reasonable period, a final notice shall be sent to Provider requiring that Provider correct such deficiencies within thirty (30) days of notice.

(d) Appeals. Provider shall abide by Independence's appeals process for disputes regarding denial of coverage, which may be modified from time to time by Independence.

3.3 Eligibility. Except in an Emergency, Provider shall verify the eligibility of Beneficiaries before providing Covered Services. Independence shall make a good faith effort to confirm the eligibility of any Beneficiary when such is in question.

3.4 Collection of Copayments, Coinsurance and Deductibles. Provider shall collect all Copayments, Coinsurance and Deductibles due from Beneficiaries, and shall not waive or fail to pursue collection of Copayments, Coinsurance and Deductibles from Beneficiaries, without the prior written consent of Independence.

3.5 No Surcharges. Provider shall not charge the Beneficiary any fees or surcharges for Covered Services rendered pursuant to this Agreement (except to the extent of applicable Copayments, Coinsurance or Deductibles pursuant to Benefit Programs). If Independence receives notice of any additional charges, Provider shall fully cooperate with Independence, shall investigate such allegations, and shall promptly refund any payment deemed improper by Independence to the Beneficiary or the party who made the payment.

3.6 (a) Beneficiary Hold Harmless. Provider agrees and shall ensure that its subcontractors agree that in no event, including but not limited to, non-payment by Independence, insolvency of Independence, non-payment by Provider to subcontractor or breach of this Agreement, shall Provider or any of its subcontractors bill, charge, collect a deposit from, seek compensation or reimbursement from, or have any recourse against Beneficiaries or persons other than Independence acting on their behalf for services provided pursuant to this Agreement. This provision shall not prohibit collection of Copayments, Coinsurance or Deductibles on Independence's behalf made in accordance with the terms of the Benefit Program applicable to the Beneficiary. Notwithstanding the foregoing, to the extent Provider is required by law to respond to all Emergency calls, then Provider shall not be precluded from billing the Beneficiary for those services that are determined by Independence to be non-Emergency services and excluded services. The Provider agrees to make a good faith effort to inform the Beneficiary that he/she may be financially responsible for such services if they are deemed to be non-Emergency Services. It is understood that: (a) this provision shall survive the termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of the Beneficiary; and that (b) this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between Provider, including its subcontractors, and a Beneficiary or persons acting on their behalf. Provider may not change, amend or waive this provision without prior written consent of Independence. Any attempt to change, amend or waive this provision is void unless mandated by State or federal laws or regulations.

(b) Independence Hold Harmless: Provider hereby agrees and shall ensure that its subcontractors agree that in no event, including, but not limited to, non-payment by Provider, or Provider's insolvency, Independence's or Provider's refusal to pay for services or supplies deemed by it not to meet contractual definitions of Medically Necessary or Covered Services as determined by Independence shall Provider or subcontractors collect a deposit from, seek compensation, remuneration, or reimbursement from, or have any recourse against Independence.

Provider further agrees and shall ensure that subcontractors agree that (i) this provision shall survive the termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of the Independence, and that (ii) this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between Provider, its subcontractors and Independence, Beneficiaries or persons acting on their behalf. Provider and its subcontractors may not change, amend or waive this provision without prior written consent of Independence.

3.7 Conditions for Reimbursement for Excluded Services. Provider may bill a Beneficiary for Excluded Services rendered by Provider to such Beneficiary only if such billing is permitted by the applicable Benefit Program and the Provider satisfies the requirements set forth in Section 2.9(a) prior to Provider's rendering of such services, or if the individual was not eligible to receive Covered Services on the date the Excluded Services were provided. Neither a Beneficiary, nor Independence, shall be liable to pay Provider for any medical or health care service or supply furnished by Provider to a Beneficiary which is determined under the applicable Utilization Management Program not to be Medically Necessary or not in compliance with applicable Benefit Program Requirements.

3.8 Coordination of Benefits.

(a) Provider and Independence shall cooperate in the identification of other sources of payment available to Beneficiary, such as other health insurance, government programs, liability coverage, motor vehicle coverage or workers compensation coverage as applicable, and shall further cooperate in the determination of primary and secondary liability.

(b) In the event Independence is determined to be the secondary payer for a Covered Service, Independence's payment shall be limited to the amount Independence would have paid had it been the primary payer reduced by the amount paid by the primary payer. Provider shall accept the primary payment plus Independence's secondary payment as payment in full for all Covered Services furnished to the Beneficiary. Such payments shall therefore discharge all obligations of the Beneficiary for the Covered Services, except for applicable Copayments, Coinsurance and/or Deductibles which are the Beneficiary's responsibility.

3.9 Third Party Recoveries. When Independence has compensated Provider for Covered Services, then Independence retains the right to recover such compensation from applicable third party carriers covering a Beneficiary and to retain all such recoveries. Provider agrees to provide Independence with such information as Independence may require to pursue recoveries from such third party sources and to promptly remit to Independence any monies Provider may receive from or with respect to such sources of recovery up to the amount paid by Independence.

3.10 Non-Eligible Beneficiary. Provider may bill an individual directly for any services provided to an individual before the individual becomes or after the individual ceases to be a Beneficiary. Independence has no obligation under this Agreement to pay for services rendered to individuals who are not or who no longer are Beneficiaries regardless of Referrals, Preapprovals, or other approvals.

3.11 Retroactive Adjustments. Payments to Provider, including Capitation Compensation as applicable, are subject to retroactive adjustment by Independence. Retroactive adjustments may occur where Independence is advised, after services have been provided and/or approved, that an individual was not an eligible Beneficiary at the time services were provided. Retroactive adjustments may also occur where Provider has provided services to an individual who was not considered a Beneficiary at that time, but is later indicated by the payer or group to have been an eligible Beneficiary at the time services were provided.

IV. TERM AND TERMINATION

4.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall continue for one year unless earlier terminated in accordance with this Section IV. After the initial term, this Agreement shall automatically renew for successive renewal terms of one (1) year each unless earlier terminated in accordance with Section IV.

4.2 Termination.

(a) Without Cause. Either party may terminate this Agreement for any reason at the close of the initial or any renewal term upon providing the other party with prior written notice of termination at least ninety (90) days in advance of the close of the then current term.

(b) Termination for Material Breach. Either party may terminate this Agreement in the event the other party breaches any material provision of this Agreement and fails to cure or take substantial steps to cure such breach to the non-breaching party's satisfaction within thirty (30) days of receipt of written notice of such breach. Independence may terminate the Agreement in the event of Provider's failure to comply with the terms, conditions or determinations of any Utilization Management Program, Quality Management Program, including the credentialing process, or other Benefit Program Requirements and Provider fails to cure the breach within thirty (30) days after receiving notice of such breach.

(c) Immediate Termination. Independence may terminate this Agreement immediately upon notice to Provider, in the event of (i) failure of Provider or any of its employees to comply with any applicable law, State or federal rule or regulation; (ii) failure to comply with the terms, conditions or determinations of any applicable Utilization Management Program or Quality Management Program or other Benefit Program Requirements, including specifically failure to meet Independence's credentialing standards; (iii) any action by Provider or its employees which, in the reasonable judgment of Independence, constitutes gross misconduct; (iv) if in Independence's determination services are being rendered in a manner that could jeopardize the health, safety or welfare of any Beneficiary; (v) suspension, restriction, revocation or surrender of Provider's certification in regard to any aspect of a Benefit Program under federal or State law, as applicable; or (vi) suspension, restriction, revocation or surrender of Provider's professional licensure or authorization to provide services under this Agreement by the applicable State licensing agency or any accreditation required by Independence;

4.3 Right of Benefit Program and Other Partial Termination. Provider may only terminate this Agreement in its entirety in accordance with Section 4.2. Independence may terminate this Agreement in its entirety in accordance with Section 4.2. Independence may also terminate with respect to one or more Benefit Programs, and the Agreement shall remain in full force and effect with respect to all other Benefit Programs.

4.4 Effect of Termination. In the event that a Beneficiary is receiving Covered Services at the time this Agreement terminates in whole or in part, Provider shall continue to provide Covered Services to Beneficiary until: (a) treatment is completed; or (b) the Beneficiary is assigned to another Participating Provider; or (c) for such other time periods as required by applicable State or federal law and regulation. In such instances, compensation for such Covered Services shall be as set forth in the Exhibit that applies to the applicable Benefit Program and Provider shall also be obligated to abide by the applicable standards of professional ethics with respect to the transfer of responsibility for patient care.

4.5. All terminations hereunder shall be in accordance with applicable State and federal law and regulation.

V. RECORDS, AUDITS AND REGULATORY REQUIREMENTS

5.1 Medical and Other Records. Provider warrants that it maintains all medical, health care and other books and records required by law in accordance with the general standards applicable to such book or recordkeeping. Such health care and medical records shall be maintained for at least six (6) years after the rendering of Covered Services (records for a minor child shall be kept for at least one (1) year after the minor has reached age of eighteen (18), but in no event less than six (6) years). Additionally, such financial, administrative and other records shall be maintained as may be necessary for compliance by Independence and Provider with all applicable local, State, and federal laws, rules and regulations.

5.2 Access to Records, Audits. The records referred to in Section 5.1 shall be and remain the property of Provider and shall not be removed or transferred from them except in accordance with applicable local, State, and federal laws, rules and regulations. Subject to applicable State or federal confidentiality or privacy laws, Independence, or their designated representatives, and designated representatives of local, State, and federal regulatory agencies having jurisdiction of Independence, shall have access to records of Provider at its place of business on request during normal business hours, to inspect and review and make copies of such records. When requested by Independence, or representatives of local, State or federal regulatory agencies, Provider shall produce copies of any such records and if requested, shall submit to examination under oath regarding the same. Upon request of Independence, Provider shall provide copies of information contained in the medical records of Beneficiaries, at no charge, to Independence and other authorized providers of health care services for the purpose of facilitating the delivery of appropriate health care services to Beneficiaries; carrying out the purposes and provisions of this Agreement; management of Independence Utilization Management, Quality

Management, Beneficiary Grievance, claim adjudication and other administrative programs and compliance with State and federal law and accrediting body requirements (e.g. National Committee for Quality Assurance). Provider shall not charge Beneficiaries for requests for copies of medical records when such are requested due to provider initiated termination of its provider-patient relationship with the Beneficiary. Provider shall facilitate the sharing of such records among health care providers directly involved with the Beneficiary's care.

5.3 Continuing Obligation. This obligations of Provider under Section 5.1 and 5.2 shall not be terminated upon termination of this Agreement in whole or in part, whether by rescission or otherwise. After termination of all or any part of this Agreement, Provider shall ensure that Independence shall continue to have access to records of Provider as necessary to fulfill the requirements of this Agreement and to comply with all applicable laws, rules and regulations.

5.4 Regulatory Compliance. Provider agrees to comply with all applicable local, state, and federal laws, rules, regulations, and contractual requirements now or hereafter in effect, including, but not limited to NCQA, HEDIS and URAC requirements, to the extent that they directly or indirectly affect Provider or Independence and bear upon the subject matter of this Agreement.

VI. GENERAL PROVISIONS

6.1 Amendments. All amendments to this Agreement or any of its exhibits or attachments proposed by Provider must be agreed to in writing by Independence in advance of the effective date thereof. Except as provided in Section 2.14, any amendment to this Agreement, including new Benefit Programs, proposed by Independence shall be effective thirty (30) days after Independence gives Provider notice of the amendment unless Provider gives Independence written notice rejecting the requested amendment within that time period. Amendments required because of legislative, regulatory or legal requirements do not require the consent of Provider or Independence and will be effective immediately on the effective date thereof. Any amendment to this Agreement requiring prior approval of or notice to any federal or State regulatory agency shall not become effective until all necessary approvals have been granted or all required notice periods have expired.

6.2 Separate Obligations. The rights and obligations of Independence, including but not limited to the obligation of Independence as a payer under this Agreement, shall apply to each Affiliate only with respect to the Benefit Programs of such Affiliate. No such Affiliate shall be responsible for, or a guarantor of, the obligations of any other Affiliate under this Agreement with respect to the other Affiliate's Benefit Programs. The person executing this Agreement on behalf of Independence has been duly authorized to execute this Agreement on its behalf.

6.3 Assignment. Neither this Agreement, nor any of Provider's rights or obligations hereunder, is assignable by Provider without the prior written consent of Independence. Should the name of Independence Blue Cross or any of its Affiliates change, due to any merger or other cause, Provider agrees that this Agreement shall remain in full force and effect.

6.4 Confidentiality. Independence and Provider respectively agree to hold all medical and health care records of Beneficiaries and other confidential or proprietary information or trade secrets of Independence and/or Provider in trust and confidence and agree that such information shall be used only for the purposes contemplated herein, and not for any other purpose. Accordingly, Provider and Independence agree not to disclose any proprietary information or confidential and personal information concerning the medical, personal, or business affairs of Beneficiaries acquired in the course of providing Covered Services. All non-public information pertaining to business conducted by Independence or Provider, including, but not limited to, the financial arrangements between the parties, shall be considered confidential and proprietary and unless required by applicable law, shall not be disclosed by either party, except as otherwise provided in this Agreement or, upon the prior written consent of both parties. Notwithstanding the above, nothing shall prevent Independence from releasing aggregate data regarding type, volume and utilization of Covered Services provided by Provider to Beneficiaries for purposes of Independence Utilization Management, Quality Management, and other administrative programs or as may be necessary for compliance by Independence with an accrediting organization's requirements (e.g., National Committee for Quality Assurance.)

6.5 Entire Agreement. This Agreement supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement shall be valid or binding.

6.6 Governing Law. This Agreement shall be governed by, and construed, and enforced in accordance with the laws of the applicable State, except to the extent such laws conflict with or are preempted by any federal law, in which case such federal law shall govern.

6.7 Dispute Resolution.

(a) Any dispute or question arising between the parties hereto shall be resolved in accordance with all applicable laws and regulations. Notwithstanding the above, disputes and questions pertaining to Utilization Management, Quality Management or Beneficiary Grievance shall be resolved pursuant to said Independence programs and in accordance with applicable laws and regulations.

(b) No court action shall be effective unless commenced within one (1) year of the date the administrative remedies provided in accordance with 6.7 (a) above have been exhausted. If such court action is not taken within such time period, the party alleging the dispute shall be deemed to have waived the cause of action and shall be barred from any remedy, at law or in equity, pertaining to the dispute or to the facts and/or issues giving rise to or relating to the dispute.

6.8 Indemnification of Parties. Provider agrees to indemnify and hold harmless Independence, its directors, officers, employees and agents from any claim suit, cost, or expense, including, but not limited to, costs of defense incurred by Independence or such persons as a result of negligent actions or breach of this Agreement by Provider in connection with the performance of the terms and conditions of this Agreement. Independence agrees to indemnify and hold harmless Provider, its directors, officers, employees and agents from any claim, suit, cost or expense, including, but not limited to, costs of defense incurred by Provider or such persons as a result of the negligent actions or breach of this Agreement by Independence or Independence employees in connection with the performance of the terms and conditions of this Agreement.

6.9 Non-Exclusive Contract This Agreement is non-exclusive and shall not prohibit Provider or Independence from entering into agreements with other health care providers or purchasers of health care services, unless otherwise specified.

6.10 No Notice to Beneficiaries. Provider and Independence reserve the right to amend this Agreement and any of its provisions, to waive any rights granted to either party hereunder, and to terminate this Agreement without notice to or consent of any Beneficiary.

6.11 No Third Party Beneficiary. Nothing in this Agreement is intended to, or shall be deemed or construed to create any rights or remedies in any third party, including a Beneficiary. Nothing contained herein shall operate (or be construed to operate) in any manner whatsoever to increase the rights of any such Beneficiary or the duties or responsibilities of Provider or Independence with respect to such Beneficiaries.

6.12 Notice. Any notice required or desired to be given under this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid, or overnight courier, or facsimile with a form confirming completed transmission, addressed as follows:

Independence: Senior Vice President - Contracting and Provider Networks
Independence Blue Cross
1901 Market Street- 35th Floor
Philadelphia, PA 19103-1480
Facsimile No: 215-241-2774
Telephone No: 215-241-2120

Independence: Legal Department
Independence Blue Cross
1901 Market Street- 36th Floor
Philadelphia, PA 19103-1480

Provider: The City of Philadelphia – EMS Division
1835 Market Street- 9th Floor
Philadelphia, PA 19103

6.13 Instructions and Communications: From time to time, Independence shall use provider bulletins, letters, Provider Manual updates and similar written forms of communication to inform Participating Providers changes to Independence policies and procedures that may affect Providers and which may be included and made part of the Provider Manual, as applicable. Examples of such information include, but are not necessarily limited to, changes which Independence plans to make in any Utilization Management policies or criteria applicable to

Provider, Quality Management Program or Beneficiary Grievance Procedures, acceptable billing and claim forms or methods, or other policies affecting Independence's administration of this Agreement. Independence shall provide reasonable advance notification of at least thirty (30) days when there are planned changes in such policies and procedures, which can be expected to have a material effect on Provider. Provider agrees to comply with such communications.

6.14 Regulation. Independence is subject to the requirements of various local, state, and federal laws, rules and regulations. Any provision required to be in this Agreement by any of the above shall bind Provider and Independence whether or not provided herein.

6.15 Severability. If any provision of this Agreement is rendered invalid or unenforceable by any local, state, or federal law, rules or regulation, or declared null and void by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

6.16 Status as Independent Entities. None of the provisions of this Agreement is intended to create nor shall be deemed or construed to create any relationship between Provider and Independence other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither Provider nor Independence nor any of their respective agents, employees, or representatives shall be construed to be the agent, employee or representative of the other.

6.17 Exhibits, Appendices, Amendments and Other Attachments. Each exhibit, appendix, amendment and any other attachment this Agreement is made part of this Agreement as though set forth fully herein. Any provision of an exhibit, appendix, amendment or any other attachment that is in conflict with any provision of this Agreement shall take precedence and supersede the conflicting provision of this Agreement.

6.18 Regulatory Review. If Independence has not been licensed to provide, or to provide Covered Services or any other Covered Services in connection with, a particular Benefit Program in a particular State or subdivision(s) thereof, or has not received all required regulatory approvals for use of this Agreement with respect to a particular Benefit Program in such State or its subdivision(s) prior to the implementation of the Benefit Program in that State, this Agreement shall be deemed to be a binding letter of intent with respect to any such Benefit Program in that State or its subdivision(s). In such event, this Agreement shall become effective with respect to any such Benefit Program in that State or its subdivision(s) on the date that the required licensure and regulatory approvals are obtained. If Independence is unable to obtain such licensure or regulatory approvals after due diligence, Independence shall notify Provider and both parties shall be released from any liability under this Agreement with respect to the Benefit Program in question in the applicable State or its subdivision(s); provided however, that if such licensure or regulatory approval is conditioned upon amendment of this Agreement, then this Agreement shall be amended automatically pursuant to Section 6.1 hereof.

6.19 Blue Cross and Blue Shield Plans. Keystone Health Plan East, Inc. and QCC Insurance Co. are independent corporations operating under a license from the Blue Cross and Blue Shield Association (the "Association"), which is an association of independent Blue Cross and Blue Shield Plans. Although all these independent Blue Cross and Blue Shield Plans operate from a license with the Association, each of them is a separate and distinct corporation. The Association allows these corporations to use the familiar Blue Cross and Blue Shield words and symbols. These corporations, which are parties to this Agreement, are not contracting as an agent of the national association. Only these corporations shall be liable to the Provider for any of their obligations under this Agreement. This paragraph does not add any obligations to this Agreement.

6.20 National Networks. To the extent that Independence participates in national or interregional networks of other health maintenance organizations or managed care plans, Provider shall provide Emergency services as defined by said program to persons who have coverage under such program when requested by Independence, if applicable. Compensation for such services shall be based on the schedule set forth in Exhibit C.

6.21 Agreement Applicability. The terms of this Agreement, including the payment provisions set forth in Exhibit C shall apply to (a) all Benefit Programs offered or administered by Independence, including the Federal Employees Health Benefits Plan, Medicare and Medicaid plans, unless otherwise indicated; (b) services provided to HMO and PPO enrollees of Affiliates, unless Provider maintains a separate agreement with such Affiliate regarding provisions of services to its enrollees, and (c) services provided to enrollees of Blue Cross plans other than Independence that are eligible for such payment provisions pursuant to the inter-plan processing requirements of the Blue Cross and Blue Shield Association.

6.22 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date first written above.

THE CITY OF PHILADELPHIA
EMS DIVISION
1835 Market Street – 9th Floor
Philadelphia, PA 19103

Lloyd Ayers
Signature

Print Name

Fire Commissioner
Title

3/29/06
Date

Federal Tax ID No.________________

INDEPENDENCE
Contracting and Provider Networks
1901 Market Street - 35th Floor
Philadelphia, PA 19103-1480

Signature

I. Steven Udvarhelyi, MD
Print Name

Sr. Vice President + CMO
Title

3/30/06
Date

EXHIBITS
to
ANCILLARY PROVIDER AGREEMENT

EXHIBIT A
DEFINITION OF MEDICAL NECESSITY

"New" or "Existing" Interventions

1. **<u>New interventions</u>** – Effectiveness is determined by "scientific evidence". An intervention is considered new if it is not yet in widespread use for: (a) the medical condition, and (b) the patient indications being considered.

Scientific evidence consists primarily of controlled clinical trials that either directly or indirectly demonstrate the effect of the intervention on health outcomes. If controlled clinical trials are not available, observational studies that demonstrate a causal relationship between the intervention and health outcomes can be used.

Partially controlled observational studies and uncontrolled clinical series may be suggestive. These do not by themselves demonstrate a causal relationship unless the magnitude of the effect observed exceeds anything that could be explained either by: (i) the natural history of the medical condition, or; (ii) potential experimental biases.

New interventions for which clinical trials have not been conducted because of epidemiological reasons (i.e. rare or new diseases or orphan populations) shall be evaluated on the basis of professional standards of care or expert opinion. And;

2. **<u>Existing interventions</u>** – Effectiveness is determined first by scientific evidence, then by professional standards, then by expert opinion.

For existing interventions scientific evidence is considered first and, to the greatest extent possible, is the basis for determinations of Medical Necessity.

If no scientific evidence is available, professional standards of care are considered.

If professional standards of care do not exist, or are outdated or contradictory, decisions about existing interventions are based on expert opinion.

Giving priority to scientific evidence does not mean that coverage of existing interventions should be denied in the absence of conclusive scientific evidence.

Existing interventions can meet the definition of Medical Necessity in the absence of scientific evidence if: (a) there is strong conviction of effectiveness and benefit expressed through up-to-date and consistent professional standards of care; or, (b) in the absence of such standards, convincing expert opinion.

EXHIBIT "B"
COVERED SERVICES AND BENEFIT PROGRAMS FOR AMBULANCE

I. COVERED SERVICES

1.1 Covered Services

Covered Services shall include Basic Life Support and/or Advanced Life Support Ambulance Services under the Benefit Program applicable to the Beneficiary. Provider shall provide Covered Services only for those branches/locations for which Independence has credentialed and approved Provider.

1.2 Provision of Covered Services

Provider shall have services available 24 hours per day, seven days per week and shall be able to provide services, as required, for Emergency Care. Non-emergency Covered Services shall require pre-authorization by Independence.

II. BENEFIT PROGRAMS

2.1 HMO Benefit Programs

Provider shall render Covered Services to HMO Beneficiaries enrolled in the Affiliates offering HMO Benefit Programs set forth below, including HMO- based Point of Service products, which may be amended by Independence from time to time:

- Commercial HMO programs (including POS)
- Medicare Advantage HMO programs (including POS)

HMO Affiliates include, but are not limited to:

Keystone Health Plan East
AmeriHealth HMO, Inc.
HealthCare Delaware, Inc.
Vista Health Plan, Inc. d/b/a Keystone First
Vista Health Plan, Inc. d/b/a AmeriHealth First

2.2 PPO Benefit Programs

Provider shall render Covered Services to PPO Beneficiaries enrolled in the Affiliates offering PPO Benefit Programs set forth below, including PPO based Point of Service products, which may be amended by Independence from time to time:

- Commercial PPO program (including Personal Choice and Blue Choice)
- Medicare Advantage PPO programs (including Personal Choice 65)

PPO Affiliates include, but are not limited to:

AmeriHealth Administrators
QCC Insurance Company d/b/a AmeriHealth Insurance Company
AmeriHealth Insurance Company of New Jersey
Inter-County Health Plan, Inc.
QCC Insurance Company

2.3 Medicare Advantage HMO and PPO Benefit Programs

Provider shall comply with the requirements of the federal Medicare Advantage Program as set forth in Exhibit D.

