



Budget Office

CITY OF PHILADELPHIA

May 2, 2023

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 Councilmember Gilmore-Richardson regarding the Proposed FY24 Operating and Capital Budget.

Topic: Nuisance businesses

Questions:

1. What is your department's role in addressing nuisance businesses?

Commerce Office of Business Services staff and our funded neighborhood-based Corridor Managers are often the front line in identifying nuisance businesses. Commerce participates in the Nuisance Business Committee that brings together multiple enforcement agencies. That group coordinates enforcement on the worst offenders. With these partners, Commerce also makes recommendations about operating procedures, including policies and legislation, to strengthen enforcement. We want to make sure as we evaluate laws and regulations that we aren't making it harder for good businesses to open and operate, because we saw following the pandemic and unrest that vacancies and closed stores exacerbated crime and safety concerns on our commercial corridors. Our Nighttime Economy Director is also assessing and making recommendations as it pertains to Philadelphia's nightlife.

2. How do you work with businesses to come into compliance?

The Office of Business Services (OBS) works one on one with businesses who need assistance. OBS can work with the business to understand the situation and make recommendations (lighting, cameras, hours, products) to abate the nuisance issue.

a. Do you have plans to increase the number of staff who do this work in order to speed up the compliance process?

The Office of Business Services currently has 2 open positions for Business Services Managers. BSMs are educated on the Nuisance Business Law, zoning requirements like the variance required for drug paraphernalia, liquor license requirements and other common infractions. Helping businesses understand how to come into compliance is part of their responsibilities. Commerce also assists our partner organizations and their corridor managers with this issue. PACDC and LISC are providing Corridor Manager training programs to build the capacity of those staff persons.



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3. How do corridor managers work with L&I and PPD to report nuisance business behavior?

Corridor managers can report nuisance businesses to L&I through 311 or to 911 for serious issues like violent crime. Corridor managers have ongoing relationships with their local police captains and community relations officers and can work with them to identify nuisance business behaviors. Corridor managers are educated on the Nuisance Business Law, licenses, zoning and how to use city tools like Atlas to understand property information. When the Nuisance Business Law was originally passed, Commerce created [informational flyers](#) for our corridor partners and will create updated flyers upon the passage of the pending amendments.

Topic: Quality jobs program

Questions:

Your office has begun taking applications for the quality jobs program which incentivizes businesses to provide quality employment opportunities for Philadelphians.

1. Can you provide an update on the number of businesses that have applied to the Quality Jobs Program?

The Quality Jobs Program (QJP) has received 34 inquiry forms. Of the inquiry forms submitted, 19 have been invited to submit full applications (the remainder are still answering questions or are ineligible). Thus far, 5 completed applications have been received and all 5 have been admitted into the QJP m as of 4/27/23.

2. Which areas of the City are most of these businesses located?

Commerce has received 30+ inquiry forms from businesses in 25 different zip codes. The interest in the program is spread throughout Philadelphia to benefit existing businesses and help attract new ones.

3. How will your office promote these positions when they become available?

The Workforce Solutions team will work with businesses to connect them to Philadelphia Works and Workforce Provider Agencies (WPA) to identify Philadelphia residents seeking career opportunities with our QJP applicants.

4. Your testimony states that you are receiving a \$585,744 increase in class 200 funds over FY23. How is this funding being used to expand the Quality Jobs Program?

Since Commerce's FY23 Class 200 Budget provided \$3.2M for three one-time funded programs (SABER grants, Act 158, and Container Village), the increased funds available in FY24 Class 200 is actually the entire \$3,773,110. Of that increase, Commerce will dedicate \$2,250,000 to Quality Jobs Program. Note that QJP is a new program with outreach still underway; we are estimating the funds needed at this time and will analyze the demand throughout the year.



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5. This program was created out of the 2019 incentive study, which found that most of the City’s incentives were not doing a good job at their intended purpose.

a. Now that we have launched quality jobs, have we shut down applications or eligibility for any other incentive programs? If so, which ones?