2.4 Indemnity Benefit Programs

Provider shall render Covered Services to Beneficiaries enrolled in Indemnity Benefit Programs administered or arranged by Independence and its Affiliates, which may be amended from time to time.

AmeriHealth Administrators
AmeriHealth Insurance Company of New Jersey
Independence Blue Cross
Inter-County Health Plan, Inc.
QCC Insurance Company
QCC Insurance Company d/b/a AmeriHealth Insurance Company

EXHIBIT C
COMPENSATION FOR
EMERGENCY MEDICAL TRANSPORT/AMBULANCE PROVIDERS

I. COMPENSATION – GENERAL TERMS

1.1 Application. The following terms shall apply to the compensation of Provider for all obligations of Provider and its subcontractors for all Covered Services furnished to Beneficiaries.

II. COMPENSATION FOR COVERED SERVICES

2.1 General. Independence shall compensate Provider for all Covered Services (as defined in this Agreement and Exhibit A) which are provided to Beneficiaries and arranged or administered by Provider at the lesser of the Provider's charges or the fee schedule set forth in this Exhibit "C," as may be amended from time to time by Independence. Payment of Provider pursuant to this Agreement shall discharge Independence in full from any liability for compensation to Provider and/or to any Provider subcontractors for any and all Covered Services delivered through them to Beneficiaries. All compensation shall be inclusive of all Covered Services provided by or through Provider under the Benefit Program(s) and none of the Provider subcontractors, other Participating Providers or non-Participating Providers of any Covered Services shall look to Independence for any compensation whatsoever. All compensation shall be subject to Beneficiary's eligibility for Benefit Program at time services are provided.

III. FEE SCHEDULE FOR AMBULANCE PROVIDERS

The following rates are all-inclusive of professional (including paramedic) and technical services. Compensation shall be provided only to the Provider who provides transport services. No other compensation shall be payable to Provider for Covered Services furnished under this Agreement.

COVERED SERVICES		RATES
A0425	Ground Mileage (ALS & BLS) per mile	$6.05
A0427	Ambulance service, advanced life support, emergency transport, level 1 (ALS1- Emerg)	$407.31
A0429	Ambulance service, basic life support, emergency transport, (BLS - Emergency)	$343.00
A0433	Advanced life support, level 2 (ALS2)	$589.53

ATTACHMENT TO EXHIBIT C
COMPENSATION FOR
EMERGENCY MEDICAL TRANSPORT/AMBULANCE PROVIDERS

IV. PROVISION FOR ANNUAL INCREASE

Effective March 1, 2007 and each successive March 1 thereafter, the rates in Section III of Exhibit C to this Agreement will be adjusted, as applicable, to be consistent with the then current CMS Medicare rates for Pennsylvania.

THIS SPACE IS INTENTIONALLY LEFT BLANK

EXHIBIT "D"
[ADDITIONAL TERMS FOR STATE REQUIREMENTS -NOT APPLICABLE]

EXHIBIT "E"
MEDICARE ADVANTAGE PROGRAM REQUIREMENTS

I. Application. The following are specific terms that shall apply only to Provider's provision of Covered Services under Independence Medicare Advantage Benefit Programs and those of Affiliates including, but not limited to, Keystone 65, Personal Choice 65 and AmeriHealth 65.

II. Federal Medicare Advantage Program Requirements. The terms and conditions herein are included to meet federal statutory and regulatory requirements of the federal Medicare Advantage Program under Part C of Title XVIII of the Social Security Act ("Medicare Advantage Program"). Provider understands that the specific terms as set forth herein are subject to amendment in accordance with federal statutory and regulatory changes to the Medicare Advantage Program. Such amendment shall not require the consent of the Provider or Independence and will be effective immediately on the effective date thereof.

A. General

1. Provider acknowledges that the Agreement covers Medicare beneficiaries covered under a Medicare agreement between CMS and Independence under the Medicare Advantage Program (hereinafter referred to as "Medicare Advantage Beneficiaries"). Provider shall provide Covered Services to Medicare Advantage Beneficiaries for such time period consistent with the term of the Agreement.

2. Provider and Independence intend that the terms of the Agreement, as they relate to the provision of Covered Services under the Medicare Advantage Program shall be interpreted in a manner consistent with applicable requirements under Medicare law.

3. Independence agrees to pay Provider for Covered Services provided to Medicare Advantage Beneficiaries in the manner and amount set forth in the applicable provisions of the Agreement regarding Compensation and/or Billing and Payment. Moreover, Independence agrees to make promptly such payment to Provider as set forth in such Compensation and/or Billing and Payment provisions of the Agreement. Provider agrees to furnish Independence with any information necessary for Independence to meet the CMS physician incentive disclosure obligations under 42 CFR §422.210.

B. Delegation and General Obligations of Provider

1. Independence delegates to Provider its responsibility under its Medicare Advantage contract with CMS to provide the Covered Services set forth in the Agreement to Medicare Advantage Beneficiaries. Independence may revoke this delegation, including, if applicable, the delegated responsibility to meet CMS reporting requirements, and thereby terminate the Agreement if CMS or Independence determine that Provider has not performed satisfactorily. Such revocation shall be consistent with the termination provisions of the Agreement. Performance of Provider shall be monitored by Independence on an ongoing basis.

2. Provider acknowledges that Independence shall oversee and is accountable to CMS for the functions and responsibilities described in the Medicare Advantage Program regulatory standards. Further, Provider acknowledges that Independence may only delegate such functions and responsibilities in a manner consistent with the standards set forth under 42 CFR §422.502(i)(4).

3. Provider acknowledges that payments Provider receives from Independence to provide Covered Services to Medicare Advantage Beneficiaries are, in whole or part, from federal funds. Therefore, Provider and any of its subcontractors are subject to certain laws that are applicable to individuals and entities receiving federal funds, including but not limited to, Title VI of the Civil Rights Act of 1964 as implemented by 45 CFR part 84; the Age Discrimination Act of 1975 as implemented by 45 CFR part 91; the Rehabilitation Act of 1973; and the Americans With Disabilities Act.

4. Provider agrees to comply, and to require any of its subcontractors to comply, with all applicable Medicare laws, regulations, and CMS instructions. Further, Provider agrees that any Covered Services provided by the Provider or its subcontractors to Independence's Medicare Advantage Beneficiaries will be consistent with and will comply with Independence's Medicare Advantage contractual obligations.

5. Provider agrees to comply with Independence's policies and procedures in performing its responsibilities under the Agreement.

6. Provider specifically agrees to comply with Medicare Advantage Program requirements regarding Medicare Advantage Beneficiary appeals and grievances and to cooperate with Independence in meeting its obligations regarding Beneficiary appeals, grievances and expedited appeals, including the gathering and forwarding of information in a timely manner and compliance with appeals decisions.

C. <u>Requirements Related to Maintenance and Provision of Beneficiary Records and Data</u>

1. Provider agrees to maintain records, documents and any other information relating to Independence Beneficiaries and this Agreement for 6 years or such longer period as required by law. Provider acknowledges that HHS, the Comptroller General, or their designees have the right to audit, evaluate, or inspect any books, contracts, medical records, patient care documentation, and other records of Provider, or its subcontractors or transferees involving transactions related to Independence's Medicare Advantage contract with CMS through 6 years from the final date of the contract period or from the date of the completion of any audit, or for such longer period provided for in 42 CFR §422.502(e)(4) or other applicable law, whichever is later.

2. For the purposes specified in the preceding paragraph, Provider agrees to make available Provider's premises, physical facilities and equipment, records relating to Independence's Medicare Advantage Beneficiaries, and any additional relevant information that CMS may require.

3. Provider agrees to maintain records and other information with respect to Medicare Advantage Beneficiaries in an accurate and timely manner; to ensure timely access by Medicare Advantage Beneficiaries to the records and information that pertain to them; and to safeguard the privacy of any information that identifies a particular Medicare Advantage Beneficiary. Information from, or copies of, records may be released only to authorized individuals. Provider must ensure that unauthorized individuals cannot gain access to or alter patient records. Original medical records must be released only in accordance with federal or State laws, court orders or subpoenas.

4. Provider agrees to abide by all federal and State laws regarding confidentiality and disclosure for mental health records, medical records, other health information, and patient information.

5. Provider agrees to provide to Independence all information necessary for Independence to meet its data reporting and submission obligations to CMS, including, but not limited to, all data necessary to characterize the context and purposes of each encounter between a Medicare Advantage Beneficiary and the Provider and data necessary for Independence to meet its reporting obligations under 42 CFR§ 422.516 and §422.257.

6. Provider agrees to certify the accuracy, completeness, and truthfulness of provider generated encounter data that Independence is obligated to submit to CMS.

D. Provision of Services and Non-Discrimination

1. Provider shall not deny, limit, or condition the furnishing of health care Covered Services to Medicare Advantage Beneficiaries of the Medicare Advantage Organization on the basis of any factor that is related to health status, including, but not limited to medical condition; claims experience; receipt of health care; medical history; genetic information; evidence of insurability, including conditions arising out of acts of domestic violence; or disability.

2. Provider agrees to provide Covered Services consistent with Independence's: (a) standards for timely access to care and member services; (b) policies and procedures that allow for individual medical necessity determinations and (c) policies and procedures for the Provider's consideration of Beneficiary input in the establishment of treatment plans.

3. Provider agrees to provide Covered Services in a manner consistent with professionally recognized standards of health care.

4. Provider acknowledges that Independence has procedures approved by CMS to identify Beneficiaries with complex or serious medical conditions; assess those conditions, including medical procedures to diagnose and monitor them on an ongoing basis; and establish and implement a treatment plan appropriate to those conditions, with an adequate number of direct access visits to specialists to accommodate the treatment plan. To the extent applicable, Provider agrees to assist in the development and implementation of the treatment plans for individual Medicare Advantage Beneficiaries in Provider's care.

5. Provider acknowledges that Medicare Advantage Beneficiaries may obtain covered mammography screening services and influenza vaccinations without a referral from their PCPs and that Medicare Advantage Beneficiaries who are women may obtain women's routine and preventive health care Covered Services from a participating women's health specialist without a referral from their PCP.

6. Provider acknowledges that covered influenza vaccines and pneumococcal vaccines are not subject to Medicare Advantage Beneficiary cost sharing obligations.

7. Provider agrees to cooperate, to the extent applicable, in conducting a health assessment of all new Medicare+Choice Beneficiaries within 90 days of the effective date of their enrollment.

8. To the extent that Provider is financially responsible for the payment for emergency services, post stabilization services, urgently needed services and/or renal dialysis services that are furnished when the Medicare+Choice Beneficiary is temporarily out of the Service Area, Provider's payment responsibilities shall be performed in accordance with CMS's Medicare+Choice Program requirements including the following:

(a) Payment for emergency services, urgently needed services and/or temporarily out-of-area renal dialysis services shall be made regardless of whether the services are obtained from a Participating Provider and without prior authorization.

(b) Payment for emergency services, urgently needed services and/or temporarily out-of-area renal dialysis services shall be timely and reasonable.

(c) The terms "emergency services" and "urgently needed services" shall be interpreted in a manner consistent with the definitions of those terms in 42 CFR §422.2 and any other applicable federal regulation.

(d) Payment for post-stabilization services shall be made consistent with the requirements of 42 CFR §422.100(b)(1)(iv) pertaining to the approval and deemed approval for post-stabilization services.

7. Provider agrees to cooperate, and demonstrate a "best effort" attempt, to the extent applicable, in conducting a health assessment of all new Medicare Advantage Beneficiaries within 90 days of the effective date of their enrollment.

8. To the extent that Provider is financially responsible for the payment for emergency services, post stabilization services, urgently needed services and/or renal dialysis services that are furnished when the Medicare Advantage Beneficiary is temporarily out of the Service Area, Provider's payment responsibilities shall be performed in accordance with CMS's Medicare Advantage Program requirements including the following:

(a) Payment for emergency services, urgently needed services post stabilization care services and/or temporarily out-of-area renal dialysis services shall be made regardless of whether the services are obtained from a Participating Provider and without prior authorization.

(b) Payment for emergency services, urgently needed services and/or temporarily out-of-area renal dialysis services shall be timely and reasonable.

(c) The terms "emergency services", "urgently needed services" and "post stabilization care services" shall be interpreted in a manner consistent with the definitions of those terms in 42 CFR §422.113 and any other applicable federal regulation.

(d) Payment for temporarily out-of-area renal dialysis services, for emergency and urgently needed services and for maintenance and post-stabilization care services shall be made consistent with the requirements of 42 CFR §422.100(b)(1)(iv) pertaining to the approval and deemed approval for post-stabilization services and 42 CFR § 422.113.

E. Requirements Related to Assuring Quality of Care Provided to Medicare Advantage Beneficiaries.

1. Provider agrees to comply and cooperate with an independent quality review and improvement organization's activities pertaining to the provision of Covered Services for Medicare Advantage Beneficiaries.

2. Provider agrees to comply with Independence's medical policies, quality assurance and performance improvement programs, and medical management programs.

3. Independence agrees to consult with Participating Physicians regarding its medical policies, quality assurance program and medical management programs and ensure that practice guidelines and utilization management guidelines:

(i) are based on reasonable medical evidence or a consensus of health care professionals in the particular field;
(ii) consider the needs of the enrolled population;
(iii) are developed in consultation with Participating Physicians;
(iv) are reviewed and updated periodically; and
(v) are communicated to providers and, as appropriate, to Beneficiaries.

Independence also agrees to ensure that decisions with respect to utilization management, Beneficiary education, coverage of health care services, and other areas in which the guidelines apply are consistent with the guidelines.

F. Hold Harmless and Continuation of Benefits

1. Provider agrees that in no event, including but not limited to non-payment by Independence, insolvency of Independence or breach of the Agreement, shall the Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a subscriber, a Medicare Advantage Beneficiary or persons other than

Independence acting on their behalf for Covered Services provided pursuant to the Agreement. This provision does not prohibit the collection of supplemental charges or Copayments on Independence's behalf made in accordance with the terms of the Medicare Advantage Beneficiary's evidence of coverage.

2. Provider agrees that in the event of Independence's insolvency or other cessation of operations, Covered Services to Medicare Advantage Beneficiaries will continue through the period for which the premium has been paid to Independence, and Covered Services to Medicare Advantage Beneficiaries confined in an inpatient Provider on the date of insolvency or other cessation of operations will continue until their discharge.

3. Provider further agrees that (i) the Hold Harmless and Continuation of Benefits provisions shall survive the termination of the Agreement regardless of the cause giving rise to the termination and shall be construed to be for the benefit of the Medicare Advantage Beneficiary, and that (ii) these provisions supersede any oral or written contrary agreement now existing or hereafter entered into between Provider and a Medicare Advantage Beneficiary or persons acting on their behalf that relates to liability for payment for, or continuation of, Covered Services provided under the terms and conditions of these clauses.

4. Any modifications, addition or deletion to these provisions shall become effective on a date no earlier than 15 days after the Administrator of CMS has received written notice of such proposed changes.

G. Term and Termination Provisions for Medicare Advantage

1. To the extent the Agreement provides for termination without cause, Independence and Provider agree that each party shall give the other party the prior written notice as set forth in the Agreement if such time period in the Agreement is more than sixty (60) days prior to the effective date of termination; but in no event shall notice be provided less than 60 days prior to terminating the Agreement without cause.

2. Provider acknowledges that the Agreement shall be terminated if Provider, or a person with an ownership or control interest in Provider, is excluded from participation in Medicare under Section 1128 or 1128A of the Social Security Act or from participation in any other federal health care program.

3. To the extent Provider is a Participating Physician, if Independence decides to suspend or terminate the Agreement, Independence shall give the Participating Physician written notice, to the extent required under CMS regulations, of the reasons for the action, including, if relevant, the standards and the profiling data the organization used to evaluate the Participating Physician and the numbers and mix of Participating Physicians Independence needs. Such written notice shall also set forth Participating Physician's right to appeal the action and the process and timing for requesting a hearing.

H. Provider Subcontracts and Employees

1. Provider agrees that if Provider enters into subcontracts to provide Covered Services to Medicare Advantage Beneficiaries under the terms of the Agreement, Provider's subcontracts shall include the following:
   - (i) an agreement by the subcontractor to comply with all of the Provider obligations in this Amendment;
   - (ii) a prompt payment provision as negotiated by Provider and the subcontractor;
   - (iii) a provision setting forth the terms of payment and any incentive arrangements;
   - (iv) a provision setting forth the term of the subcontract (preferably one year or longer); and
   - (v) dated signatures of all parties to the subcontract.

2. Provider agrees that the credentials of any of Provider's affiliated providers will be reviewed by Independence.

3. Neither Provider nor Independence may employ or subcontract with an individual, or with an entity that employs or contracts with an individual, who is excluded from participation in Medicare under section 1128 or 1128A of the Social Security Act or from participation in a federal health care program for the provision of any of the following:
   - (i) health care;
   - (ii) utilization review;
   - (iii) medical social work; or
   - (iv) administrative services.

I. Delegated Administrative Services. To the extent Independence has delegated to the Provider, under a delegation agreement, any or all of the functions of administration and management; marketing; utilization management; quality assurance; applications processing; enrollment and disenrollment functions; claims processing; adjudicating Independence determinations; appeals and grievances; and/or credentialing, the Provider agrees as follows:

(1) Provider acknowledges that Independence shall oversee and monitor Provider's performance on an ongoing basis. Provider further acknowledges that Independence is accountable to CMS for the functions and responsibilities described in the Medicare Advantage regulatory standards and ultimately responsible to CMS for the performance of all services.

(2) Provider agrees to comply, and to require any of its subcontractors to comply, with all applicable Medicare laws, regulations, and CMS instructions. Further, Provider agrees that any Covered Services provided by the Provider or its subcontractors to Independence's Medicare Advantage Beneficiaries will be consistent with and will comply with Independence's Medicare Advantage contractual obligations with CMS.

(3) Provider acknowledges that HHS, the Comptroller General, or their designees have the right to inspect any books, contracts, medical records, patient care documentation, and other

records of Provider, or its subcontractors or transferees involving transactions related to Independence's Medicare Advantage contract through 6 years from the final date of the contract period or from the date of the completion of any audit, or for such longer period provided for in 42 CFR §422.502(e)(4) or other applicable law, whichever is later.

(4) Provider agrees to abide by all federal and State laws regarding confidentiality and disclosure for mental health records, medical records, other health information, and Beneficiary information. In addition, provider agrees to abide be the confidentiality requirements established by Independence and the Medicare Advantage Program.

(5) Provider agrees that if Provider enters into subcontracts to perform Covered Services under the terms of the Agreement, Provider's subcontracts shall include an agreement by the subcontractor to comply with all of the Provider obligations in the Agreement.

(6) To the extent any credentialing function is delegated to the Provider, Provider agrees to comply with all applicable Medicare Advantage credentialing requirements. Provider also agrees that the credentialing process will be reviewed and pre-approved by Independence and Independence will audit the process on an ongoing basis.

Contract Number 1820078-02
Original Contract Number 1820078

August 2019 R. Rosser (tc)
City of Philadelphia
Fire Department

STANDARD AMENDMENT AGREEMENT

CONFORMED

THIS STANDARD AMENDMENT AGREEMENT ("Amendment Agreement") is made as of January 10, 2020 and effective the 1st day of August 2019 (the "Effective Date") by and between The City of Philadelphia (the "City"), by and through its Fire Department ("Department"), and Advanced Data Processing, Inc., d/b/a Intermedix ("Provider"), a Delaware corporation with its principal place of business at 6451 N. Federal Highway, Suite 1000, Ft. Lauderdale 33308.

BACKGROUND

The City and Provider entered into a certain Contract, Contract Number 1820078, dated for August 2, 2017, for an Initial Term from August 1, 2017 through July 31, 2018, which Contract includes the General Provisions, the Provider Agreement and any and all exhibits and attachments thereto (collectively, the "Base Contract"), wherein Provider agreed to render various Services to the City in accordance therewith; and

The City and Provider entered into an amendment to the Base Contract, Contract Number 1820078-01 dated November 28, 2018, for the period August 1, 2018 to July 31, 2019, to add an Additional Term and to increase the amount of compensation payable under the Base Contract by an amount not to exceed FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS ($4,500,000.00), in order for Provider to continue to render the Services and provide the Materials specified in the Base Contract; and

The City and Provider desire to enter into an amendment to the Base Contract, Contract Number 1820078-02 for the period August 1, 2019 to July 31, 2020, to add an

Additional Term and to increase the amount of compensation payable under the Base Contract by an amount not to exceed FOUR MILLION THIRTY THOUSAND DOLLARS ($4,030,000.00), in order for Provider to continue to render the Services and provide the Materials specified in the Base Contract; and

The City and Provider have agreed to amend certain terms and conditions of the Base Contract as set forth herein.

In consideration of the mutual obligations set forth herein, and each intending to be legally bound, the City and Provider covenant and agree as of the Effective Date as follows:

ARTICLE I: AMENDMENTS TO THE CONTRACT

With the exception of the following amendments set forth in this Amendment Agreement, and subject to councilmanic appropriation of funds, the terms and conditions of the Base Contract shall be and remain in full force and effect:

1.1 **Definitions.**

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Base Contract.

1.2 **Term.**

The Base Contract is amended to add an Additional Term, commencing August 1, 2019 and expiring July 31, 2020.

1.3 **Services.**

Section 4.1 of the Base Contract is amended as follows: The percentages with which to calculate fees to be paid to Provider as listed on Exhibit B to PA-1 remain the same. Provider will continue the commitments outlined in the service level agreement as set forth in PA-1. All other terms are incorporated in the Contract by reference.

1.4 **Compensation.**

As compensation for the Services and Materials being provided under this Contract, the City covenants and agrees to increase the amount of compensation payable to Provider by an amount not to exceed FOUR MILLION THIRTY THOUSAND DOLLARS ($4,030,000.00). Therefore, notwithstanding anything in this Contract to the contrary, in no event shall the amount certified by the Office of the Director of Finance for Services and Materials during the Contract including this Amendment Agreement, exceed THIRTEEN MILLIOM THIRTY THOUSAND DOLLARS ($13,030,000.00).

1.5 **Other Amendments.**

The Base Contract is amended in accordance with the exhibit listed below, which is attached to this Amendment Agreement and incorporated in the Base Contract by reference.

S.A.A.-3: Continuation Certificate

1.6 **Electronic Signatures.**

The Parties agree to conduct this transaction electronically, including the execution of this Amendment Agreement using the means of electronic signature provided below.

[*The remainder of this page was left blank intentionally; signature page follows.*]

IN WITNESS WHEREOF, the Parties, intending to be legally bound by all of the Contract Documents, have caused this Amendment Agreement to be executed by their respective duly authorized officers as of the date in the heading of this Amendment Agreement.

APPROVED AS TO FORM
MARCEL S. PRATT, CITY SOLICITOR

DocuSigned by:
Per: Rachel Castillo Rosser
794D5BC159E44BA...

Name: Rachel Castillo Rosser

Title: Senior Attorney

THE CITY OF PHILADELPHIA

Through: FIRE DEPARTMENT

DocuSigned by:
By: Tara Mohr
82E7C14D639D4F3...

Name: Tara Mohr

Title: Chief of Staff

ADVANCED DATA PROCESSING, INC., D/B/A/ INTERMEDIX

DocuSigned by:
By: David Strickler
97399C8A5A994F9...

Name: David Strickler

EVP

Title: Other

ATTEST

DocuSigned by:
By: Gary Long
F3ACF5340E10421...

Name: Gary Long

Chief Commercial Officer

Title: Other

City of Philadelphia Contract Routing Slip

External Negotiation/Encumbrance & Budget Verification (Conformance Manager)

1. Review contract as signed by vendor and consult with supervisor.

   Click the check box to attach additional documentation, if required.
2. Confirm Encumbrance then forward in ACIS to Budget Verification.
3. Confirm Budget Verification completed in ACIS.

x Send to Law.

Approve as to Form – Attorney Upload Document (Optional)

x Click the check box to attach additional documentation, if required.

After AATF – Forward in ACIS

x Forward in ACIS to Initial Certification.

Finance Certification

x Attach the Endorsement Sheet then forward in ACIS to Finance Review.

Finance Review

x Review then forward in ACIS to Department Signs Contract.

After Departmental Review – Forward in ACIS

x Forward in ACIS to Conformance.

Conformance Review (Conformance Clerk)

x Conform Contract and Conform in ACIS.

Contract 1820078-02, Current Compensation Structure

ATTACHMENT B TO EXHIBIT PA-1
REVISED COMPENSATION AND METHOD OF PAYMENT – DATED 1/15/20

Upon mutual agreement, as of February 1, 2020, the following adjustments to the existing compensation schedule will be as follows:

1. Fees. Provider shall be paid by City a monthly amount of all monies collected by Provider for EMS provided by City less refunds **("Net Collections")** representing compensation for the Products and Services provided by Provider hereunder, computed as follows:

   a. EMS patient billing and collection of all charges and fees resulting from the delivery of EMS by City, including but not limited to all charges and fees to private insurers, Medicare, Medicaid, other governmental programs, individual patients and their responsible parties (collectively, "Payers") and field data technology with hardware and TripTix® ePCR solution:

   EMS Patient Billing
   6.0%

   Field Data Technology with Hardware and TripTix ePCR Solution (NEMSIS 3.0)
   2.50%

   b. AVL mapping/GIS services (Custom Logic), Telemedicine (Jeff Connect), and Fleeteyes
   0.25%

   c. Optima Predict™
   1.0%

The following services (d-ee) shall commence only upon City's Notice to Proceed:

   d. Mobile Integrated Healthcare (MIH) software (Medios)
   0.75%
   e. Workforce Management Software (Aladtec)
   0.30%
   e. Additional Analytical Support Services
   0.29%

PFD Separation Report Detail

Philadelphia Fire Department
Separations Report Detail
Last Revised: June 10, 2020

Department Name	Title	Union	Separation Reason	Employee Last Worked Date	Fiscal Year
PFD Fire	Clerk 3	DC33 Local 1637	SEPARATION - Abandoned Position	01/23/2019	FY19
PFD Fire	Clerk 3	DC33 Local 1637	SEPARATION - Other	12/19/2019	FY20
PFD Fire	Clerk 3	DC33 Local 1637	RETIREMENT - DROP Retirement	02/25/2020	FY20
PFD Fire	Clerk Typist 1	DC33 Local 1637	SEPARATION - Separated - Did not return from Leave of Absence	02/05/2018	FY18
PFD Fire	Fire Equipment Dispatch Supervisor	DC33 Local 1637	RETIREMENT - DROP Retirement	09/12/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	RETIREMENT - Voluntary Retirement	01/04/2018	FY18
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation	05/13/2018	FY18
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation	07/04/2018	FY19
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation	09/26/2018	FY19
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Rejection during Probation	05/29/2019	FY19
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation	08/10/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation	09/09/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation	09/21/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Rejection during Probation	09/30/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Rejection during Probation	12/01/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Rejection during Probation	12/02/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Rejection during Probation	12/09/2019	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation	01/29/2020	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Rejection during Probation	05/14/2020	FY20
PFD Fire	Fire Equipment Dispatcher	DC33 Local 1637	SEPARATION - Voluntary Resignation		FY18
PFD Fire	Fire Equipment Dispatcher Trainee	DC33 Local 1637	SEPARATION - Rejection during Probation	02/28/2018	FY18
PFD Fire	Fire Equipment Dispatcher Trainee	DC33 Local 1637	SEPARATION - Voluntary Resignation	05/27/2018	FY18
PFD Fire	Fire Equipment Dispatcher Trainee	DC33 Local 1637	SEPARATION - Rejection during Probation	08/03/2018	FY19
PFD Fire	Machine & Equipment Mechanic	DC33 Local 1637	RETIREMENT - DROP Retirement	04/30/2020	FY20
PFD Fire	Semi-skilled Laborer	DC33 Local 1637	SEPARATION - Rejection during Probation	08/23/2017	FY18
PFD Fire	Semi-skilled Laborer	DC33 Local 1637	SEPARATION - Voluntary Resignation	11/14/2019	FY20
PFD Fire	Stores Supervisor	DC33 Local 1637	RETIREMENT - DROP Retirement	09/01/2018	FY19
PFD Fire	Departmental Procurement Specialist	DC47 Local 2186	RETIREMENT - DROP Retirement	05/22/2020	FY20
PFD Fire	Deputy Comm. for Project Mgmt.	Exempt	SEPARATION - Voluntary Resignation	04/02/2020	FY20
PFD Fire	Deputy Fire Commisioner for Mgmt	IAFF Local 22	SEPARATION - Voluntary Resignation	12/26/2018	FY19
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Other	9/25/2017	FY18
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Voluntary Resignation	12/14/2017	FY18
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Voluntary Resignation	1/29/2018	FY18
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Voluntary Resignation	6/11/2018	FY19
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Disciplinary Dismissal	7/4/2018	FY19
PFD Fire	Emergency Medical Technician	IAFF Local 22	DEATH - Death - Non Service Connected	08/09/2019	FY20
PFD Fire	Emergency Medical Technician	IAFF Local 22	DEATH - Death - Non Service Connected	10/01/2019	FY20
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Separated - Did not return from Leave of Absence	11/10/2019	FY20
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Disciplinary Dismissal	01/04/2020	FY20
PFD Fire	Emergency Medical Technician	IAFF Local 22	SEPARATION - Disciplinary Dismissal	5/10/2020	FY19
PFD Fire	Fire Assistant Chief	IAFF Local 22	RETIREMENT - DROP Retirement	03/05/2020	FY20
PFD Fire	Fire Battalion Chief	IAFF Local 22	RETIREMENT - DROP Retirement	4/13/2018	FY18
PFD Fire	Fire Battalion Chief	IAFF Local 22	RETIREMENT - DROP Retirement	9/14/2018	FY19
PFD Fire	Fire Battalion Chief	IAFF Local 22	RETIREMENT - DROP Retirement	9/28/2018	FY19
PFD Fire	Fire Battalion Chief	IAFF Local 22	RETIREMENT - DROP Retirement	12/05/2019	FY20
PFD Fire	Fire Battalion Chief	IAFF Local 22	RETIREMENT - DROP Retirement	01/02/2020	FY20
PFD Fire	Fire Battalion Chief	IAFF Local 22	RETIREMENT - DROP Retirement	01/16/2020	FY20
PFD Fire	Fire Battalion Chief	IAFF Local 22	RETIREMENT - DROP Retirement	02/13/2020	FY20
PFD Fire	Fire Boat Engineer	IAFF Local 22	RETIREMENT - Voluntary Retirement	2/7/2018	FY19
PFD Fire	Fire Boat Engineer	IAFF Local 22	RETIREMENT - DROP Retirement	12/21/2018	FY19
PFD Fire	Fire Captain	IAFF Local 22	SEPARATION - Other	7/7/2018	FY19
PFD Fire	Fire Captain	IAFF Local 22	RETIREMENT - DROP Retirement	8/17/2018	FY19

Philadelphia Fire Department
Separations Report Detail
Last Revised: June 10, 2020

Department Name	Title	Union	Separation Reason	Employee Last Worked Date	Fiscal Year
PFD Fire	Fire Captain	IAFF Local 22	RETIREMENT - DROP Retirement	10/10/2019	FY20
PFD Fire	Fire Captain	IAFF Local 22	RETIREMENT - DROP Retirement	10/11/2019	FY20
PFD Fire	Fire Captain	IAFF Local 22	RETIREMENT - DROP Retirement	01/02/2020	FY20
PFD Fire	Fire Captain	IAFF Local 22	RETIREMENT - DROP Retirement	01/30/2020	FY20
PFD Fire	Fire Captain	IAFF Local 22	RETIREMENT - DROP Retirement	02/27/2020	FY20
PFD Fire	Fire Deputy Chief	IAFF Local 22	RETIREMENT - Voluntary Retirement	01/31/2019	FY19
PFD Fire	Fire Deputy Chief	IAFF Local 22	RETIREMENT - DROP Retirement	10/10/2019	FY20
PFD Fire	Fire Deputy Chief	IAFF Local 22	RETIREMENT - DROP Retirement	10/24/2019	FY20
PFD Fire	Fire Deputy Chief	IAFF Local 22	RETIREMENT - DROP Retirement	3/2/20118	FY19
PFD Fire	Fire Equipment Dispatcher	IAFF Local 22	SEPARATION - Voluntary Resignation	02/07/2019	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	DEATH - Death - Service Connected	9/14/2017	FY18
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	12/23/2017	FY18
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	1/19/2018	FY18
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	4/3/2018	FY18
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	5/25/2018	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	6/22/2018	FY18
PFD Fire	Fire Lieutenant	IAFF Local 22	DEATH - Death - Service Connected	6/27/2018	FY18
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - Voluntary Retirement	8/26/2018	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - Voluntary Retirement	11/12/2018	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	12/21/2018	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	12/21/2018	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	04/25/2019	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	05/09/2019	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	06/02/2019	FY19
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	07/04/2019	FY20
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	08/11/2019	FY20
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	08/29/2019	FY20
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - Voluntary Retirement	09/08/2019	FY20
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	10/24/2019	FY20
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - DROP Retirement	10/24/2019	FY20
PFD Fire	Fire Lieutenant	IAFF Local 22	RETIREMENT - Voluntary Retirement	02/10/2020	FY20
PFD Fire	Fire Paramedic Deputy Chief	IAFF Local 22	RETIREMENT - Voluntary Retirement	07/11/2019	FY20
PFD Fire	Fire Paramedic Lieutenant	IAFF Local 22	RETIREMENT - Voluntary Retirement	07/02/2019	FY20
PFD Fire	Fire Paramedic Services Chief	IAFF Local 22	RETIREMENT - DROP Retirement	09/26/2019	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - DROP Retirement	7/22/2017	FY18
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	10/11/2017	FY18
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	10/16/2017	FY18
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	1/10/2018	FY19
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	4/10/2018	FY18
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	4/13/2018	FY18
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - DROP Retirement	8/17/2018	FY19
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - DROP Retirement	8/18/2018	FY19
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - Voluntary Retirement	01/10/2019	FY19
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Rejection during Probation	01/23/2019	FY19
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Separated - Did not return from Leave of Absence	04/11/2019	FY19
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - Voluntary Retirement	05/16/2019	FY19
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - DROP Retirement	08/15/2019	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - Voluntary Retirement	08/24/2019	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	09/02/2019	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	10/19/2019	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	11/14/2019	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	DEATH - Death - Non Service Connected	12/31/2019	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Disciplinary Dismissal	01/04/2020	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	RETIREMENT - DROP Retirement	01/16/2020	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Disciplinary Dismissal	02/25/2020	FY20
PFD Fire	Fire Service Paramedic	IAFF Local 22	SEPARATION - Voluntary Resignation	04/23/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	7/22/2017	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	8/11/2017	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	8/19/2017	FY18

Philadelphia Fire Department
Separations Report Detail
Last Revised: June 10, 2020

Department Name	Title	Union	Separation Reason	Employee Last Worked Date	Fiscal Year
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	8/30/2017	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	9/8/2017	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	9/11/2017	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	9/13/2017	FY18
PFD Fire	Firefighter	IAFF Local 22	DEATH - Death - Non Service Connected	9/17/2017	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	1/5/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	1/5/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	DEATH - service connected	1/6/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	1/8/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	1/8/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	1/19/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	2/2/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	2/27/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	3/2/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	3/7/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	3/8/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	3/9/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	3/17/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	Separation - Resignation in Lieu of Dismissal	3/29/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	4/16/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	Separation - Resignation in Lieu of Dismissal	5/4/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	5/4/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	DEATH - Death - Non Service Connected	5/9/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	6/8/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Reg 32 Placement expired-no placement found	6/15/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	6/22/2018	FY18
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	7/4/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	7/6/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	7/20/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	7/20/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Disciplinary Dismissal	7/23/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	8/3/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	8/12/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	8/17/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	8/18/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	8/20/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	8/31/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	9/2/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	9/28/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	10/9/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	10/11/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	10/20/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	10/30/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	10/30/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	11/14/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	11/23/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	11/25/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	11/30/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	12/7/2018	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/03/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/03/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/03/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	01/09/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/17/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/17/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	01/21/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	1/22/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	01/23/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/29/2019	FY19

Philadelphia Fire Department
Separations Report Detail
Last Revised: June 10, 2020

Department Name	Title	Union	Separation Reason	Employee Last Worked Date	Fiscal Year
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	02/14/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	02/17/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Failed to Report for Hire	02/17/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	02/18/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Separated - Did not return from Leave of Absence	02/18/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	02/18/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	02/20/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	02/28/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	03/07/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	03/11/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	03/11/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	03/11/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	03/11/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	03/12/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	03/14/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	DEATH - Death - Service Connected	03/19/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Disciplinary Dismissal	03/22/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	04/02/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	04/02/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	04/08/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	04/25/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	05/01/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	05/22/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	05/23/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	05/23/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	DEATH - Death - Non Service Connected	06/01/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	DEATH - Death - Non Service Connected	06/01/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	06/25/2019	FY19
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	07/13/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	07/31/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	08/14/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	08/15/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	08/15/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	08/29/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	09/04/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	09/05/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	09/08/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	DEATH - Death - Non Service Connected	09/09/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	09/12/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	09/12/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Failed to Report for Hire	09/17/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Abandoned Position	09/19/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	DEATH - Death - Non Service Connected	09/20/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Separated - Did not return from Leave of Absence	09/25/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	09/26/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	Separation - Did not return from LOA	9/26/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	09/30/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	10/03/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	10/09/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	10/10/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	10/14/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	10/22/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	10/23/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	10/26/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	11/26/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	11/27/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	12/29/2019	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/02/2020	FY20

Philadelphia Fire Department
Separations Report Detail
Last Revised: June 10, 2020

Department Name	Title	Union	Separation Reason	Employee Last Worked Date	Fiscal Year
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/02/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	01/06/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	1/10/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	01/14/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	01/16/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Rejection during Probation	01/20/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	01/23/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	02/13/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - Voluntary Retirement	03/18/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	03/30/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	04/01/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	04/15/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Separated - Did not return from Leave of Absence	04/17/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	04/19/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	SEPARATION - Voluntary Resignation	05/10/2020	FY20
PFD Fire	Firefighter	IAFF Local 22	RETIREMENT - DROP Retirement	5/17/2020	FY20
PFD Fire	Fiscal Officer	Non-Represented	DEATH - Death - Non Service Connected	10/07/2019	FY20

June 26, 2020

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised by email.

Councilmember Brooks: How much revenue would a personal property tax generate?

While we do not have sufficient information to estimate how much a personal property tax would generate if it were implemented in FY21, the tax generated around $12 million to $15 million annually from FY93 through FY95.

Councilmember Brooks: How much revenue would a full repeal of the tax abatement generate?

Please see the attached study, which forecasts the impact of various changes to the abatement.

If you have any additional questions, please feel free to contact my office.

Thank you,

Frank Breslin
Revenue Commissioner

City of Philadelphia

Economic Impact Analysis of

Proposed 10 Year Tax Abatement Adjustments (2018)

Prepared by:

JLL

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Table of Contents

Section 1 – Introduction and Overview

1.1 Purpose of the Assignment and Executive Summary

The City of Philadelphia retained the services of Jones Lang LaSalle to identify and quantify the economic impact of altering the terms of its ten-year property tax abatement program. The ten-year tax abatement program was designed to encourage the development or rehabilitation of real estate by exempting the value of the improvements from tax for ten years.[1] The Kenney administration, with input from Council members, is interested in estimating the impact of various changes to the abatement on likely future development, City and School District tax revenue, as well as jobs through the use of historical data and analysis.

Our firm also had the privilege of working with the City on similar analysis 4 years ago. As such, in this report we will provide perspective relative to economic and capital market conditions from the previous report, where appropriate. To ensure that the impact of as many ideas for adjustment as possible have been estimated, or otherwise accounted for, the City has asked JLL to examine impact under the following 10 scenarios[2]:

1. Eliminating the abatement immediately
2. Eliminating only the School District portion (the 55% of Real Estate Taxes allotted for the School District)
3. Limiting individual abatements to five years
4. Phasing out individual abatements after year five
5. Phasing out individual abatements starting year eight
6. Phasing out individual abatements at 10% per year, for ten years
7. Eliminating the School District portion of the abatement above the first $150 per residential square foot of value
8. Eliminating the School District portion of the abatement above the first $500,000 of value on residential new construction and rehabilitation
9. Only abating the initial value of construction while increases in values are not abated
10. Capping the abatement at $250,000 for residential properties and extend the term of the abatement (Analyzed separately as sensitivity discussion, would require state authorization)

In order to address concerns that all geographic sections of the city haven't participated in the abatement program, to the study also considered:

1. How spatial utilization of the abatement has occurred across the city's geography.
2. Approaches for adding a geographic requirement to abatement eligibility that could increase utilization in areas with limited investment.

There are likely a myriad of other options to consider. However, we believe that the impact of most such options can be approximated from the above examined scenarios.

[1] See Appendix 2

[2] At the writing of this report, there is proposed legislation to add a 1% levy on new construction costs tax to generate revenue for the City's Housing Trust Fund. Where possible, this study notes the potential impact of that proposed tax for each scenario examined to provide additional information for policy makers to consider. For comparison purposes, we model this impact as a simple increase in the present value cost of construction.

Executive Summary

- Due to national economic conditions and Philadelphia's positioning in Northeastern urban real estate markets, Philadelphia's economy and development volume[3] have rebounded from the previous recession along with the national economy.
  - The city's development volume has demonstrated the classic "V" shaped recession recovery pattern typical of stable, moderately space constrained economies.
  - Put another way, Philadelphia has come out of the recession at a very similar speed and trajectory to the course it took on the way in to recession.
  - This is in line with our modeled forecasts for the city's real estate development volume from 4 years ago.
- Using historical capital markets data, we can conclude that having the abatement in place over the past few years was a significant factor in the city's ability to recover at a similar pace as its peer group of Northeastern cities, and space constrained, major urban real estate markets[4], from the last recession.
  - The city was able to compete for a share of investment capital from off shore, national, and institutional sources, while becoming less reliant on local and regionally focused sources of funding.
  - The portion of national sources of liquidity funding transactions in the city increased by roughly 25% over pre-recession figures.[5]
  - These sources of liquidity would likely not have been available without the City offering investment yields, relative to risk, that were at least in line with historical norms and competitive with other major urban markets.
- Historical analysis suggests that had the abatement not been in place during the past economic recovery, a portion of Philadelphia's recent development volume would likely not have been attractive enough to initiate.
  - However, the data suggests that the following statements are also true:
    - Some higher end[6] projects in the higher demand sections of the city would likely have been profitable enough to do with or without the abatement.
    - The need for capital, that had been "on the sidelines" during the downturn, to be put to work when a sustained recovery was clear, even if yields were not ideal, would have driven some transactions.

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[3] For the purposes of this study, we define development volume as the number properties that have either been newly constructed or substantially renovated.
[4] Markets with space constraint are considered structurally different from those without (eg. Houston, Dallas, some other Southwestern markets) because new demand can more rapidly be met by new supply, thus limiting significant price swings.
[5] Source: Real Capital Analytics. It should also be noted that Philadelphia has yet to attract its share of national residential developers and is still largely dependent on local firms to fill that need.
[6] We define "higher end" as high amenity, or "luxury", projects where pricing to the end user is [10%-15%] above of the City's historical averages.

    - General positivity of economic expectations during an economic recovery makes all markets participants less risk averse.

- It is also still clear that, on average, the abatement is still significant in helping Philadelphia be competitive with its peer group.
    - On new construction, the abatement can reduce build costs by [12% -14%], on a present value basis. This translates into a [1.4% - 1.6%] increase in potential yield, the ratio of a project's costs to its income.
    - For perspective, the difference in expected investment return between major real estate markets averages only about [2% to 3%] as you move down a list of cities ranked from highest to lowest average real estate yields.
    - As a capital group is considering its portfolio allocation options between cities, all else being equal, the abatement clearly helps Philadelphia to be a plausible option among its competitor cities.[7]
- Forecasted losses of future development volume are lower than our results from four years ago. This is primarily due to the idea that in our previous analysis, we looked at how proposals to alter the abatement would result in loss of future development volume based on:
    - Loss due to some projects simply not having enough projected profitability to initiate, and
    - The city missing out on, or limiting its participation in, the early stages of recovery where development volume growth rates are at their highest and *at their most sensitive to* risk (as recoveries extend, perception of risk level falls due to increased confidence that the recovery is sustainable).

- Given that we forecast more normalized growth over the near and intermediate term[8] for Philadelphia's economy, we are no longer factoring in projected losses from the second of the two above components – missing out on development during the early stages of an economic recovery[9].

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[7] We define Northeastern and major urban market competitor cities peer group as New York, San Francisco, Boston, Chicago, Pittsburgh, Baltimore, and District of Columbia.
[8] We define near and intermediate term as 5 to 10 years. To be conservative relative to history, we have assumed [3%] development volume growth, but only [1.5%] property value growth throughout the analysis term.
[9] We have made certain adjustments to expected, per property, tax collection and volume to try to account for this market's wide swings in development volume, which can fall as by more than 60%,(peak to trough), during an economic cycle. The confluence of these and other assumptions offers a conservative, base level projection of long term revenue to the City for reasonable present value comparison across our cases.

- While this study has examined twice as many scenarios as were included in the prior report, the scenarios and their relative fiscal impacts can be summarized by the following:

All alternatives result in less revenue and fewer jobs in the long term, compared to the existing program; however, the timing and magnitude of the impacts vary based of the nature of the changes.[10]

Scenario			Short-Term Tax Revenue	Long-Term Tax Revenue	Jobs	Administrative Ease
1	Eliminate	Completely	High Increase	Highest Loss	Highest Loss	Easiest
2	Eliminate	School District Only	Highest Increase	High Loss	High Loss	Easy
3	Shorten	5 Year	Lowest Increase	High Loss	High Loss	Easy
4	Phase Out	After Year 5	Lowest Increase	Moderate Loss	Moderate Loss	Moderate
5	Phase Out	After Year 8	Lowest Increase	Moderate Loss	Moderate Loss	Moderate
6	Phase Out	By 10%/year	Moderate Increase	Moderate Loss	Moderate Loss	Moderate
7	Cap	$150/psf School Only	Moderate Increase	Lowest Loss	Low Loss	Hard
8	Cap	$500,000 value School Only	Moderate Increase	Limited Loss	Low Loss	Hard
9	Cap	Construction Value School Only	Low Increase	Limited Loss	Low Loss	Hardest
10	Cap	$250,000 Residential value	Low Increase	High Loss	Moderate Loss	Moderate

- **Eliminate or shorten the abatement (Cases 1-3)**
  - **Pro –** Could raise short term tax revenue, "shake out" projects with questionable business cases, and not help fund projects that would be developed with or without the abatement benefit.
  - **Con** – Highest risks are losing some portion of future development volume and recently acquired sources of liquidity, limiting developer appetite to take on projects in riskier areas of the City, as well as losing tax revenue from reduced development volume in the intermediate and longer term.
- **Phase out the abatement over time (Cases 4-6)**
  - **Pro –** Could have lower risk of development loss as cost of future reduction of incentive could be offset by future improvements in rents, interest rates, income demographics, etc.
  - **Con –** Less short-term capital increase to the City, and would also have to be calibrated precisely so that financial underwriters don't perceive the adjustment as a simple elimination and remove the incentive as a capital source to fund against.

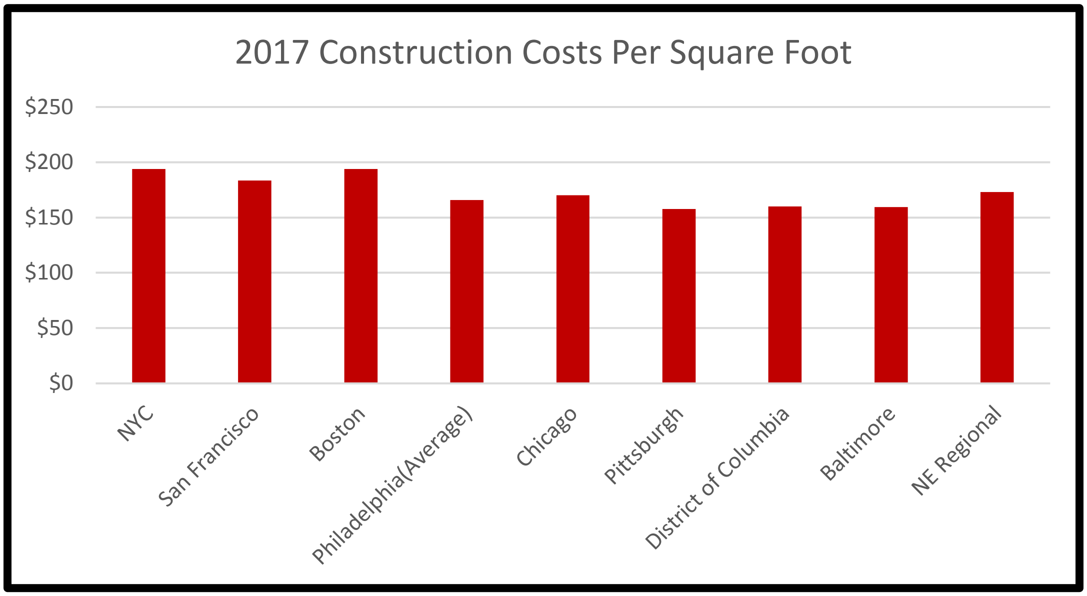
[10] We define short term as 1-5 years from inception of proposed change. For perspective, the highest increase in 5 year revenue, in this model, is approx $9.2M.