The Quality Jobs Program (QJP) was launched as a pilot, allowing Commerce to test the market. The intent of the program is to eventually replace the Job Creation Tax Credit (JCTC) which is currently still active. However, businesses are not permitted to apply for both QJP and JCTC. Tax Credit programs must be authorized by City Council; therefore, any request to change JCTC would require City Council action. Commerce does not have the authority to sunset JCTC which is why our pilot is running in parallel.

b. The incentive programs reviewed in the study had a wide range of goals, but one important program was the Sustainable Business Tax Credit. While quality jobs addresses some of the aspects of running a triple bottom line business, it does not address the climate-focused initiatives, such as energy efficiency, clean energy, stormwater management, etc. What kind of program could we create to better incentivize businesses to take climate mitigation actions? How could we work with OOS, PEA, and groups like SBN to design this type of incentive?

Commerce recently met with the Sustainable Business Network regarding the sunset of the Sustainable Business Tax Credit. We let them know that per the HR&A incentive study (2019), it's recommended that the City use grant programs over tax credits. This is in part because tax credits are not as effective as an incentive and also because tax credits like the Sustainable Business Tax Credit benefitted only those large/profitable enough to benefit from a tax credit. To complement the Quality Jobs Program which addresses the “people” bottom line, we suggested to SBN that a group of stakeholders could come together to create/propose a new incentive to address the “planet”. An example could be a grant for efficient equipment, energy improvements, or reducing waste. As suggested in the question, Commerce would need to work with OOS, PEA, SBN, Smart Cities, and other stakeholders to develop, fundraise, and implement such an incentive, and we are very willing to do so.

Topic: Commercial corridors

Questions:

1. Please provide my office with a list of all commercial corridors in Philadelphia.

The Planning Commission identifies approximately 300 commercial corridors in the City of Philadelphia. While Commerce supports all businesses throughout the city, when we speak of our commercial corridor programs, there are approximately 80 that we target for support and investment. These 80 are corridors that are neighborhood based, pedestrian and transit oriented,



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and have a high density of commercial spaces (average 100 businesses in a 3-4 block area). See Appendix below for list.

2. How does your office plan to expand the Taking Care of Business Clean Corridors program?

With the proposed FY24 funding for TCB we expect to be able to continue the current level of cleaning in terms of the participating corridors and the cleaning crew sizes and schedules, while accounting for the increased cost of supplies, equipment and wages. If additional funds were available, we would evaluate increasing the scope and frequency of cleaning in the current areas, as well as possibly adding additional neighborhood commercial areas within the City. Increases in work scope might include broadening the Cleaning Ambassadors' area of training and responsibility to include tree care in support of the goals of the Philly Tree Plan to increase the tree canopy in areas that have experienced disinvestment.

a. How do you work with cleaning organizations to ensure the organizations are hiring from their community?

Commerce assists TCB groups in hiring by providing them with a standard job application and we have held best practices sessions for all TCB groups about how to hire and onboard new staff. We do not currently collect data on the home addresses of TCB Cleaning Ambassadors but know from experience that the vast majority of TCB organizations primarily employ individuals who live nearby. Our staff conducts site visits and meets TCB cleaning crews and we estimate that roughly three quarters of the individuals working for TCB Organizations live within a 5-mile radius of where they work.

3. How many businesses are utilizing the Business Security Camera Program?

a. How do these numbers compare to previous years?

FY 2022: 49 businesses installed cameras, with the total City investment of \$108,380.

FY 2023 as of 5/1/2023: 88 businesses have installed cameras with the total City investment of \$236,740.

b. Which areas of the city are applying for this assistance the most?

The majority of the applications have come from North Philadelphia, with a recent concentration of applications from the Feltonville neighborhood along 5th street from Erie to Roosevelt Blvd, and along Wyoming Avenue in Council District 7.

c. Which neighborhoods are receiving up to 100% in assistance for the cost of the cameras?

The targeted 100% program is beginning in the following 3 corridors:

- North Philadelphia - North 22nd Commercial Corridor
- West Philadelphia - 60th Street Commercial Corridor
- Southwest Philadelphia - Woodland Avenue Commercial Corridor

Topic: Business attraction/retention

Questions:



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1. What incentives does your department have to retain and attract business to Philadelphia?

a. What data and research have you conducted to create these incentives? Have you spoken with business owners to see how you can retain their business?