- **Cap the abatement benefit (Cases 7-10)**
  - **Pro –** Could increase short term tax revenue and help target the abatement towards projects with the highest likely need, while allowing developers and homeowners to adjust capital decisions to maximize the abatement's value, thus limiting risk of development volume loss.
  - **Con –** Could be administratively difficult/costly for the City, (depending on configuration of the cap), while reducing Philadelphia's ability to attract higher end office using employees and, indirectly, the business that need to attract/retain them.

- **Geographic modifications to the abatement**
  - **Pro** – Offers City decision makers the potential for an objective and precise method of targeting incentive dollars to areas of most need, then reallocate funds elsewhere as conditions change.
  - **Con –** If not properly managed, may spur rapidly accelerated prices in targeted areas. Policy may lag market interest, selected area may not receive additional demand and limit utilization. Less predictable, more complicated for developers and home owners. May discourage investment by some property owners in some neighborhoods that are eligible today.

1.2 Overview

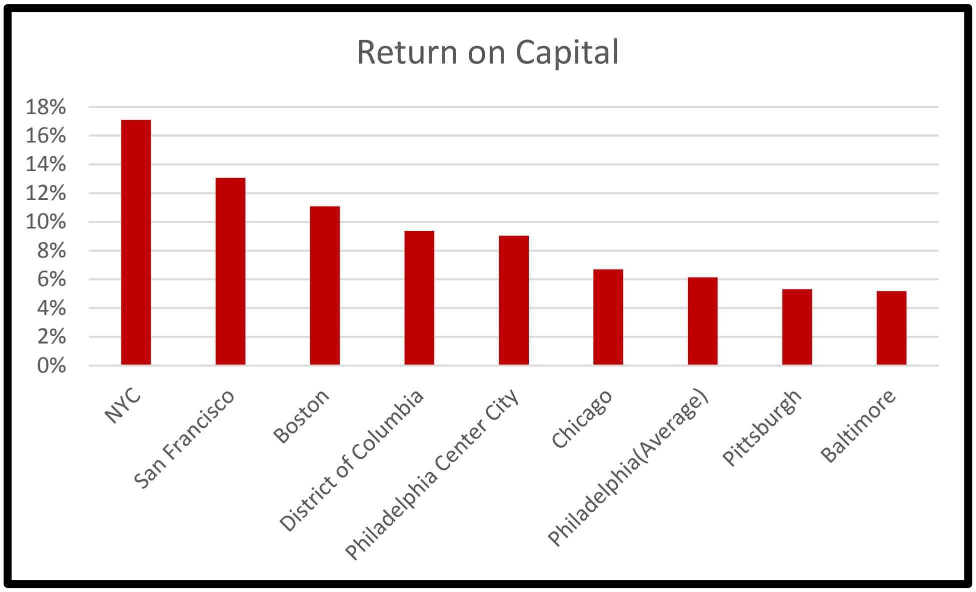
Average Construction Cost Comparison by City



- Philadelphia's construction costs[11] [12] relative to its rents[13], diminish this market's ability to provide returns for investors, as rents and sales prices lag behind peer group cities.
- In the northeastern region, there are multiple choices for investors to access major city real estate cash flows and returns. In other regions, like the Midwest, those choices may be more limited.[14]
- However, providing investors/owners with returns on investment dollars similar to those of major markets can be challenging in Philadelphia.

[11] Source: RS Means, other third-party data
[12] Construction costs are for typical residential units, which comprise the vast majority of Philadelphia's abated properties. Impacts will differ between residential and commercial construction as yield metrics, price sensitivity, occupancy and exit strategies can differ greatly from residential.
[13] While rents have grown in Philadelphia, they still lag behind peer cities, on average. Increases have also been partially offset by increasing land prices.
[14] For example, Chicago offers virtually the only opportunity for major city urban real estate investment in the Midwest.

Annual Return on Costs Comparison[15]



- Philadelphia, taken on average, does not offer particularly attractive returns to investors relative to its peers. In the above, we see how even a slight boost in yield that an abatement offers could help the city compare more favorably to other major markets.

- However, if we isolate the Center City market,[16] we see a slightly different picture. Because of this submarket's ability to command higher rents, it appears that this particular submarket can offer yields that are still below, but decidedly more in line, with market averages of other major cities.

- While this suggests that some projects in the high demand sections of the city have use for, but not a need for, an abatement, there must also be large areas of the city that do still need the incentive to justify investment. It should also be noted that virtually all affordable housing projects in recent years have made use of the program.

- Our models indicate that if the abatement were not in place during the previous economic cycle, between [30% and 40%] of development in Philadelphia could have been lost or delayed, particularly outside of Center City.

[15] RS Means cost and various rent data sources.
[16] Market rate, "arm's length", real estate transactions occurring with the area bounded by Highways 676, 76, 95, and South Street.

1.3 Approach to the Assignment

Developers invest in markets where there is a reasonable expectation of profit, or yield. Developer profit models vary widely, and it can be challenging to model and predict potential profits using only historical data. Part of every developer decision process, however, is measuring if there is enough cash yield in a property to cover carrying costs until exit (selling a property), should that exit take longer than expected.

We can model this financial portion of the developer's decision process to initiate development by examining historical rents and construction cost data.

Modeling this decision process using historical data forms the basis of our analysis.

There is typically an average level of yield or profit that will entice investors into a market. There will also be a "floor" level of yield beneath which, most investors will likely choose not to transact.

Our approach is to:

1. Calculate the historical floor level[17] for this market.
2. Translate changes in Real Estate Tax policy regarding the abatement into an implied loss in yield for the average development in Philadelphia.
3. Estimate the new floor that compensates for an implied loss of yield from adjusting Real Estate Tax policy.

Calculating the change in the historical number of developed or improved properties that have yields above these floors, and projecting it forward is how we estimate likely changes in Philadelphia's future development market.

We recognize that critics of this method might point out that "all boats rise/fall together", implying that since the abatement impacts all properties equally, investors would simply reset expectations for the Philadelphia market and continue with new development, as usual.

We argue, however, that because Philadelphia is located in a region with many other options for investors to obtain consistent urban commercial real estate yield, it is likely that large portions of investment capital would simply be invested somewhere else in the Northeast if expectation for yield decreases. With so many

[17] We define a floor as being the yield level above which properties in the Philadelphia market were more than 25% likely to transact.

alternatives where an investor can look for yield in the Northeast region, Philadelphia would likely not attract its fair share of development capital without being at least competitive in terms of yield.

1.4 Acknowledgement of Other Published Work on this Topic

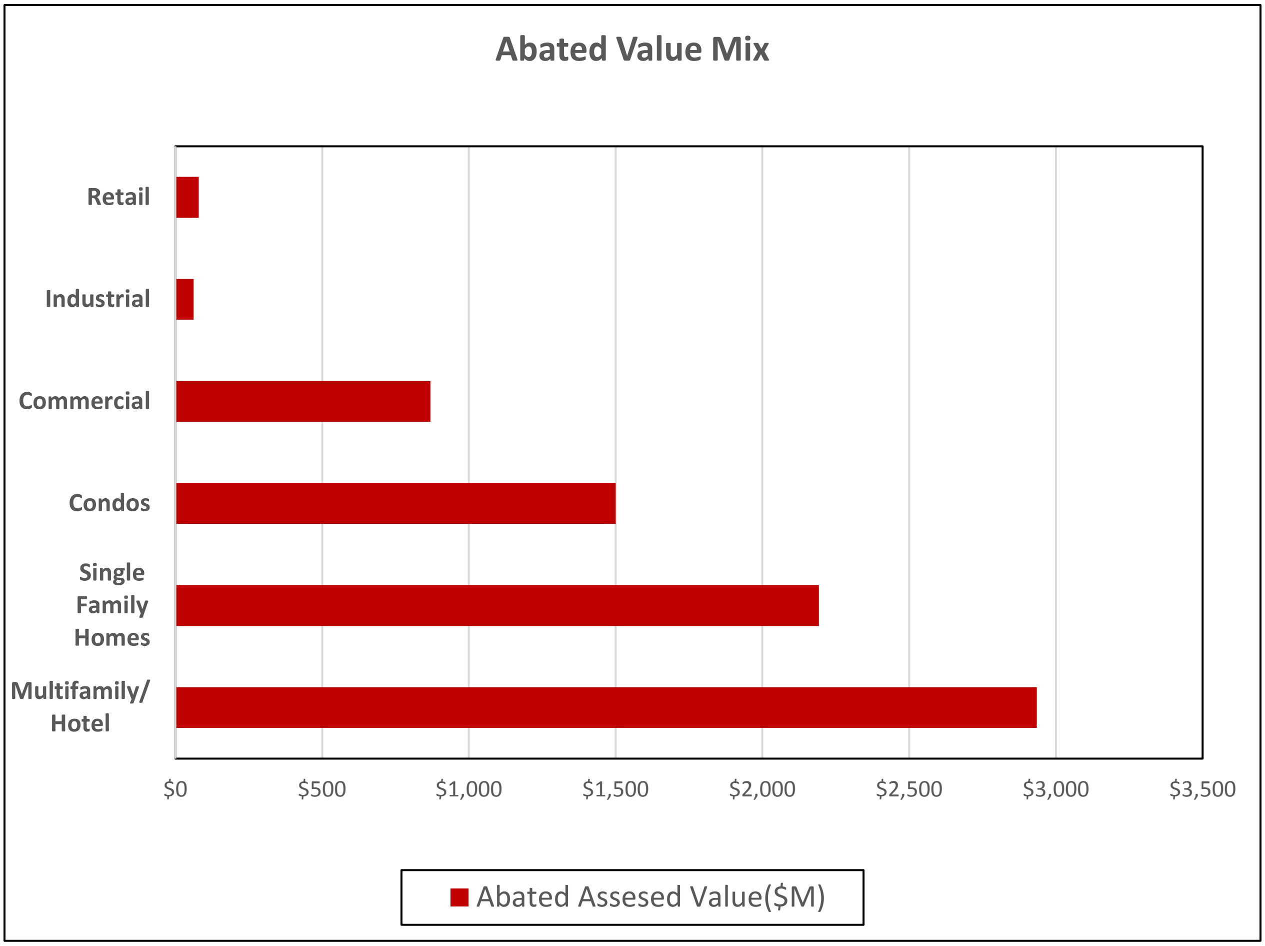
There are several publicly available articles and papers on the value of the abatement to the City of Philadelphia done by local economists, trade groups, and municipal authorities. The materials contain detailed analyses of the actual experience of a typical Philadelphia developer and abatement recipient. We acknowledge that there may be methods of estimating impact other than the ones used in this report, including those used in other studies. We are not in disagreement with those works or conclusions, and our report does not examine those methodologies.

The purpose of our analysis is to find an objective way to model the experience of developers and owners of properties that have received abatements using methods that strike the appropriate balance between clarity and defensibility.

We believe that the methods used in this report represent one set of practical, data driven frameworks that allow for an objective view of the 10-year tax abatement. The majority of our comparative analysis only estimates future Real Estate Tax revenue. It does not examine other potential indirect economic impacts to the City or School District.

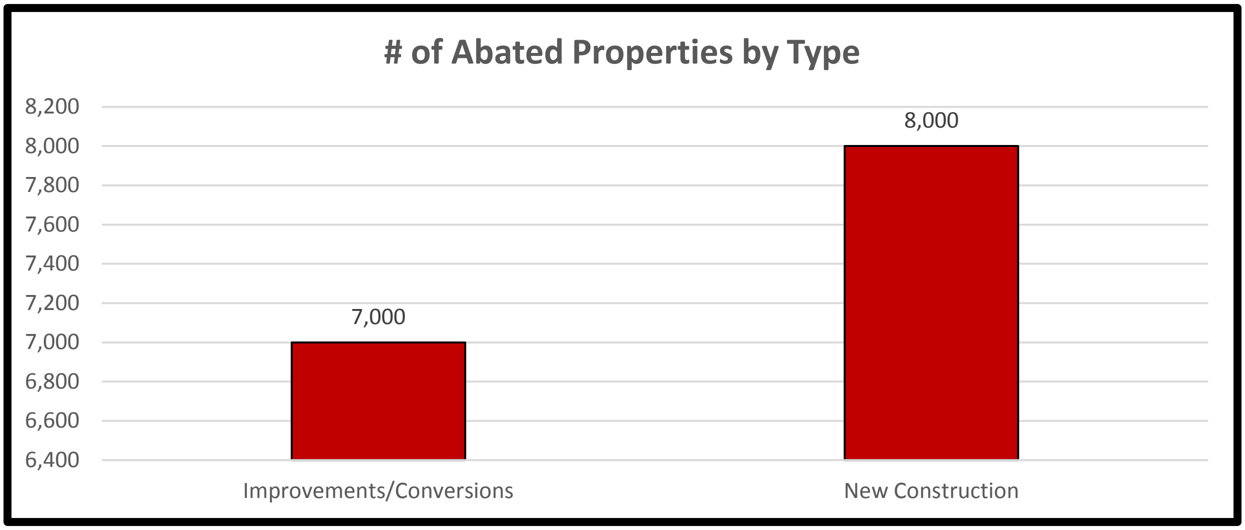
Section 2 – Existing Data Analysis

2.1 Current Mix of Abated Properties

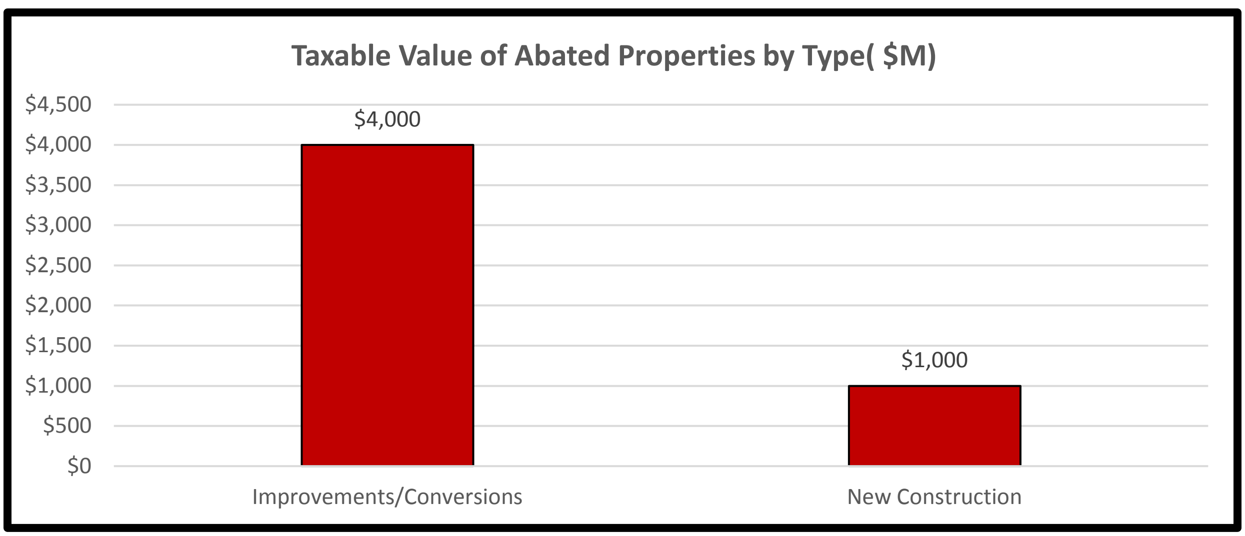


- Of the properties that have received the abatement, the vast majority are residential units with retail and industrial product making up very little of the total mix.

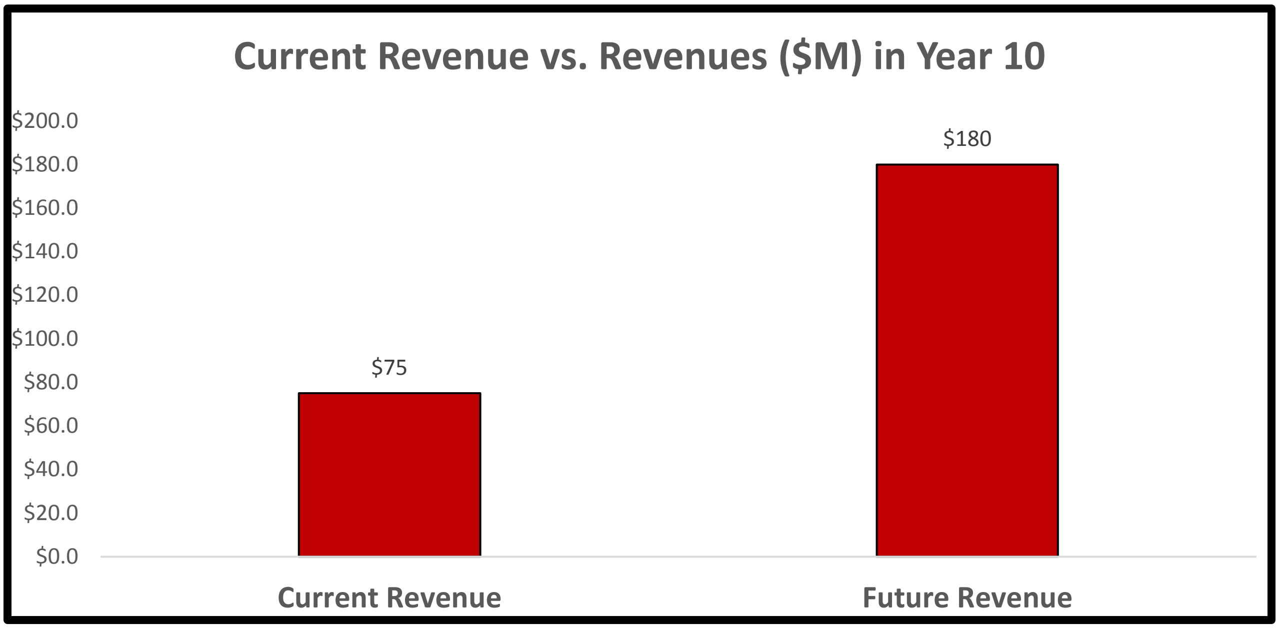
Properties with Abatements through 2017[18]



- New construction accounted for over half of the abatement volume.
- However, as the below chart demonstrates, the incentive has also been used extensively to upgrade, or stabilize existing housing stock, with the value of improved properties and conversions being more than four times that of new construction.



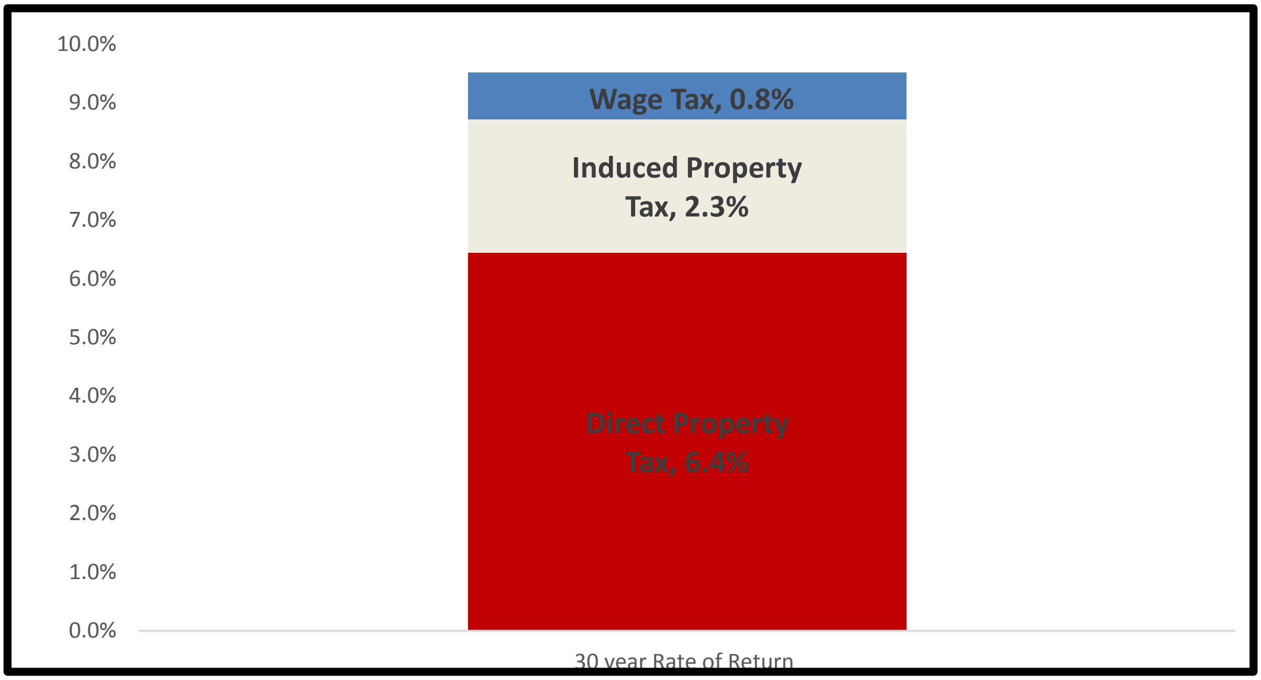
[18] Figures rounded



- As abatements expire, the revenue from these properties is expected to more than double over the next 10 years.
- Philadelphia can expect to realize additional annual revenue from currently abated properties of approximately $100M in year 10 by the time all current abatements expire.[19]

[19] For comparison purposes. Assumes no changes in assessed values, or tax rate.

Return on the City's Investment



- Over a 30-year period, if we assume the City's "investment"[20] is 10 years of foregone tax collection, and its return on "investment" is comprised of the following:
    - 1. the direct Real Estate Taxes after abatement expiration,
    - 2. a portion of Wage Taxes during construction, and
    - 3. an assumption of minimal increases in surrounding property value from new construction or substantial upgrades to a given site,

  we see that a simple Internal Rate of Return (IRR%) calculation, shows that the incentive can provide a roughly 7% annual rate of return from direct property tax, higher if one includes an assumption of induced, non-abated, property value increases.

[20] JLL is not serving in the capacity of Financial Advisor to the City of Philadelphia. The above example is intended to be illustrative and not construed as investment advice.

Section 3 – Model Overview

3.1 Methodology (Examples are illustrative)

Since most investors are yield (or profit) driven, a method of calculating the likely impact of changing the abatement is to:

1. Define "yield", for our purposes, simply as average rent for the zip code of a property/divided by the average development costs for the type of property.
2. Use the historical data to calculate the "floor", in terms of yield, under which the likelihood of transacting is found to be small. (<25% chance).[21]
3. Determine how many properties transacted above that floor.
4. Calculate the change in average yield as result of a change in abatement.
5. Calculate the "new" implied floor (since the investor will now need to compensate for the loss of capital).
6. Determine how many properties would transact above that new floor.
7. The percent change between the quantities found in steps 3 and 6 is the implied loss of likely development, or the impact of changing the abatement on future development.

Example 1

1. Historically, we find that most properties (~100,000 properties), are developed at yield rates of 5% or more.
2. Assume we also find that a given change in the abatement results in a loss of an average yield of 1%.
3. The new floor underneath which properties are unlikely to transact is now 6% (5% +1%).
4. Now assume we also find that, historically, the number of properties that transacted above 6% is 80,000.

[21] For the comparison purposes of this study, our definition of "development volume loss" is effectively the increase in properties with a 25% or less probability of transacting based on our historical analysis of pricing tolerances for this market.

We would say with this example that the change in yield results in a 20% ((100,000 -80,000)/100,000) loss of development market.

Example 2

1. Property X was built at a development cost of $200 per square foot, with the abatement.
2. Rents in that zip code average $10 per square foot.

The yield expectation for property X is 5%. If our floor is also 5%, this property is at risk of not being completed. But, in our logic, this property "would likely transact" at the current yield level expectation.

1. Assume we know that a change in the abatement results in a change in yield such that the new floor is 6%,
2. Since rents won't change as quickly, property X's expected yield of 5%, is now below the floor and thus, would fall into our category of "unlikely to transact."

3.2 Future Development Volume Estimation[22]

Since 2013, Philadelphia development volume appears to have rebounded, in line with our projections, as the city and the national economy have recovered from recession and liquidity has returned to the capital markets.

Given the city and larger economy's place in the current economic cycle, we use a conservative projection for future development volume that is more in line with historical averages of [2%-3%].

In contrast, our baseline projection in the previous study was based on the assumption that development volume will move back towards long term averages, along with the larger economy, in an orderly fashion over a period of 5 years, while using a conservative 2% growth projection for the subsequent years.

3.3 Model Inputs

1. **Development volume growth –** Assumption for straight line development volume increases, after calculated initial losses, due to implied increases in development costs from adjustments to the abatement. These are set to 3% annually.
2. **Property value growth estimate –** Assumption set to 1.5% annual growth, a decided discount to recent averages, to be conservative, and account for the assumption that the City is likely to experience a slowdown before another expansion. To be clear, we make no assumption regarding the timing of when such a slowdown may occur.
3. **Construction Tax Assumption –** At the writing of this report, legislation to enact a construction impact tax is pending before City Council. Such a tax, in any form, would impact post adjustment cost estimates. As such, we have accounted for this variable in our model and set its magnitude to 0% for our baseline estimates, while setting it to 1% for discussing its likely impact in this document. We understand that the 1% rate is consistent with the current proposal before Council. The potential impact of this proposed tax is footnoted where appropriate.[23]

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[22] We believe that the "gradual change" cases have impacts that would show up gradually over time. However, in our opinion, modeling in this effect would overly disadvantage the "immediate change" cases. As such, for comparison purposes, we have assumed that the impacts of all cases would be seen immediately, even if the proposed change was gradual in nature, and made substantially less impactful growth rate adjustments where appropriate.

[23] As stated earlier, we model this effect as a simple change in the present value cost of construction. In keeping with the general economic theory that underpins our model, as costs to develop go up, likely development volume comes down by some amount implied by historical analysis.

3.4 Model Outputs[24]

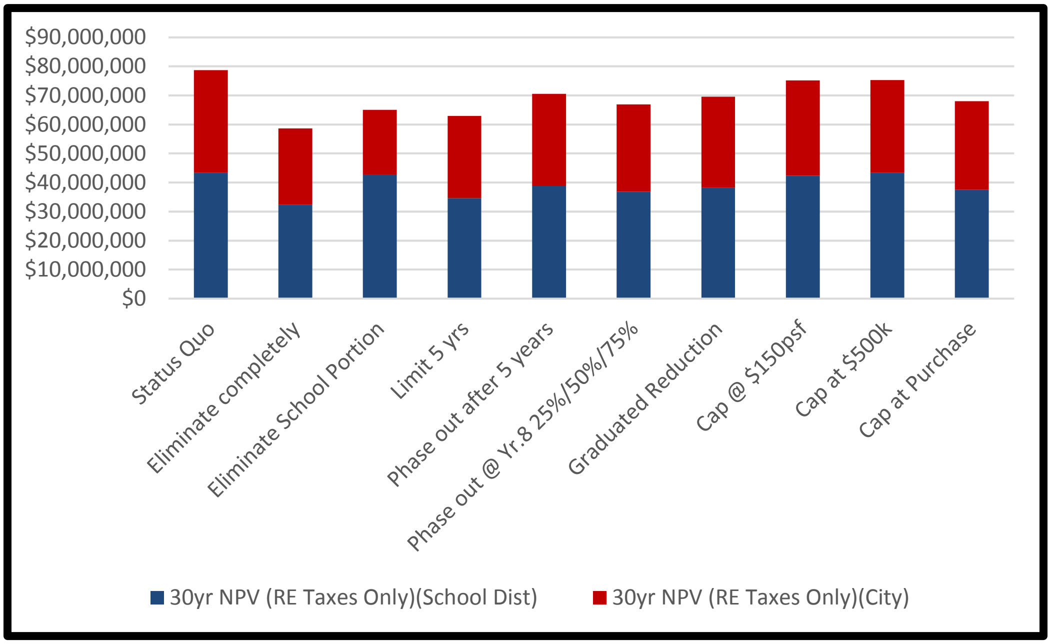
1. **Year of Indifference (School District)** –This is the approximate year where cumulative tax collections by the School District, had no change in the abatement been made at all, would outpace what modeled tax collections would be, assuming a proposed change had been made.
2. **Year of Indifference (City)** – This is the approximate year where cumulative tax collections by the School District and City combined, had no change in the abatement been made at all, would outpace what modeled tax collections would be, assuming a proposed change had been made.
3. **Implied Job Loss** – Estimates the proforma job losses associated with annual loss of construction activity. To be conservative, this estimates only accounts for direct job losses and does not include any implied indirect or induced loss of employment or growth in employment as a result of the development activity.
4. **Spread Between Highest and Lowest Result**- Estimates the present value of the difference in estimated tax collection between the Status Quo case and the lowest yielding adjustment.

[24] As a check, we've modeled this data using two methods. The first holds discount rates consistent between scenarios and makes variations to growth using a formula based on pro forma cost differential of each scenario. The second method holds growth rates consistent and uses a formula to vary the discount rate of each scenario using a capital markets based method of assessing relative risk. We found the results between the methods to consistently be within 10%-15% of each other. The ranges shown below, for all cases, are meant to reflect those differences as well as account for any general error inherent in our assumptions or modeling.

Scenarios[25]

To examine the short and long-term results of our case analysis, we first look at the 30-year[26] comparison for all scenarios of the net present value (NPV) of total expected Real Estate Tax for the City and School District:

Net Present Value of real estate taxes of 30-year period[27]



In this case, we note that the difference between our highest and lowest cases, Status Quo and Eliminate Completely, is roughly $20 million over a 30-year period.[28]

[25] Since residential abatements form the vast majority of abatements under this program, we limit the analysis of the main body of this paper to the residential properties.
[26] We use a 30-year horizon to offer a view of financial impact within the term limits of widely available real estate finance instruments.
[27] As stated earlier, we have made certain NPV adjustments to expected tax collection and growth to try to account for this market's wide swings in development volume during an economic cycle.
[28] If we included the impact of a proposed construction tax at 1%, this value increases to over $24 million.

Additionally, we also look at scenarios from the following other perspectives:

- **10-Year Comparison of Units Developed:** Quadrant 1 (Upper left) shows a 10-year comparison, in terms of number of units developed, between doing nothing (Blue bars), and making an adjustment (Red bars).
- **Crossover Analysis over 30-Year Period for Real Estate Tax Revenue:** Quadrant 2 (Upper right) shows a 30-year comparison, in terms of accumulated Real Estate Tax revenue, between doing nothing (Blue solid lines), and making an adjustment (Red solid lines). We also show the same comparison for only the School District portion of the tax (Dotted blue and red lines)[29]
- **Employment Impact –** Quadrant 3 (Lower right) estimates loss of construction full time equivalent jobs (FTEs)[30].

[29] City level crossover ranges are adjusted to account for uncertainties around timing of impact and to not overly advantage these cases relative to the non "phase in" cases.
[30] Job loss estimate calculates 10-year direct construction employment only and assumes a local labor spend factor of 40%, or 40% of the construction labor force will be City of Philadelphia residents. This factor is typical for city/job type combinations where the likelihood of non-local residents being employed is high. Lastly, to avoid confusion, job losses are defined as full time equivalent (FTE) jobs no longer in the market in any given year of our analysis period.

4.1 Keeping the Abatement As-is ("Status Quo/Do Nothing") [31]

In this model we keep the abatement the same:

- In this case, since there is no change in policy, Red and Blue bars and lines in quadrants 1 and 2, respectively, are equal.
- As was mentioned earlier, our assumption is that this market performs in line with historical averages.

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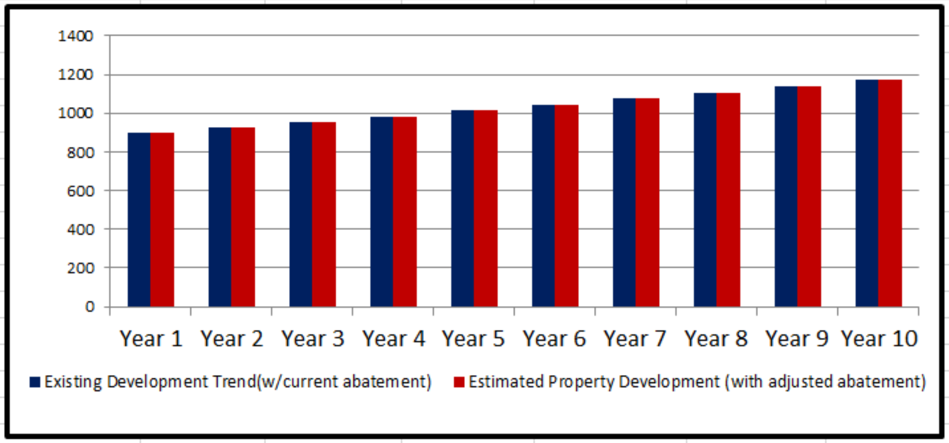
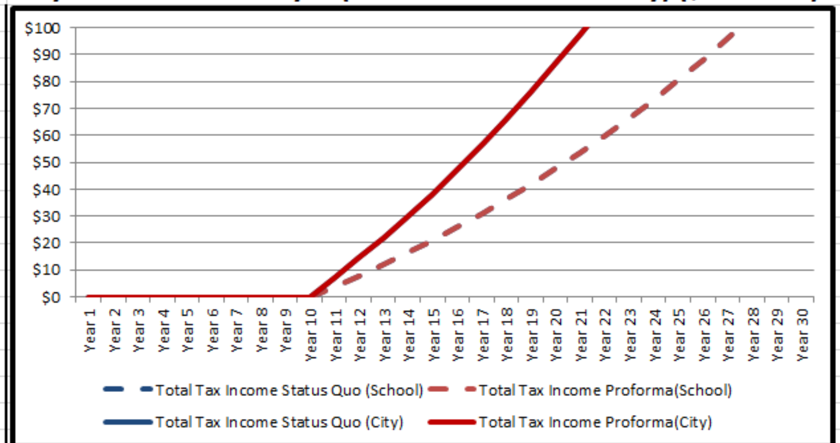
[31] Our models suggest a 1% construction tax would lower the present value of this case by 4%-6% and risk 100 to 150 full time equivalent construction jobs.

Status Quo

10 Yr Projected Development Volume

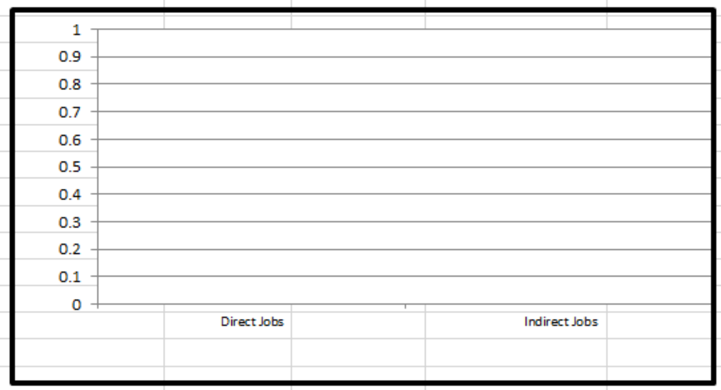


30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Status Quo	
Case Selector	1	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	31	
Year of Indifference (City)	31	
Implied Job Loss	-	

Impact on Employment (Full Time Equivalents)



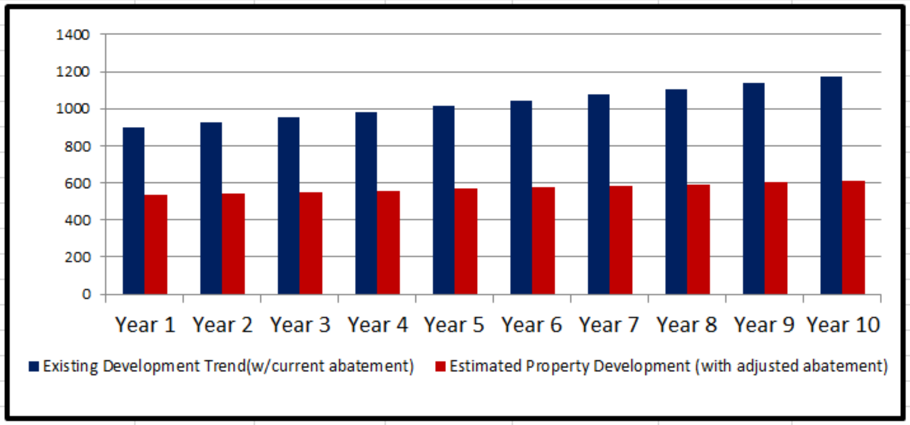
4.2 Eliminating the Abatement Completely[32][33]

- In this case we simulate the effects of completely removing the abatement over the past ten years. These data suggest that the projected future development volume loss implied from the historical pricing tolerances for this market, would be in the range of [40% to 50%].
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base within [15-18] years.[34] (See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within 17-19 years. (See dotted red and blue line cross over point).
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [1,700 – 1,900] full time construction jobs.
- The estimated present value of revenue from this case is [$55M-$65M.]

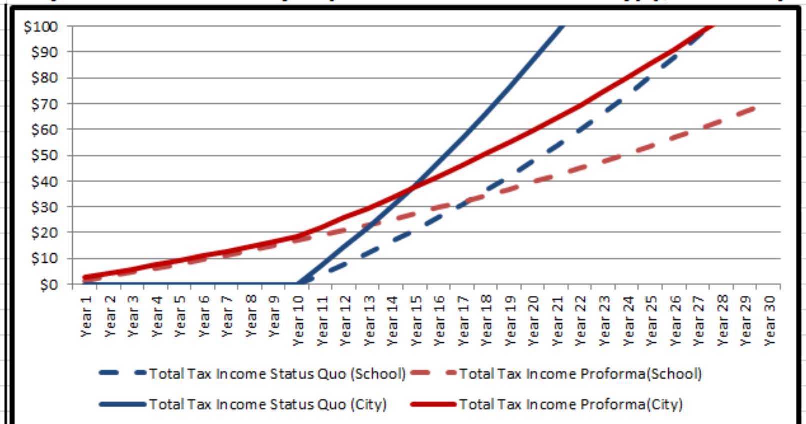
[32] Our models suggest a 1% construction tax would lower the present value of this case by 5%-8% and increase job loss by 3%-5%.
[33] Ranges for this and all scenarios are used to account for normal statistical modeling error in our assumptions. (i.e. growth, pricing, discount rates, local spend factors, timing, etc.)
[34] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Eliminate completely

10 Yr Projected Development Volume

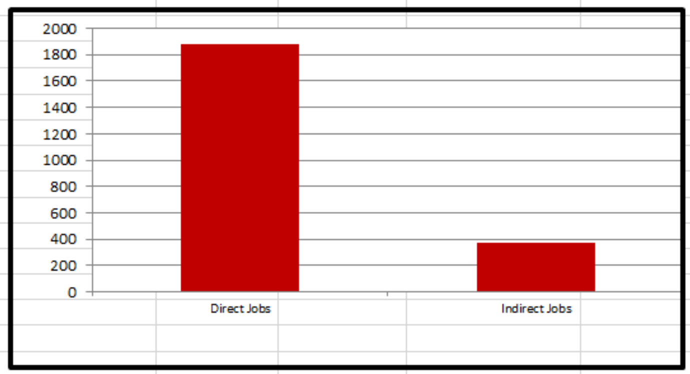


30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Eliminate completely	
Case Selector	4	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	18	
Year of Indifference (City)	15	
Implied Job Loss	1,877	

Impact on Employment (Full Time Equivalents)



4.3 Removing Only the School District portion of the Abatement[35]

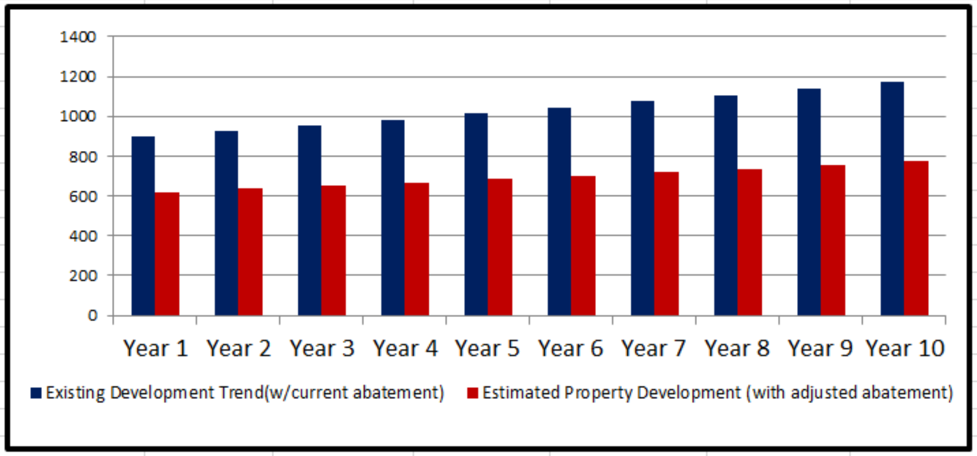
In this model we simulate removing the School District portion of the abatement (45% City portion of Real Estate Taxes remains abated; School District's 55% becomes taxable):

- In this case we simulate the effects of reducing the abatement by 55% over the past ten years. These data suggest that the projected loss in future development volume, implied from the historical pricing tolerances for this market, would be in the range of [30% to 35%].
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base within [16-18] years.[36](See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within [20-24] years. (See dotted red and blue line cross over point).
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [1,200 to 1,500] full time construction jobs.
- The estimated present value of revenue from this case is [$58M-$68M].

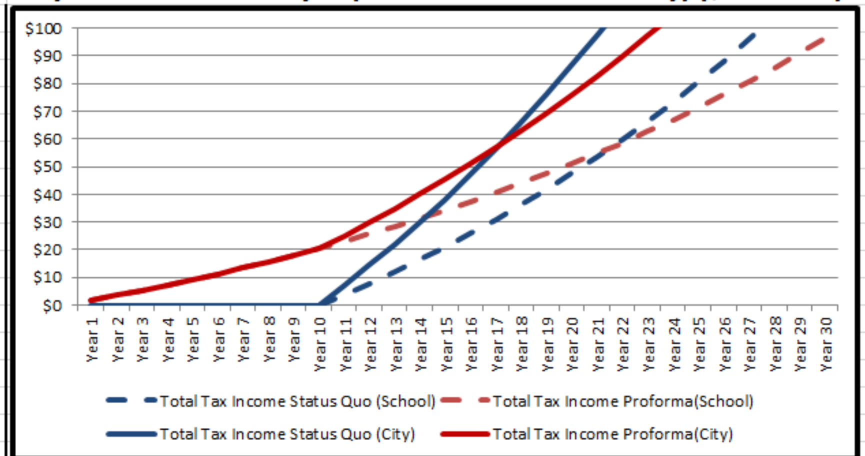
[35] Our models suggest a 1% construction tax would lower the present value of this case by 8-11%, and increase job losses by 3%-4%.
[36] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Eliminate School Portion

10 Yr Projected Development Volume



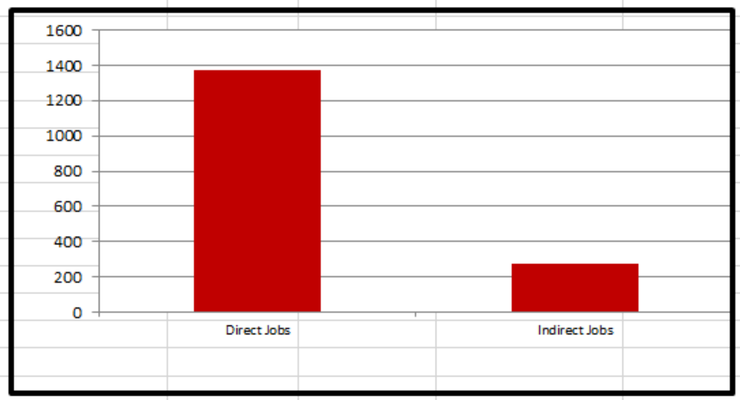
30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Eliminate School Portion	
Case Selector	2	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	22	
Year of Indifference (City)	18	

Implied Job Loss **1,372**

Impact on Employment (Full Time Equivalents)



4.4 Limit the Term of the Abatement to 5 Years[38]

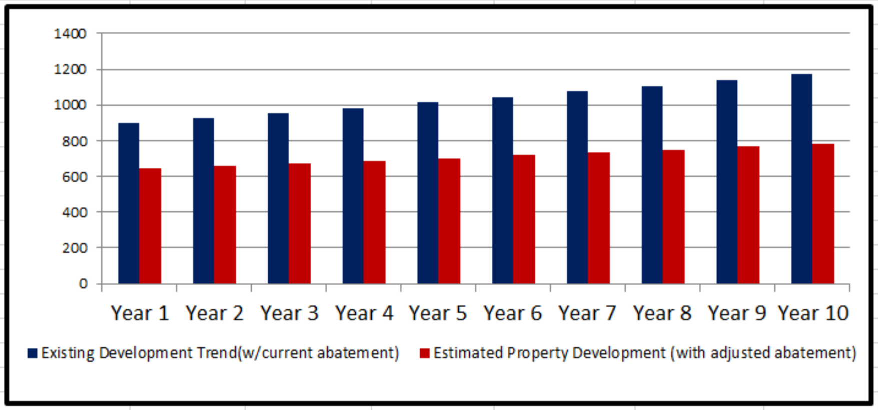
- In this case we simulate the effects of eliminating the abatement after 5 years. These data suggest that the projected future development volume loss, implied from the historical pricing tolerances for this market, would be in the range of 30%-35%.
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base within [15-18] years after the existing abatement expires.[39] (See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within [17-19] years after the abatement expires. (See dotted red and blue line cross over point).
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [1,200 – 1,400] full time construction jobs.
- The estimated present value of revenue from this case is [$55M-$65M].

---

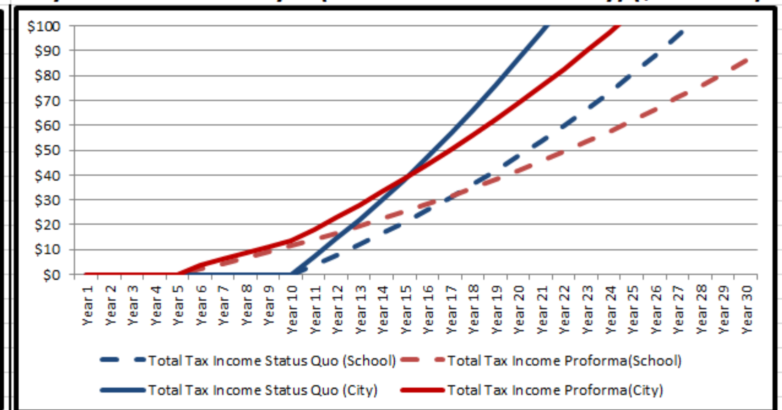
[38] Our models suggest a 1% construction tax would lower the present value of this case by 3%-5% and increase job loss by 2%-4%.
[39] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Limit 5 yrs

10 Yr Projected Development Volume

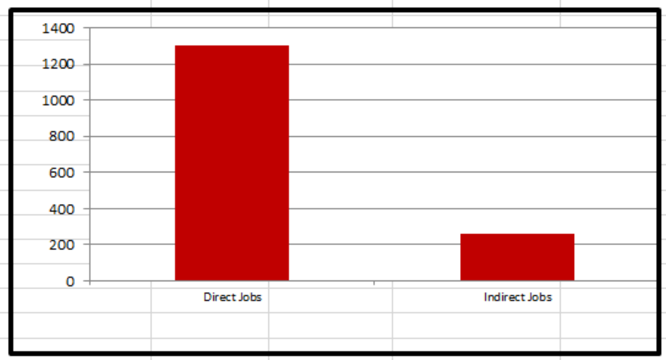


30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Limit 5 yrs	
Case Selector	8	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	18	
Year of Indifference (City)	16	

Impact on Employment (Full Time Equivalents)



Implied Job Loss **1,306**

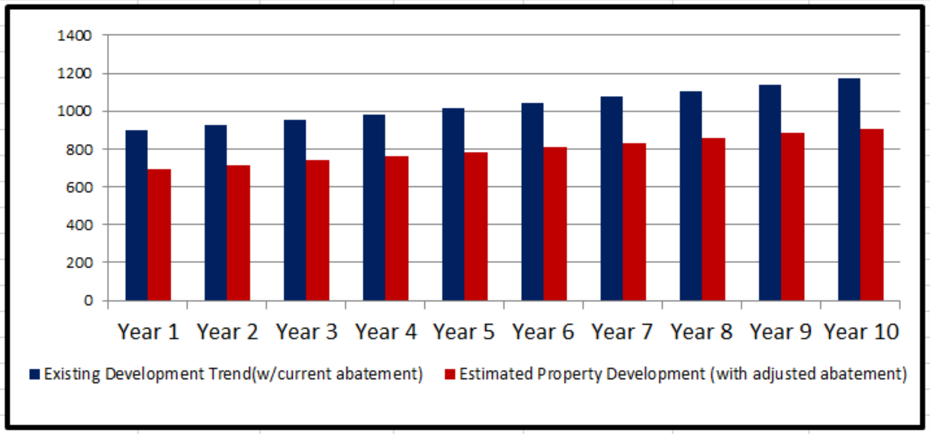
4.5 Phasing out the Abatement after 5 years [40]

- In this case, we simulate reducing the abatement by 20% each year, over 5 years, until phased out. In this simulation, the estimated 10-year development loss is estimated at [20% - 30%].
- If we project that relationship into the future, quadrant three shows us that the accumulated Real Estate Taxes from this adjustment to the abatement are matched by those associated with keeping the abatement in place, within [15-19] years, for both the School District and the City.[41]
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [800-1,000] full time construction jobs.
- The estimated present value of revenue from this case is [$60M-$70M].

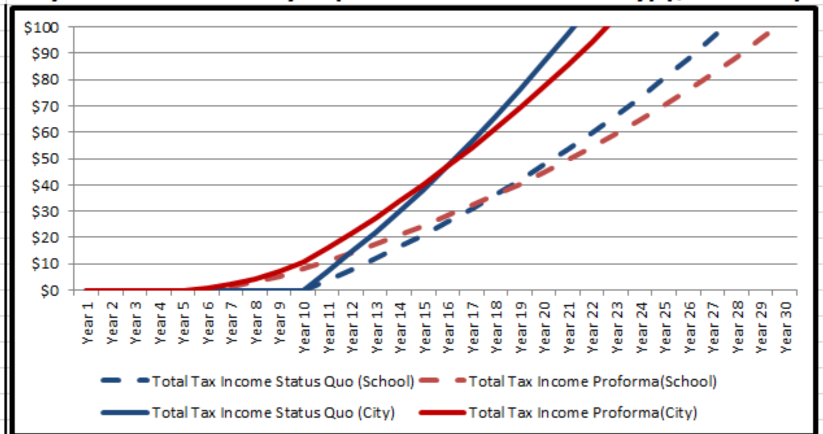
[40] Our models suggest a 1% construction tax would lower the present value of this case by 5%-7%, and increase jobs losses by 5%-8%.
[41] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Phase out after 5 years

10 Yr Projected Development Volume

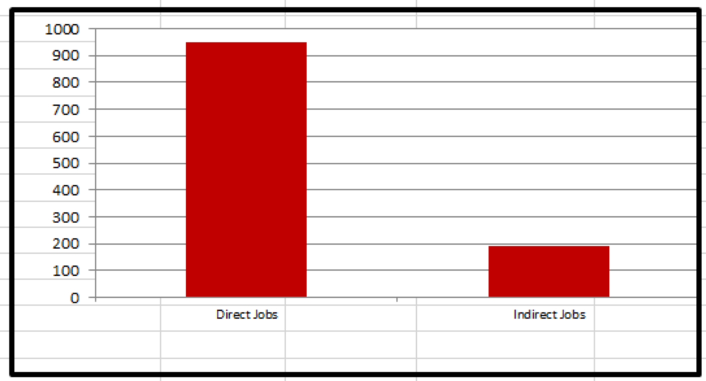


30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Phase out after 5 years	
Case Selector	3	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	18	
Year of Indifference (City)	16	
Implied Job Loss	952	

Impact on Employment (Full Time Equivalents)



4.6 Phasing out starting in Year 8[43]

- In this case, we simulated the effects of phasing out of the abatement starting in year 8. The data suggests that the projected future development volume loss, implied from the historical pricing tolerances for this market, would be in the range of [20% to 25%].
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base within [13-15] years[44]. (See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within [14-16] years. (See dotted red and blue line cross over point).
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [800 – 1,000] full time construction jobs.
- The estimated present value of revenue from this case is $60M-$70M.

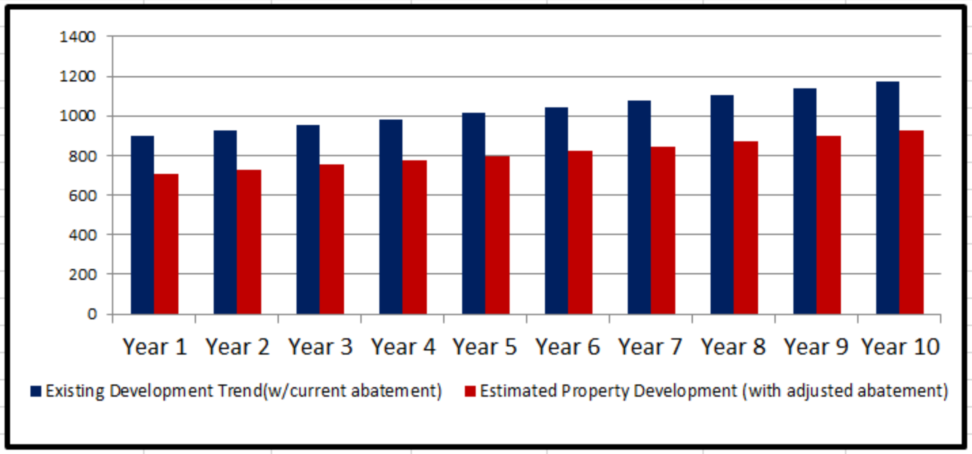
---

[43] Our models suggest a 1% construction tax would lower the present value of this case by 4%-6%, and increase jobs losses by 6%-8%.

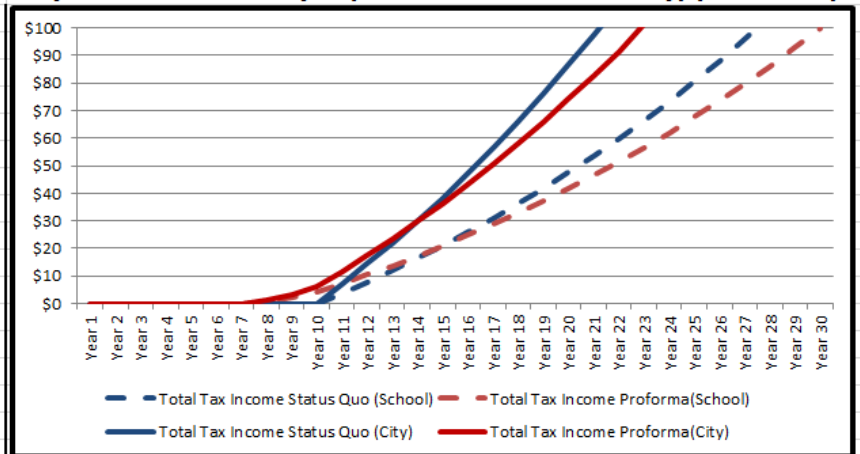
[44] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Phase out @ Yr.8 25%/50%/75%

10 Yr Projected Development Volume

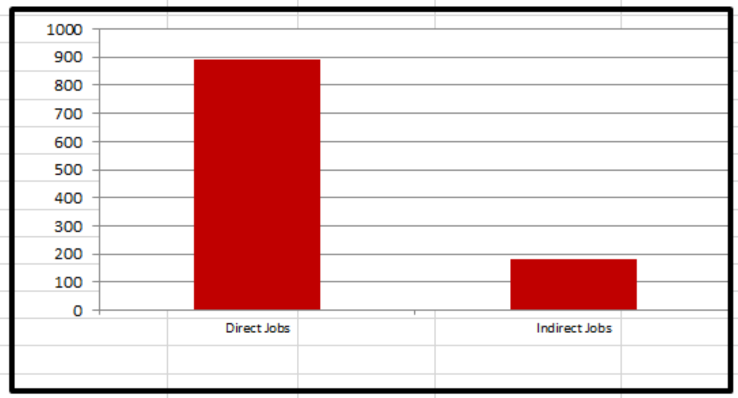


30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Phase out @ Yr.8 25%/50%/75%	
Case Selector	5	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	15	
Year of Indifference (City)	14	
Implied Job Loss	894	

Impact on Employment (Full Time Equivalents)



4.7 Phasing out gradually from Year 1[45]

- In this case we simulate the effects of phasing out of the abatement over ten years, starting in year 1, with 10 percentage point decreases annually. This scenario suggests that the projected future development volume loss, implied from the historical pricing tolerances for this market, would be in the range of [30% to 40%].
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base within [16-19] years.[46] (See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within 18-20 years. (See dotted red and blue line cross over point).
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [1,100 – 1,300] full time construction jobs.
- The estimated present value of revenue from this case is [$60M-$70M].

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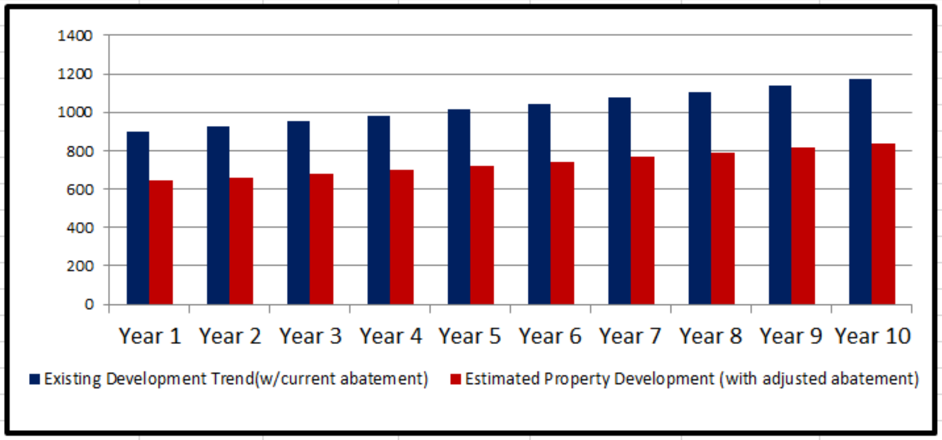
45 Our models suggest a 1% construction tax would lower the present value of this case by 9%-12% and increases job losses by 2%-3%.

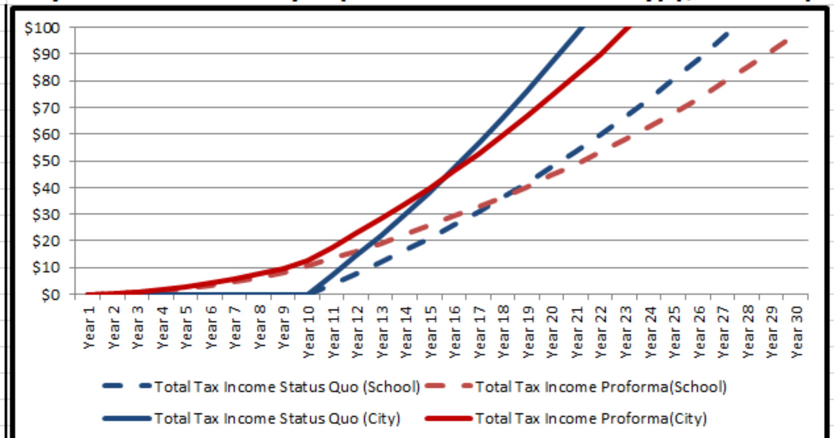
46 For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Graduated Reduction

10 Yr Projected Development Volume



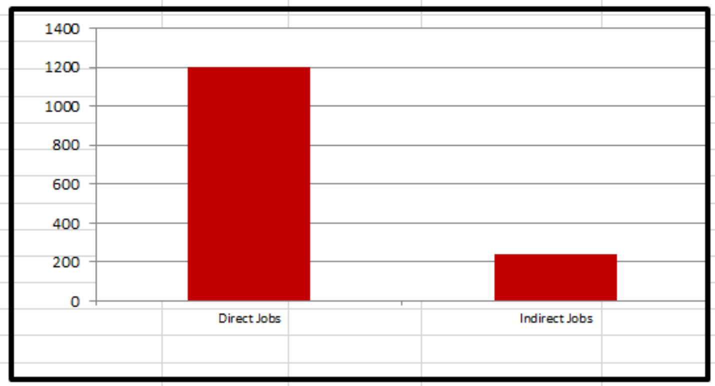
30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Graduated Reduction	
Case Selector	6	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	19	
Year of Indifference (City)	16	

Implied Job Loss **1,204**

Impact on Employment (Full Time Equivalents)



4.8 Eliminate the School District's portion on Value above $150 per square foot[47]

- In this case we simulate the effects of eliminating the School District's portion of the abatement on value above $150 per square foot[48]. The data suggests that the projected future residential development volume loss, implied from the historical pricing tolerances for this market, would be less than [10% -15%] as higher end development volume could easily shift towards lower cost product, or simply absorb the cost of losing the abatement.
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base within [14-17] years.[49](See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within [16-18] years. (See dotted red and blue line cross over point).
- However, the difference between this case and Status quo are small enough to render the numerical crossover points almost meaningless.
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [800 – 900] full time construction jobs.
- The estimated present value of revenue from this case is [$65M-$73M].

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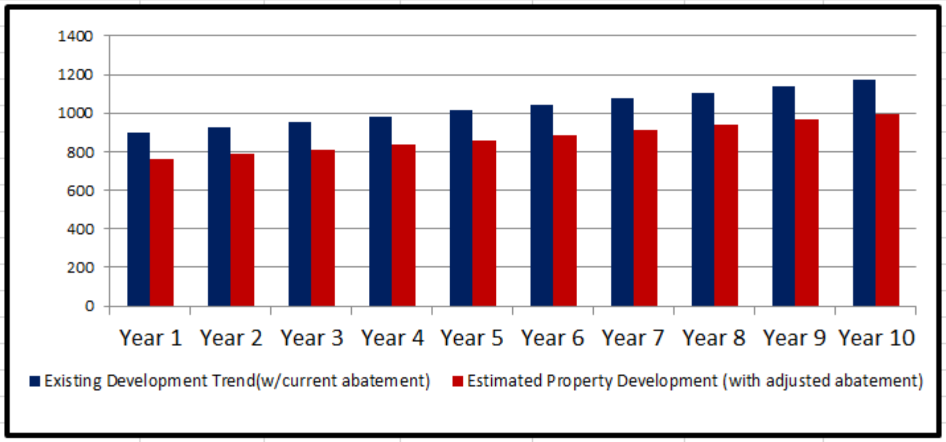
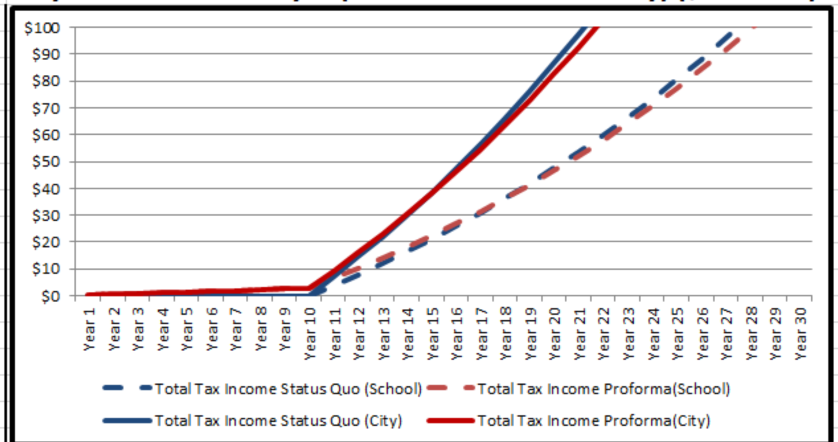
[47] Our models suggest a 1% construction tax would lower the present value of this case by 2%-3% with increasing job loss by 1%-2%.
[48] Impact is limited to single family home development activity.
[49] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Cap @ $150psf

10 Yr Projected Development Volume

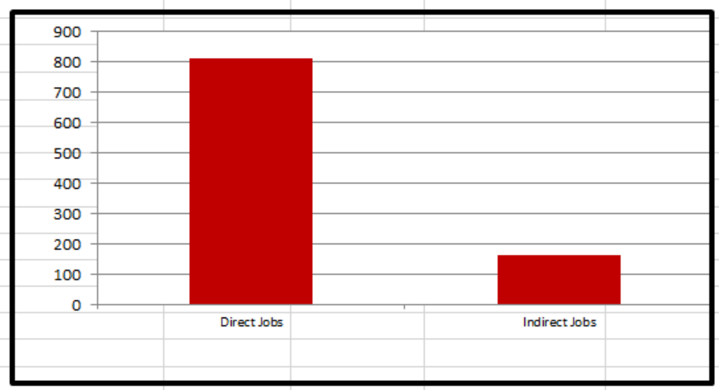


30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Cap @ $150psf	
Case Selector	7	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	16	
Year of Indifference (City)	14	
Implied Job Loss	810	

Impact on Employment (Full Time Equivalents)



4.9 Eliminate the School District's portion on value above $500k per unit[50]

- In this case we simulate the effects of eliminating the School District's portion of the abatement on value above $500k per unit. The data suggests that the projected future residential development volume loss, implied from the historical pricing tolerances for this market, would be less than [14% -19%] as higher end development volume could easily shift towards lower cost product, or simply absorb the cost of losing the abatement.
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base within [16-20] years.[51](See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within [20-22] years after the abatement expires. (See dotted red and blue line cross over point).
- We estimate that the loss of development will result in a loss of construction employment in Philadelphia of roughly [500 – 600] full time construction jobs.
- The estimated present value of revenue from this case is [$66M-$74M].

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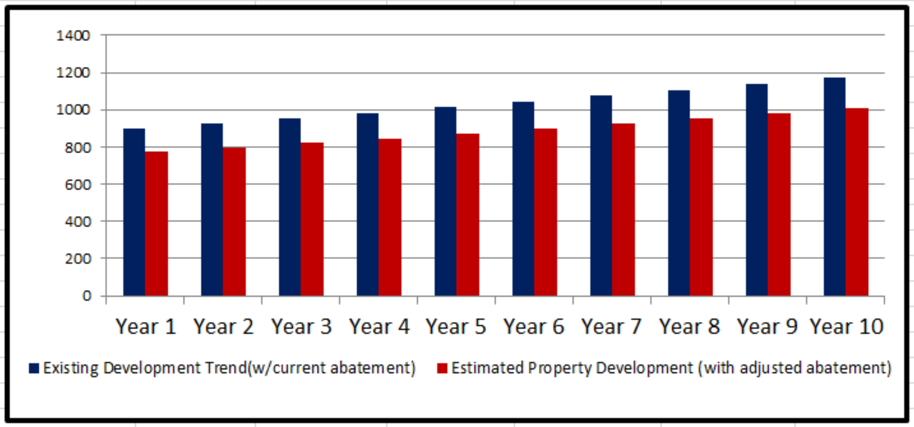
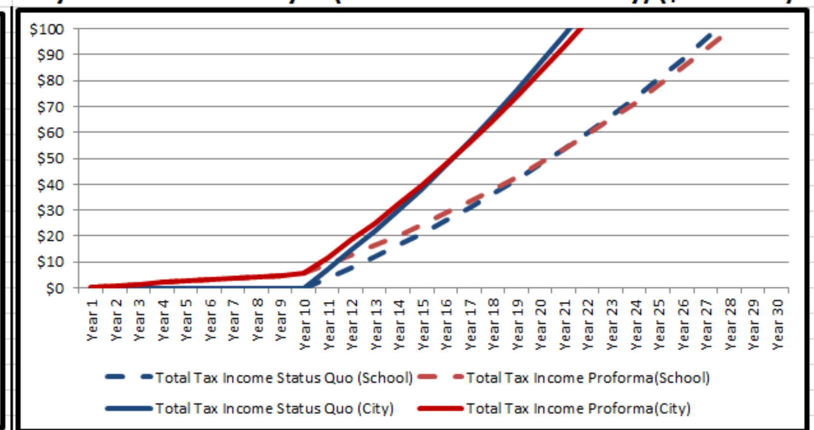
[50] Our models suggest a 1% construction tax would lower the present value of this case by 3%-5% and increase job losses by 6%-8%.
[51] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Cap at $500k

10 Yr Projected Development Volume



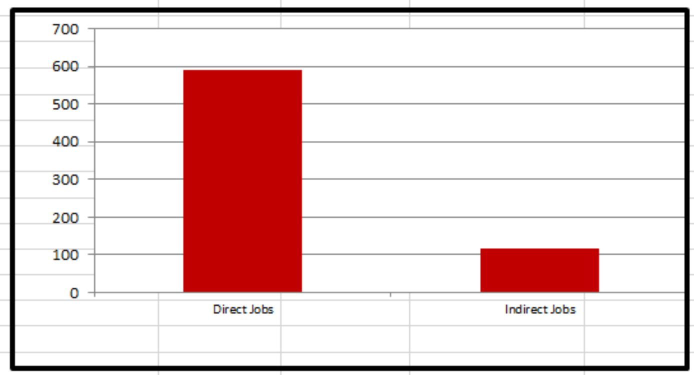
30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Cap at $500k	
Case Selector	10	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	20	
Year of Indifference (City)	16	

Implied Job Loss **589**

Impact on Employment (Full Time Equivalents)



4.10 Cap the Abatement at Initial Construction Value[52]

- In this case, we simulate the effects of eliminating the School District portion of the abatement on all value above initial construction costs. The data suggests that the projected future development volume loss implied from the historical pricing tolerances for this market, would be less than 5%.
- Quadrant 2 shows us that the short-term gains from reducing the abatement are outweighed by the long-term benefits of a broader tax base with [14-17] years.[53](See solid red and blue line crossover point).
- The long-term benefits to the School District outweigh the short-term gains within [15-18] years. (See dotted red and blue line cross over point).
- We estimate that the loss of development will result in a loss of limited construction jobs for this case.
- There is very little apparent difference between this case and status quo in our tables because, at our property value growth assumption of 1.5%, there simply isn't a lot of growth over initial value to tax fully. At higher property value growth assumption this case would likely show more contrast.
- The estimated present value of revenue from this case is [$60M-$69M].

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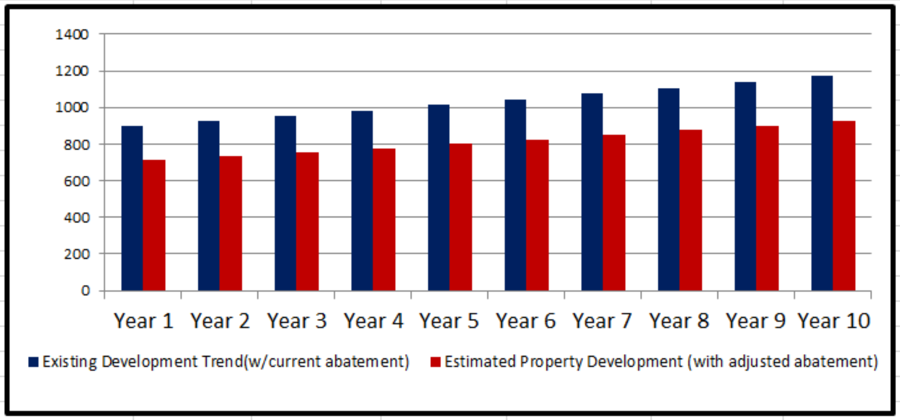
[52] Our models suggest a 1% construction tax would lower the present value of this case by 5%-7%, and increase job losses by 1%-3%

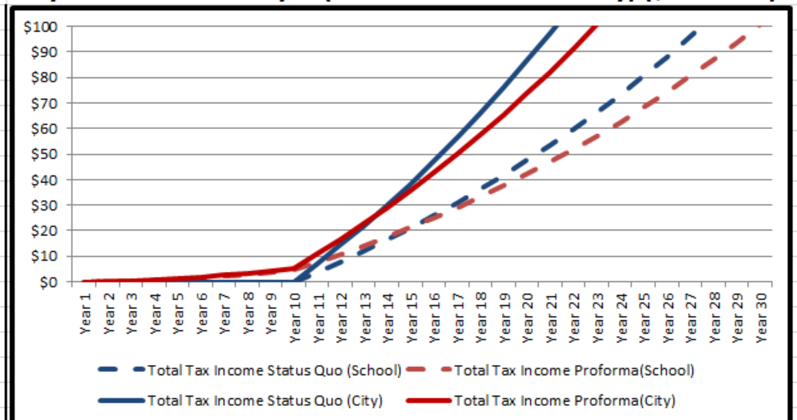
[53] For conservatism, this does not include the land portion of Real Estate Taxes paid during the abatement period.

Cap at Purchase

10 Yr Projected Development Volume

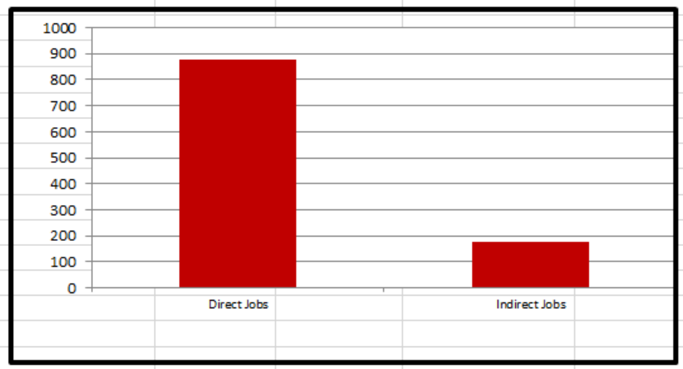


30 yr. Crossover Analysis(Cumulative RE Tax Only) ($Millions)



	Cap at Purchase	
Case Selector	9	
Spread Between Highest and Lowest	$20	$M
Dev Vol. Growth	3.0%	
Prop. Value Growth	1.5%	
Contruction Tax		
Year of Indifference (School)	16	
Year of Indifference (City)	14	
Implied Job Loss	878	

Impact on Employment (Full Time Equivalents)



Concept for Lower Value Residences

We were also asked to consider how the existing abatement could be altered to make it meaningful for homes under $250k. Less than 28% of properties taking advantage the current abatement were valued in this price range. We believe that one reason for this could be that construction/renovation costs tend to go up per square foot as a home becomes smaller. Also, these homes typically don’t increase in value at the same rate as more expensive homes.

Our calculations suggest that an abatement for these homes that extended to approximately 25 years would have a value significant enough to correct for some of this difference. This, along with some mechanism that allowed the incentive to be more easily capitalized[54] could increase participation from this tier of value.

Increasing the length of the abatement term beyond 10-years would require state authorization.

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[54] The likelihood of those living in these homes having enough disposable income to finance significant renovation upfront is low. Thus, some alternative finance mechanism would have to be in place for this type of tax incentive to be effective, similar to certain programs offered in New Jersey.

Geographic Eligibility Concept

Additionally, we have examined the distribution of abatement utilization across the city and found that there are stark geographic disparities. These disparities are primarily due to the abatement not being enough of an incentive to bridge the gap in yield for projects in areas where there has historically been little activity.

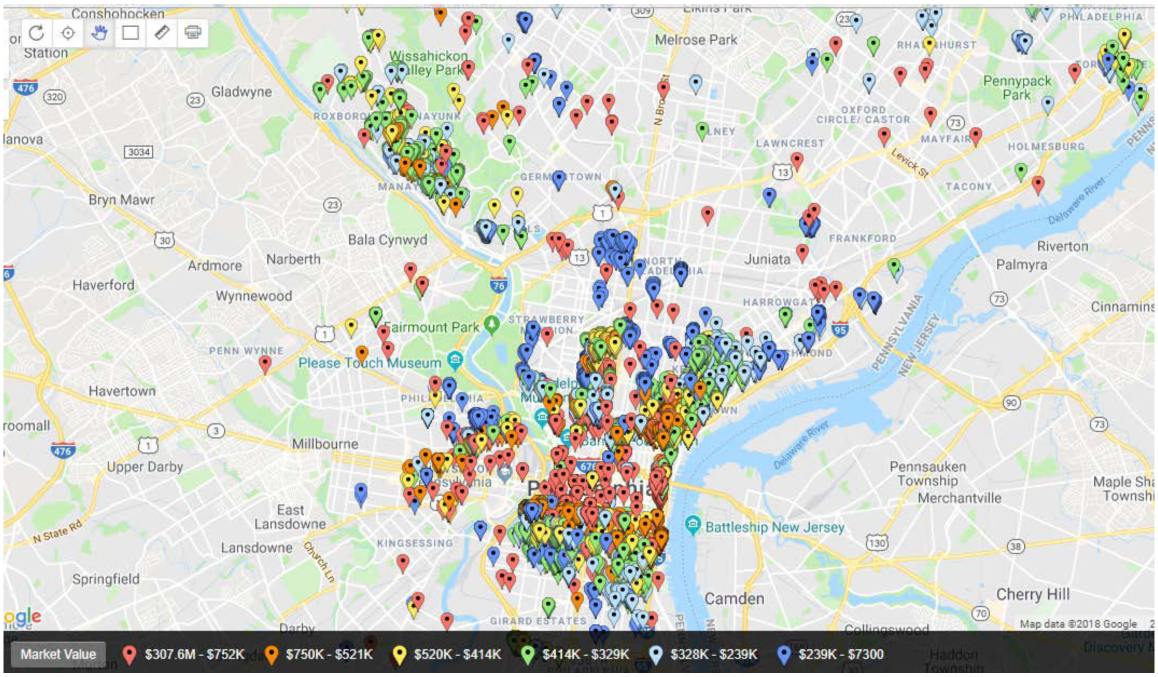
One way to potentially alleviate some of this disparity - without substantially increasing the value of the abatement to cover the previously mentioned yield gap – is to restrict the abatement to certain geographic areas within the city.

We have modeled a concept where eligibility for the abatement would be determined by block group-level characteristics, including: household income, average property value, and average transaction volume. Block groups that show below city median on the income indicator and either 1 of the remaining 2 indicators would be eligible for the abatement.

This concept would likely pose administrative challenges to the City, as policy adjustments would be needed to preserve affordable housing and avoid displacing long-time residents. Plus, eligibility maps would have to be updated periodically as new block group data become available.

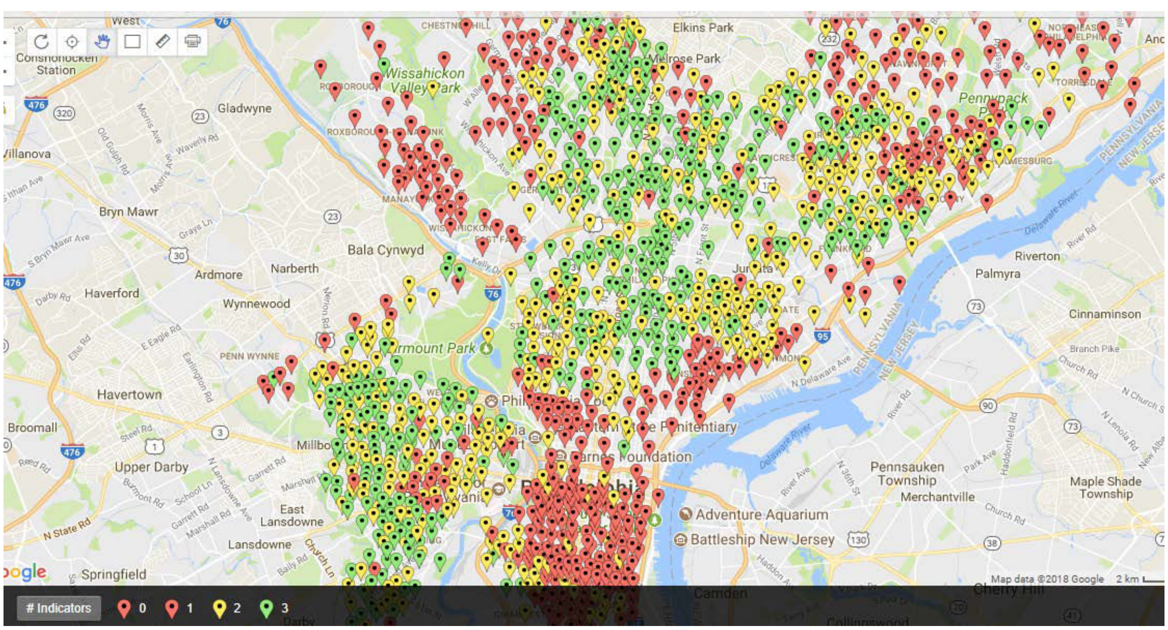
However, this type of system offers the potential for the City to more evenly distribute its abatement, or other incentive dollars to sections of the city that would likely be underserved by the private capital markets, then redirect those funds away once/if conditions have changed for that area.

Properties that have been abated over the past 10 years, by market value[55]



Under this system, sections of the city that have been out of the reach of the abatement over the past ten years would have increased eligibility (green and yellow dots), whereas areas with recent high concentrations of participation would have likely have less chance of eligibility (red dots).

Block groups that would be eligible under the Geographic eligibility concept



[55] Properties in City databases of abated properties, by City assessed market values.

Conclusion

It summary, it appears to be clear that making an adjustment to the abatement would almost certainly come with a risk of some loss of development and its related tax revenue. Moreover, the option of eliminating it completely, right away, appear to carry the most risk of development loss.

Which adjustment option is optimal, however, is more nuanced and dependent on Philadelphia's appetite for risk and expectation for continued growth.

On a total tax revenue basis:

Over a 30-year period, the scenarios that involve some differing levels of taxation above certain thresholds or "caps" appear to yield the least risk, and the most revenue, for the School District and City. However, the administrative difficulty and cost of these is difficult to predict and may render them impractical, even if theoretically superior.

As such, the next best cases, assuming there is an adjustment, appear to be "gradual phase out" cases along with, of course, simply eliminating the School District portion of the abatement, in terms of raising the most revenue for the School District, with at least one yielding almost as much present value revenue as simply eliminating the School District portion.

None of the "eliminate or significantly curtail now" cases produce results on par with the above for the School District.

To the City as a whole, of the two more practical types of scenarios we've examined, the gradual phase out cases are clearly the highest yielding option.

On a net present value (NPV) basis:

The estimated revenue to the City as a whole is virtually even between the phase out starting in year 8 case, and the case that eliminates only the School District portion.

Over a 30-year period, the scenario that involves eliminating the School District portion right away does appear to yield higher present value. This is so because the NPV calculation weights revenue that comes in sooner more heavily than what comes in later. As the tables show, however, this does come at the potential cost of a slower growth in real estate development and tax revenue, over time, than the gradual adjustment cases.

On a relative risk basis:

Almost any scenario that involves increasing costs right away will be more risky than one that gradually increases costs over time, even if, mathematically, they increase costs by equivalent amounts. In most cases, this is true because those investing capital have time to adjust construction and liquidity strategies to account for the change.

In conclusion, while estimating the impact of each scenario can be straightforward, the ultimate decision rests on Philadelphia's appetite for risk relative to its short-term funding needs vs. its longer-term positioning in the real estate capital markets.

Appendix 1 Background Tables (without Construction Tax Impact)

Status Quo				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$0	$0	$0
7	$0	$0	$0	$0
8	$0	$0	$0	$0
9	$0	$0	$0	$0
10	$0	$0	$0	$0
11	$3,858,639	$3,858,639	$7,015,707	$7,015,707
12	$7,892,653	$7,892,653	$14,350,277	$14,350,277
13	$12,110,012	$12,110,012	$22,018,204	$22,018,204
14	$16,519,051	$16,519,051	$30,034,639	$30,034,639
15	$21,128,481	$21,128,481	$38,415,420	$38,415,420
16	$25,947,409	$25,947,409	$47,177,107	$47,177,107
17	$30,985,358	$30,985,358	$56,337,014	$56,337,014
18	$36,252,281	$36,252,281	$65,913,238	$65,913,238
19	$41,758,586	$41,758,586	$75,924,701	$75,924,701
20	$47,515,152	$47,515,152	$86,391,186	$86,391,186
21	$53,533,355	$53,533,355	$97,333,372	$97,333,372
22	$59,825,084	$59,825,084	$108,772,880	$108,772,880
23	$66,402,773	$66,402,773	$120,732,315	$120,732,315
24	$73,279,418	$73,279,418	$133,235,305	$133,235,305
25	$80,468,606	$80,468,606	$146,306,557	$146,306,557
26	$87,984,543	$87,984,543	$159,971,896	$159,971,896
27	$95,842,079	$95,842,079	$174,258,326	$174,258,326
28	$104,056,740	$104,056,740	$189,194,074	$189,194,074
29	$112,644,758	$112,644,758	$204,808,651	$204,808,651
30	$121,623,101	$121,623,101	$221,132,911	$221,132,911

Eliminate School Portion				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$1,705,610	$0	$1,705,610
2	$0	$3,480,083	$0	$3,480,083
3	$0	$5,326,202	$0	$5,326,202
4	$0	$7,246,857	$0	$7,246,857
5	$0	$9,245,058	$0	$9,245,058
6	$0	$11,323,937	$0	$11,323,937
7	$0	$13,486,751	$0	$13,486,751
8	$0	$15,736,888	$0	$15,736,888
9	$0	$18,077,875	$0	$18,077,875
10	$0	$20,513,379	$0	$20,513,379
11	$3,858,639	$23,047,216	$7,015,707	$25,120,356
12	$7,892,653	$25,683,357	$14,350,277	$29,913,340
13	$12,110,012	$28,425,933	$22,018,204	$34,899,840
14	$16,519,051	$31,279,239	$30,034,639	$40,087,671
15	$21,128,481	$34,247,748	$38,415,420	$45,484,960
16	$25,947,409	$37,336,111	$47,177,107	$51,100,165
17	$30,985,358	$40,549,166	$56,337,014	$56,942,083
18	$36,252,281	$43,891,949	$65,913,238	$63,019,869
19	$41,758,586	$47,369,696	$75,924,701	$69,343,046
20	$47,515,152	$50,987,857	$86,391,186	$75,921,521
21	$53,533,355	$54,752,101	$97,333,372	$82,765,602
22	$59,825,084	$58,668,327	$108,772,880	$89,886,012
23	$66,402,773	$62,742,671	$120,732,315	$97,293,910
24	$73,279,418	$66,981,516	$133,235,305	$105,000,901
25	$80,468,606	$71,391,504	$146,306,557	$113,019,061
26	$87,984,543	$75,979,546	$159,971,896	$121,360,956
27	$95,842,079	$80,752,830	$174,258,326	$130,039,654
28	$104,056,740	$85,718,835	$189,194,074	$139,068,754
29	$112,644,758	$90,885,343	$204,808,651	$148,462,404
30	$121,623,101	$96,260,448	$221,132,911	$158,235,323

Phase out after 5 years				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$478,048	$0	$869,178
7	$0	$1,477,598	$0	$2,295,412
8	$0	$3,045,067	$0	$4,327,542
9	$0	$5,230,015	$0	$7,017,700
10	$0	$8,085,333	$0	$10,421,501
11	$3,858,639	$11,070,424	$7,015,707	$15,848,941
12	$7,892,653	$14,191,188	$14,350,277	$21,523,057
13	$12,110,012	$17,453,791	$22,018,204	$27,455,061
14	$16,519,051	$20,864,679	$30,034,639	$33,656,676
15	$21,128,481	$24,430,591	$38,415,420	$40,140,154
16	$25,947,409	$28,158,575	$47,177,107	$46,918,305
17	$30,985,358	$32,055,995	$56,337,014	$54,004,524
18	$36,252,281	$36,130,553	$65,913,238	$61,412,812
19	$41,758,586	$40,390,300	$75,924,701	$69,157,806
20	$47,515,152	$44,843,652	$86,391,186	$77,254,810
21	$53,533,355	$49,499,410	$97,333,372	$85,719,823
22	$59,825,084	$54,366,771	$108,772,880	$94,569,571
23	$66,402,773	$59,455,354	$120,732,315	$103,821,540
24	$73,279,418	$64,775,213	$133,235,305	$113,494,011
25	$80,468,606	$70,336,859	$146,306,557	$123,606,095
26	$87,984,543	$76,151,283	$159,971,896	$134,177,774
27	$95,842,079	$82,229,972	$174,258,326	$145,229,936
28	$104,056,740	$88,584,937	$189,194,074	$156,784,418
29	$112,644,758	$95,228,735	$204,808,651	$168,864,052
30	$121,623,101	$102,174,495	$221,132,911	$181,492,705

Eliminate completely				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$1,467,467	$0	$2,668,122
2	$0	$2,979,289	$0	$4,216,233
3	$0	$4,536,805	$0	$5,811,136
4	$0	$6,141,397	$0	$7,454,245
5	$0	$7,794,488	$0	$9,147,017
6	$0	$9,497,544	$0	$10,890,953
7	$0	$11,252,074	$0	$12,687,599
8	$0	$13,059,635	$0	$14,538,549
9	$0	$14,921,830	$0	$16,445,444
10	$0	$16,840,309	$0	$18,409,974
11	$3,858,639	$18,816,775	$7,015,707	$22,003,548
12	$7,892,653	$20,852,979	$14,350,277	$25,705,738
13	$12,110,012	$22,950,728	$22,018,204	$29,519,826
14	$16,519,051	$25,111,881	$30,034,639	$33,449,195
15	$21,128,481	$27,338,354	$38,415,420	$37,497,329
16	$25,947,409	$29,632,123	$47,177,107	$41,667,818
17	$30,985,358	$31,995,221	$56,337,014	$45,964,360
18	$36,252,281	$34,429,744	$65,913,238	$50,390,765
19	$41,758,586	$36,937,851	$75,924,701	$54,950,958
20	$47,515,152	$39,521,764	$86,391,186	$59,648,983
21	$53,533,355	$42,183,777	$97,333,372	$64,489,006
22	$59,825,084	$44,926,249	$108,772,880	$69,475,319
23	$66,402,773	$47,751,612	$120,732,315	$74,612,342
24	$73,279,418	$50,662,371	$133,235,305	$79,904,633
25	$80,468,606	$53,661,109	$146,306,557	$85,356,882
26	$87,984,543	$56,750,483	$159,971,896	$90,973,927
27	$95,842,079	$59,933,234	$174,258,326	$96,760,746
28	$104,056,740	$63,212,183	$189,194,074	$102,722,472
29	$112,644,758	$66,590,238	$204,808,651	$108,864,391
30	$121,623,101	$70,070,395	$221,132,911	$115,191,949

Phase out @ Yr.8 25%/50%/75%				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$0	$0	$0
7	$0	$0	$0	$0
8	$0	$664,745	$0	$1,208,626
9	$0	$2,054,659	$0	$3,191,862
10	$0	$4,234,288	$0	$6,017,621
11	$3,858,639	$7,272,545	$7,015,707	$11,541,725
12	$7,892,653	$10,448,892	$14,350,277	$17,316,900
13	$12,110,012	$13,769,603	$22,018,204	$23,354,557
14	$16,519,051	$17,241,241	$30,034,639	$29,666,626
15	$21,128,481	$20,870,664	$38,415,420	$36,265,578
16	$25,947,409	$24,665,045	$47,177,107	$43,164,452
17	$30,985,358	$28,631,880	$56,337,014	$50,376,880
18	$36,252,281	$32,779,009	$65,913,238	$57,917,113
19	$41,758,586	$37,114,624	$75,924,701	$65,800,049
20	$47,515,152	$41,647,292	$86,391,186	$74,041,265
21	$53,533,355	$46,385,971	$97,333,372	$82,657,044
22	$59,825,084	$51,340,022	$108,772,880	$91,664,411
23	$66,402,773	$56,519,236	$120,732,315	$101,081,162
24	$73,279,418	$61,933,844	$133,235,305	$110,925,904
25	$80,468,606	$67,594,546	$146,306,557	$121,218,091
26	$87,984,543	$73,512,528	$159,971,896	$131,978,057
27	$95,842,079	$79,699,481	$174,258,326	$143,227,063
28	$104,056,740	$86,167,632	$189,194,074	$154,987,337
29	$112,644,758	$92,929,760	$204,808,651	$167,282,115
30	$121,623,101	$99,999,226	$221,132,911	$180,135,691

Graduated Reduction				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$184,599	$0	$335,635
3	$0	$570,577	$0	$886,377
4	$0	$1,175,858	$0	$1,671,088
5	$0	$2,019,580	$0	$2,709,897
6	$0	$3,122,165	$0	$4,024,281
7	$0	$4,505,403	$0	$5,637,144
8	$0	$6,192,527	$0	$7,572,901
9	$0	$8,208,303	$0	$9,857,574
10	$0	$10,579,120	$0	$12,518,879
11	$3,858,639	$13,333,087	$7,015,707	$17,526,091
12	$7,892,653	$16,212,221	$14,350,277	$22,760,882
13	$12,110,012	$19,222,213	$22,018,204	$28,233,594
14	$16,519,051	$22,369,008	$30,034,639	$33,955,040
15	$21,128,481	$25,658,826	$38,415,420	$39,936,527
16	$25,947,409	$29,098,166	$47,177,107	$46,189,871
17	$30,985,358	$32,693,823	$56,337,014	$52,727,431
18	$36,252,281	$36,452,904	$65,913,238	$59,562,122
19	$41,758,586	$40,382,834	$75,924,701	$66,707,450
20	$47,515,152	$44,491,380	$86,391,186	$74,177,534
21	$53,533,355	$48,786,659	$97,333,372	$81,987,132
22	$59,825,084	$53,277,159	$108,772,880	$90,151,677
23	$66,402,773	$57,971,752	$120,732,315	$98,687,300
24	$73,279,418	$62,879,714	$133,235,305	$107,610,868
25	$80,468,606	$68,010,743	$146,306,557	$116,940,012
26	$87,984,543	$73,374,977	$159,971,896	$126,693,165
27	$95,842,079	$78,983,016	$174,258,326	$136,889,599
28	$104,056,740	$84,845,940	$189,194,074	$147,549,461
29	$112,644,758	$90,975,334	$204,808,651	$158,693,813
30	$121,623,101	$97,383,309	$221,132,911	$170,344,677

Cap @ $150psf				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$245,518	$0	$245,518
2	$0	$498,401	$0	$498,401
3	$0	$758,870	$0	$758,870
4	$0	$1,027,154	$0	$1,027,154
5	$0	$1,303,486	$0	$1,303,486
6	$0	$1,588,108	$0	$1,588,108
7	$0	$1,881,269	$0	$1,881,269
8	$0	$2,183,224	$0	$2,183,224
9	$0	$2,494,238	$0	$2,494,238
10	$0	$2,814,583	$0	$2,814,583
11	$3,858,639	$6,241,256	$7,015,707	$9,044,897
12	$7,892,653	$9,828,556	$14,350,277	$15,567,261
13	$12,110,012	$13,583,931	$22,018,204	$22,395,216
14	$16,519,051	$17,515,171	$30,034,639	$29,542,925
15	$21,128,481	$21,630,424	$38,415,420	$37,025,203
16	$25,947,409	$25,938,214	$47,177,107	$44,857,549
17	$30,985,358	$30,447,457	$56,337,014	$53,056,171
18	$36,252,281	$35,167,478	$65,913,238	$61,638,028
19	$41,758,586	$40,108,032	$75,924,701	$70,620,854
20	$47,515,152	$45,279,323	$86,391,186	$80,023,202
21	$53,533,355	$50,692,024	$97,333,372	$89,864,476
22	$59,825,084	$56,357,297	$108,772,880	$100,164,973
23	$66,402,773	$62,286,820	$120,732,315	$110,945,924
24	$73,279,418	$68,492,805	$133,235,305	$122,229,533
25	$80,468,606	$74,988,027	$146,306,557	$134,039,026
26	$87,984,543	$81,785,845	$159,971,896	$146,398,697
27	$95,842,079	$88,900,236	$174,258,326	$159,333,953
28	$104,056,740	$96,345,816	$189,194,074	$172,871,370
29	$112,644,758	$104,137,872	$204,808,651	$187,038,745
30	$121,623,101	$112,292,394	$221,132,911	$201,865,149

Limit 5 yrs				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$2,126,047	$0	$3,865,540
7	$0	$4,332,538	$0	$6,137,849
8	$0	$6,622,518	$0	$8,496,137
9	$0	$8,999,144	$0	$10,943,657
10	$0	$11,465,696	$0	$13,483,784
11	$3,858,639	$14,025,577	$7,015,707	$18,138,112
12	$7,892,653	$16,682,316	$14,350,277	$22,968,548
13	$12,110,012	$19,439,580	$22,018,204	$27,981,755
14	$16,519,051	$22,301,172	$30,034,639	$33,184,650
15	$21,128,481	$25,271,040	$38,415,420	$38,584,409
16	$25,947,409	$28,353,280	$47,177,107	$44,188,482
17	$30,985,358	$31,552,144	$56,337,014	$50,004,599
18	$36,252,281	$34,872,045	$65,913,238	$56,040,783
19	$41,758,586	$38,317,563	$75,924,701	$62,305,361
20	$47,515,152	$41,893,451	$86,391,186	$68,806,975
21	$53,533,355	$45,604,642	$97,333,372	$75,554,594
22	$59,825,084	$49,456,254	$108,772,880	$82,557,526
23	$66,402,773	$53,453,602	$120,732,315	$89,825,432
24	$73,279,418	$57,602,200	$133,235,305	$97,368,336
25	$80,468,606	$61,907,770	$146,306,557	$105,196,646
26	$87,984,543	$66,376,252	$159,971,896	$113,321,159
27	$95,842,079	$71,013,811	$174,258,326	$121,753,084
28	$104,056,740	$75,826,843	$189,194,074	$130,504,051
29	$112,644,758	$80,821,988	$204,808,651	$139,586,133
30	$121,623,101	$86,006,137	$221,132,911	$149,011,858

Cap at Purchase				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$88,968	$0	$161,759
3	$0	$270,946	$0	$419,838
4	$0	$550,163	$0	$778,614
5	$0	$931,039	$0	$1,242,664
6	$0	$1,418,192	$0	$1,816,772
7	$0	$2,016,454	$0	$2,505,942
8	$0	$2,730,875	$0	$3,315,401
9	$0	$3,566,734	$0	$4,250,618
10	$0	$4,529,550	$0	$5,317,309
11	$3,858,639	$7,582,576	$7,015,707	$10,868,265
12	$7,892,653	$10,774,362	$14,350,277	$16,671,512
13	$12,110,012	$14,111,214	$22,018,204	$22,738,517
14	$16,519,051	$17,599,727	$30,034,639	$29,081,267
15	$21,128,481	$21,246,792	$38,415,420	$35,712,295
16	$25,947,409	$25,059,617	$47,177,107	$42,644,703
17	$30,985,358	$29,045,734	$56,337,014	$49,892,189
18	$36,252,281	$33,213,021	$65,913,238	$57,469,073
19	$41,758,586	$37,569,710	$75,924,701	$65,390,327
20	$47,515,152	$42,124,411	$86,391,186	$73,671,602
21	$53,533,355	$46,886,124	$97,333,372	$82,329,261
22	$59,825,084	$51,864,256	$108,772,880	$91,380,410
23	$66,402,773	$57,068,644	$120,732,315	$100,842,934
24	$73,279,418	$62,509,572	$133,235,305	$110,735,530
25	$80,468,606	$68,197,790	$146,306,557	$121,077,744
26	$87,984,543	$74,144,537	$159,971,896	$131,890,012
27	$95,842,079	$80,361,564	$174,258,326	$143,193,698
28	$104,056,740	$86,861,155	$189,194,074	$155,011,135
29	$112,644,758	$93,656,152	$204,808,651	$167,365,676
30	$121,623,101	$100,759,982	$221,132,911	$180,281,730

Cap at $500k				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$469,789	$0	$469,789
2	$0	$953,672	$0	$953,672
3	$0	$1,452,071	$0	$1,452,071
4	$0	$1,965,422	$0	$1,965,422
5	$0	$2,494,174	$0	$2,494,174
6	$0	$3,038,788	$0	$3,038,788
7	$0	$3,599,741	$0	$3,599,741
8	$0	$4,177,522	$0	$4,177,522
9	$0	$4,772,637	$0	$4,772,637
10	$0	$5,385,605	$0	$5,385,605
11	$3,858,639	$8,746,166	$7,015,707	$11,495,716
12	$7,892,653	$12,265,968	$14,350,277	$17,895,355
13	$12,110,012	$15,952,442	$22,018,204	$24,598,037
14	$16,519,051	$19,813,366	$30,034,639	$31,617,899
15	$21,128,481	$23,856,875	$38,415,420	$38,969,733
16	$25,947,409	$28,091,481	$47,177,107	$46,669,016
17	$30,985,358	$32,526,088	$56,337,014	$54,731,938
18	$36,252,281	$37,170,013	$65,913,238	$63,175,438
19	$41,758,586	$42,033,002	$75,924,701	$72,017,237
20	$47,515,152	$47,125,252	$86,391,186	$81,275,873
21	$53,533,355	$52,457,430	$97,333,372	$90,970,741
22	$59,825,084	$58,040,694	$108,772,880	$101,122,131
23	$66,402,773	$63,886,720	$120,732,315	$111,751,268
24	$73,279,418	$70,007,719	$133,235,305	$122,880,357
25	$80,468,606	$76,416,467	$146,306,557	$134,532,627
26	$87,984,543	$83,126,329	$159,971,896	$146,732,376
27	$95,842,079	$90,151,286	$174,258,326	$159,505,025
28	$104,056,740	$97,505,963	$189,194,074	$172,877,164
29	$112,644,758	$105,205,658	$204,808,651	$186,876,610
30	$121,623,101	$113,266,375	$221,132,911	$201,532,459

Appendix 1 Background Tables (Includes Construction Tax Impact Estimate)[56]

Status Quo				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$0	$0	$0
7	$0	$0	$0	$0
8	$0	$0	$0	$0
9	$0	$0	$0	$0
10	$0	$0	$0	$0
11	$3,858,639	$3,588,534	$7,015,707	$6,524,607
12	$7,892,653	$7,340,167	$14,350,277	$13,345,758
13	$12,110,012	$11,262,312	$22,018,204	$20,476,930
14	$16,519,051	$15,362,718	$30,034,639	$27,932,214
15	$21,128,481	$19,649,487	$38,415,420	$35,726,340
16	$25,947,409	$24,131,090	$47,177,107	$43,874,710
17	$30,985,358	$28,816,382	$56,337,014	$52,393,423
18	$36,252,281	$33,714,621	$65,913,238	$61,299,311
19	$41,758,586	$38,835,485	$75,924,701	$70,609,972
20	$47,515,152	$44,189,091	$86,391,186	$80,343,803
21	$53,533,355	$49,786,020	$97,333,372	$90,520,036
22	$59,825,084	$55,637,328	$108,772,880	$101,158,779
23	$66,402,773	$61,754,579	$120,732,315	$112,281,052
24	$73,279,418	$68,149,859	$133,235,305	$123,908,834
25	$80,468,606	$74,835,804	$146,306,557	$136,065,097
26	$87,984,543	$81,825,625	$159,971,896	$148,773,863
27	$95,842,079	$89,133,134	$174,258,326	$162,060,243
28	$104,056,740	$96,772,769	$189,194,074	$175,950,488
29	$112,644,758	$104,759,625	$204,808,651	$190,472,045
30	$121,623,101	$113,109,484	$221,132,911	$205,653,607

[56] Status quo refers to the case where there is no change to the abatement and no construction tax.

Eliminate School Portion				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$1,675,309	$0	$1,675,309
2	$0	$3,418,259	$0	$3,418,259
3	$0	$5,231,581	$0	$5,231,581
4	$0	$7,118,115	$0	$7,118,115
5	$0	$9,080,818	$0	$9,080,818
6	$0	$11,122,766	$0	$11,122,766
7	$0	$13,247,157	$0	$13,247,157
8	$0	$15,457,320	$0	$15,457,320
9	$0	$17,756,718	$0	$17,756,718
10	$0	$20,148,955	$0	$20,148,955
11	$3,858,639	$22,637,779	$7,015,707	$24,674,089
12	$7,892,653	$25,227,088	$14,350,277	$29,381,924
13	$12,110,012	$27,920,941	$22,018,204	$34,279,839
14	$16,519,051	$30,723,559	$30,034,639	$39,375,507
15	$21,128,481	$33,639,332	$38,415,420	$44,676,912
16	$25,947,409	$36,672,829	$47,177,107	$50,192,362
17	$30,985,358	$39,828,804	$56,337,014	$55,930,498
18	$36,252,281	$43,112,201	$65,913,238	$61,900,311
19	$41,758,586	$46,528,165	$75,924,701	$68,111,155
20	$47,515,152	$50,082,049	$86,391,186	$74,572,762
21	$53,533,355	$53,779,421	$97,333,372	$81,295,257
22	$59,825,084	$57,626,075	$108,772,880	$88,289,172
23	$66,402,773	$61,628,037	$120,732,315	$95,565,467
24	$73,279,418	$65,791,578	$133,235,305	$103,135,542
25	$80,468,606	$70,123,222	$146,306,557	$111,011,259
26	$87,984,543	$74,629,757	$159,971,896	$119,204,958
27	$95,842,079	$79,318,242	$174,258,326	$127,729,477
28	$104,056,740	$84,196,026	$189,194,074	$136,598,174
29	$112,644,758	$89,270,750	$204,808,651	$145,824,945
30	$121,623,101	$94,550,365	$221,132,911	$155,424,247

Phase out after 5 years				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$464,212	$0	$844,022
7	$0	$1,434,833	$0	$2,228,978
8	$0	$2,956,937	$0	$4,202,294
9	$0	$5,078,648	$0	$6,814,593
10	$0	$7,851,326	$0	$10,119,881
11	$3,858,639	$10,750,023	$7,015,707	$15,390,239
12	$7,892,653	$13,780,465	$14,350,277	$20,900,135
13	$12,110,012	$16,948,642	$22,018,204	$26,660,455
14	$16,519,051	$20,260,811	$30,034,639	$32,682,581
15	$21,128,481	$23,723,519	$38,415,420	$38,978,414
16	$25,947,409	$27,343,607	$47,177,107	$45,560,392
17	$30,985,358	$31,128,228	$56,337,014	$52,441,521
18	$36,252,281	$35,084,860	$65,913,238	$59,635,397
19	$41,758,586	$39,221,321	$75,924,701	$67,156,235
20	$47,515,152	$43,545,784	$86,391,186	$75,018,895
21	$53,533,355	$48,066,793	$97,333,372	$83,238,912
22	$59,825,084	$52,793,283	$108,772,880	$91,832,530
23	$66,402,773	$57,734,592	$120,732,315	$100,816,728
24	$73,279,418	$62,900,483	$133,235,305	$110,209,257
25	$80,468,606	$68,301,164	$146,306,557	$120,028,677
26	$87,984,543	$73,947,306	$159,971,896	$130,294,389
27	$95,842,079	$79,850,064	$174,258,326	$141,026,678
28	$104,056,740	$86,021,104	$189,194,074	$152,246,750
29	$112,644,758	$92,472,617	$204,808,651	$163,976,774
30	$121,623,101	$99,217,351	$221,132,911	$176,239,927

Eliminate completely				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$1,439,534	$0	$2,617,335
2	$0	$2,922,578	$0	$4,135,977
3	$0	$4,450,447	$0	$5,700,521
4	$0	$6,024,496	$0	$7,312,354
5	$0	$7,646,120	$0	$8,972,904
6	$0	$9,316,758	$0	$10,683,644
7	$0	$11,037,891	$0	$12,446,091
8	$0	$12,811,045	$0	$14,261,808
9	$0	$14,637,793	$0	$16,132,405
10	$0	$16,519,754	$0	$18,059,541
11	$3,858,639	$18,458,598	$7,015,707	$21,584,711
12	$7,892,653	$20,456,043	$14,350,277	$25,216,429
13	$12,110,012	$22,513,861	$22,018,204	$28,957,916
14	$16,519,051	$24,633,876	$30,034,639	$32,812,490
15	$21,128,481	$26,817,969	$38,415,420	$36,783,568
16	$25,947,409	$29,068,076	$47,177,107	$40,874,672
17	$30,985,358	$31,386,193	$56,337,014	$45,089,429
18	$36,252,281	$33,774,375	$65,913,238	$49,431,578
19	$41,758,586	$36,234,739	$75,924,701	$53,904,968
20	$47,515,152	$38,769,468	$86,391,186	$58,513,566
21	$53,533,355	$41,380,809	$97,333,372	$63,261,459
22	$59,825,084	$44,071,078	$108,772,880	$68,152,857
23	$66,402,773	$46,842,660	$120,732,315	$73,192,097
24	$73,279,418	$49,698,014	$133,235,305	$78,383,649
25	$80,468,606	$52,639,670	$146,306,557	$83,732,115
26	$87,984,543	$55,670,238	$159,971,896	$89,242,239
27	$95,842,079	$58,792,405	$174,258,326	$94,918,906
28	$104,056,740	$62,008,940	$189,194,074	$100,767,151
29	$112,644,758	$65,322,694	$204,808,651	$106,792,158
30	$121,623,101	$68,736,606	$221,132,911	$112,999,272

Phase out @ Yr.8 25%/50%/75%				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$0	$0	$0
7	$0	$0	$0	$0
8	$0	$656,020	$0	$1,192,764
9	$0	$2,027,693	$0	$3,149,971
10	$0	$4,178,717	$0	$5,938,645
11	$3,858,639	$7,177,100	$7,015,707	$11,390,250
12	$7,892,653	$10,311,759	$14,350,277	$17,089,631
13	$12,110,012	$13,588,889	$22,018,204	$23,048,049
14	$16,519,051	$17,014,964	$30,034,639	$29,277,277
15	$21,128,481	$20,596,755	$38,415,420	$35,789,623
16	$25,947,409	$24,341,338	$47,177,107	$42,597,955
17	$30,985,358	$28,256,112	$56,337,014	$49,715,727
18	$36,252,281	$32,348,812	$65,913,238	$57,157,000
19	$41,758,586	$36,627,526	$75,924,701	$64,936,480
20	$47,515,152	$41,100,708	$86,391,186	$73,069,537
21	$53,533,355	$45,777,195	$97,333,372	$81,572,242
22	$59,825,084	$50,666,229	$108,772,880	$90,461,394
23	$66,402,773	$55,777,469	$120,732,315	$99,754,559
24	$73,279,418	$61,121,016	$133,235,305	$109,470,097
25	$80,468,606	$66,707,426	$146,306,557	$119,627,207
26	$87,984,543	$72,547,739	$159,971,896	$130,245,958
27	$95,842,079	$78,653,494	$174,258,326	$141,347,331
28	$104,056,740	$85,036,756	$189,194,074	$152,953,261
29	$112,644,758	$91,710,137	$204,808,651	$165,086,681
30	$121,623,101	$98,686,823	$221,132,911	$177,771,565

Graduated Reduction				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$182,372	$0	$331,585
3	$0	$563,693	$0	$875,682
4	$0	$1,161,670	$0	$1,650,925
5	$0	$1,995,212	$0	$2,677,200
6	$0	$3,084,494	$0	$3,975,725
7	$0	$4,451,042	$0	$5,569,127
8	$0	$6,117,810	$0	$7,481,528
9	$0	$8,109,263	$0	$9,738,635
10	$0	$10,451,474	$0	$12,367,829
11	$3,858,639	$13,172,213	$7,015,707	$17,314,625
12	$7,892,653	$16,016,608	$14,350,277	$22,486,254
13	$12,110,012	$18,990,282	$22,018,204	$27,892,933
14	$16,519,051	$22,099,109	$30,034,639	$33,545,346
15	$21,128,481	$25,349,232	$38,415,420	$39,454,661
16	$25,947,409	$28,747,074	$47,177,107	$45,632,555
17	$30,985,358	$32,299,347	$56,337,014	$52,091,233
18	$36,252,281	$36,013,071	$65,913,238	$58,843,459
19	$41,758,586	$39,895,584	$75,924,701	$65,902,573
20	$47,515,152	$43,954,557	$86,391,186	$73,282,524
21	$53,533,355	$48,198,010	$97,333,372	$80,997,893
22	$59,825,084	$52,634,328	$108,772,880	$89,063,927
23	$66,402,773	$57,272,277	$120,732,315	$97,496,561
24	$73,279,418	$62,121,021	$133,235,305	$106,312,459
25	$80,468,606	$67,190,140	$146,306,557	$115,529,039
26	$87,984,543	$72,489,651	$159,971,896	$125,164,513
27	$95,842,079	$78,030,024	$174,258,326	$135,237,919
28	$104,056,740	$83,822,207	$189,194,074	$145,769,161
29	$112,644,758	$89,877,645	$204,808,651	$156,779,049
30	$121,623,101	$96,208,303	$221,132,911	$168,289,335

Cap @ $150psf				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$240,455	$0	$240,455
2	$0	$488,124	$0	$488,124
3	$0	$743,223	$0	$743,223
4	$0	$1,005,975	$0	$1,005,975
5	$0	$1,276,610	$0	$1,276,610
6	$0	$1,555,363	$0	$1,555,363
7	$0	$1,842,480	$0	$1,842,480
8	$0	$2,138,209	$0	$2,138,209
9	$0	$2,442,811	$0	$2,442,811
10	$0	$2,756,550	$0	$2,756,550
11	$3,858,639	$6,112,570	$7,015,707	$8,858,404
12	$7,892,653	$9,625,905	$14,350,277	$15,246,287
13	$12,110,012	$13,303,850	$22,018,204	$21,933,459
14	$16,519,051	$17,154,034	$30,034,639	$28,933,793
15	$21,128,481	$21,184,436	$38,415,420	$36,261,797
16	$25,947,409	$25,403,406	$47,177,107	$43,932,651
17	$30,985,358	$29,819,674	$56,337,014	$51,962,230
18	$36,252,281	$34,442,375	$65,913,238	$60,367,141
19	$41,758,586	$39,281,062	$75,924,701	$69,164,754
20	$47,515,152	$44,345,729	$86,391,186	$78,373,239
21	$53,533,355	$49,646,828	$97,333,372	$88,011,600
22	$59,825,084	$55,195,291	$108,772,880	$98,099,716
23	$66,402,773	$61,002,556	$120,732,315	$108,658,379
24	$73,279,418	$67,080,582	$133,235,305	$119,709,336
25	$80,468,606	$73,441,882	$146,306,557	$131,275,335
26	$87,984,543	$80,099,539	$159,971,896	$143,380,167
27	$95,842,079	$87,067,242	$174,258,326	$156,048,717
28	$104,056,740	$94,359,304	$189,194,074	$169,307,012
29	$112,644,758	$101,990,699	$204,808,651	$183,182,276
30	$121,623,101	$109,977,087	$221,132,911	$197,702,981

Limit 5 yrs				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$0	$0	$0
3	$0	$0	$0	$0
4	$0	$0	$0	$0
5	$0	$0	$0	$0
6	$0	$2,100,395	$0	$3,818,899
7	$0	$4,280,263	$0	$6,063,791
8	$0	$6,542,612	$0	$8,393,625
9	$0	$8,890,562	$0	$10,811,613
10	$0	$11,327,354	$0	$13,321,092
11	$3,858,639	$13,856,347	$7,015,707	$17,919,262
12	$7,892,653	$16,481,031	$14,350,277	$22,691,414
13	$12,110,012	$19,205,027	$22,018,204	$27,644,134
14	$16,519,051	$22,032,091	$30,034,639	$32,784,251
15	$21,128,481	$24,966,125	$38,415,420	$38,118,858
16	$25,947,409	$28,011,176	$47,177,107	$43,655,314
17	$30,985,358	$31,171,443	$56,337,014	$49,401,254
18	$36,252,281	$34,451,287	$65,913,238	$55,364,607
19	$41,758,586	$37,855,232	$75,924,701	$61,553,598
20	$47,515,152	$41,387,974	$86,391,186	$67,976,765
21	$53,533,355	$45,054,386	$97,333,372	$74,642,969
22	$59,825,084	$48,859,526	$108,772,880	$81,561,405
23	$66,402,773	$52,808,643	$120,732,315	$88,741,618
24	$73,279,418	$56,907,184	$133,235,305	$96,193,511
25	$80,468,606	$61,160,805	$146,306,557	$103,927,366
26	$87,984,543	$65,575,371	$159,971,896	$111,953,851
27	$95,842,079	$70,156,974	$174,258,326	$120,284,038
28	$104,056,740	$74,911,933	$189,194,074	$128,929,418
29	$112,644,758	$79,846,808	$204,808,651	$137,901,917
30	$121,623,101	$84,968,406	$221,132,911	$147,213,914

Cap at $500k				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$464,995	$0	$464,995
2	$0	$943,940	$0	$943,940
3	$0	$1,437,254	$0	$1,437,254
4	$0	$1,945,367	$0	$1,945,367
5	$0	$2,468,723	$0	$2,468,723
6	$0	$3,007,780	$0	$3,007,780
7	$0	$3,563,009	$0	$3,563,009
8	$0	$4,134,894	$0	$4,134,894
9	$0	$4,723,936	$0	$4,723,936
10	$0	$5,330,650	$0	$5,330,650
11	$3,858,639	$8,656,919	$7,015,707	$11,378,413
12	$7,892,653	$12,140,805	$14,350,277	$17,712,750
13	$12,110,012	$15,789,662	$22,018,204	$24,347,036
14	$16,519,051	$19,611,189	$30,034,639	$31,295,267
15	$21,128,481	$23,613,438	$38,415,420	$38,572,083
16	$25,947,409	$27,804,833	$47,177,107	$46,192,802
17	$30,985,358	$32,194,189	$56,337,014	$54,173,449
18	$36,252,281	$36,790,727	$65,913,238	$62,530,791
19	$41,758,586	$41,604,094	$75,924,701	$71,282,367
20	$47,515,152	$46,644,382	$86,391,186	$80,446,527
21	$53,533,355	$51,922,150	$97,333,372	$90,042,468
22	$59,825,084	$57,448,442	$108,772,880	$100,090,272
23	$66,402,773	$63,234,814	$120,732,315	$110,610,949
24	$73,279,418	$69,293,354	$133,235,305	$121,626,476
25	$80,468,606	$75,636,707	$146,306,557	$133,159,845
26	$87,984,543	$82,278,101	$159,971,896	$145,235,107
27	$95,842,079	$89,231,375	$174,258,326	$157,877,423
28	$104,056,740	$96,511,004	$189,194,074	$171,113,112
29	$112,644,758	$104,132,130	$204,808,651	$184,969,706
30	$121,623,101	$112,110,595	$221,132,911	$199,476,005

Cap at Purchase				
Year	Total Tax Income Status Quo (School)	Total Tax Income Proforma(School)	Total Tax Income Status Quo (City)	Total Tax Income Proforma(City)
1	$0	$0	$0	$0
2	$0	$88,968	$0	$161,759
3	$0	$270,946	$0	$419,838
4	$0	$550,163	$0	$778,614
5	$0	$931,039	$0	$1,242,664
6	$0	$1,418,192	$0	$1,816,772
7	$0	$2,016,454	$0	$2,505,942
8	$0	$2,730,875	$0	$3,315,401
9	$0	$3,566,734	$0	$4,250,618
10	$0	$4,529,550	$0	$5,317,309
11	$3,858,639	$7,582,576	$7,015,707	$10,868,265
12	$7,892,653	$10,774,362	$14,350,277	$16,671,512
13	$12,110,012	$14,111,214	$22,018,204	$22,738,517
14	$16,519,051	$17,599,727	$30,034,639	$29,081,267
15	$21,128,481	$21,246,792	$38,415,420	$35,712,295
16	$25,947,409	$25,059,617	$47,177,107	$42,644,703
17	$30,985,358	$29,045,734	$56,337,014	$49,892,189
18	$36,252,281	$33,213,021	$65,913,238	$57,469,073
19	$41,758,586	$37,569,710	$75,924,701	$65,390,327
20	$47,515,152	$42,124,411	$86,391,186	$73,671,602
21	$53,533,355	$46,886,124	$97,333,372	$82,329,261
22	$59,825,084	$51,864,256	$108,772,880	$91,380,410
23	$66,402,773	$57,068,644	$120,732,315	$100,842,934
24	$73,279,418	$62,509,572	$133,235,305	$110,735,530
25	$80,468,606	$68,197,790	$146,306,557	$121,077,744
26	$87,984,543	$74,144,537	$159,971,896	$131,890,012
27	$95,842,079	$80,361,564	$174,258,326	$143,193,698
28	$104,056,740	$86,861,155	$189,194,074	$155,011,135
29	$112,644,758	$93,656,152	$204,808,651	$167,365,676
30	$121,623,101	$100,759,982	$221,132,911	$180,281,730

Appendix 2

Rehab Construction for Residential Properties (Ordinance 961) — A ten-year abatement from Real Estate Taxes on improvements to existing residential properties containing one or more units. (Ordinary upkeep and maintenance are not improvements). Available for single family homes, duplexes, apartments, and condos. Not available for hotels.

Development Abatement for New or Improved Residential Properties (State Act 175) — An abatement (for up to 30 months) from Real Estate Taxes during new construction of single and multiple dwellings constructed for residential purposes or improvements to existing unoccupied residential dwellings or improvements to existing structures for purposes of conversion to residential dwellings.

Rehab & New Construction for Commercial & Industrial Properties (Ordinance 1130) — A ten-year abatement from Real Estate Taxes on new construction or improvements to deteriorated industrial, commercial or other business properties. (Ordinary upkeep and maintenance are not considered improvements.) Not intended for residential properties.

New Construction for Residential Properties (Ordinance 1456-A) — A ten-year abatement from Real Estate Taxes for new construction of residential properties. Available for single-family homes, duplexes, apartments, and condos. Not available for hotels.