Commerce conducted an incentive study in 2019 that led to the creation of the Quality Jobs Program that was launched March 2023. Through the study, businesses, council and economic partners were all interviewed on the city's incentive program. Post pandemic, QJP is a performance-based incentive encouraging the hiring of Philadelphia residents.

b. How will you conduct outreach for these incentives in an equitable way so that our Black and Brown business owners are made aware?

Commerce works consistently with a racial equity lens understanding the importance of inclusion for all businesses and residents. We conducted a QJP briefing for Council Members and staff to distribute information with their constituent base. The Diverse Chambers participated in shaping final criteria for the program and always have access to Commerce. Our Office of Business Services works with Corridor Managers and neighborhood-based businesses throughout the city. This program becomes a tool within their toolkit to support Black and Brown businesses. Lastly, Commerce will continue to provide information through our marketing efforts on the program.

c. How are you determining what industries to target in business attraction efforts? How are you working with workforce development partners and career and technical education programs to ensure we have the workforce we need to attract jobs to the City and to ensure Philadelphians are hired by organizations receiving city support?

Commerce has consistently engaged industries that are high impact sectors: Life Science & Biotechnology, Tech & Innovation, Advanced Manufacturing & Logistics, and now Creative Economy and Night Economy, as well (a recent addition). Commerce has continued to see growth in the identified sectors throughout the country including the Philadelphia region. We partner with our workforce organizations to identify career training opportunities to support the talent pipeline needed for growth in emerging sectors. In addition, specifically in Biotechnology, city-headquartered businesses are participating in training programs, understanding the need for talent as Life Science companies spin out of initial research phase and into operational manufacturing/distribution of their products.

2. Pre-covid, Commerce had been working on a business customer service focused initiative to ensure the department could assist those looking to start or expand their businesses but were confused about how to engage in that process. Can you please provide an update for Council on this initiative?

Customer service is always Commerce's focus. We are not clear which specific initiative is being referred to. However, here are a few of our recent initiatives to support businesses:

- The Office of Business Services (OBS) is the one stop shop for Philadelphia business owners and entrepreneurs with Business Services Managers assigned by Council District



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who are a first point of contact for Philadelphia businesses for support with navigating through city processes. OBS helps all businesses from launch to expansion. In FY 23 Commerce increased the number of Office of Business Services staff and reassigned geographies to match Council Districts. Recent Business Services Managers added language capacity in Mandarin and Cantonese (added to existing Spanish, Vietnamese, Khmer).

- Establishing our Office of Policy and Strategic Initiatives which includes a dedicated Business Advocacy team to work with other departments and Council to identify barriers to doing business and streamline those processes. Recent projects include Outdoor dining, short term rentals, Commuter benefits, and the launch of the Permit Navigator.
- [The Permit Navigator](#) is the pilot of a tool to make permitting information clearer and more accessible. It helps a business (or resident) find out what types of permits they'll need, approximate costs, and how/when to access the applications. It is being evaluated throughout the year and we are planning the next phase to expand its uses.
- An expanded and more interactive version of our [Business Resource Finder](#) is also a work in process. This was identified as a strong need through the Equitable Entrepreneurship Ecosystem assessment and will link entrepreneurs to the many nonprofits and institutions that provide business services, coaching, financing, and more. We hope to have a new version online in early 2024.

Topic: Workforce Development

Questions:

1. **We know life sciences has been an important focus of your office's work. How are you working with the School District to encourage the creation of a life sciences focused CTE program similar to the Biotechnology CTE Program in Boston schools?**

There is a biotechnology CTE program in the School district, and we will be working with Dobbins Biotechnology program in the Fall through a partnership with B+ Labs. We are also looking to strengthen the Occupational Advisory Council for the Biotechnology program

2. **Your testimony states that you've invested \$450,000 in workforce training programs. Can you please provide an accounting of these programs and their outcomes to Council?**

The \$450,000 invested is specifically for the University City Science Center and CCP. In FY23 we have invested a total of \$1.2M through our Workforce Solution Grants. The selected programs have just begun in the spring and thus do not have outcomes yet. The programs being funded are:

1. University City Science Center - BULB program, \$200,000
2. Community College of Philadelphia - Life Science (Aseptic Technician focused roles) certificate program, \$250,000
3. Per Scholas - Tech Job Training (Entry level Helpdesk training and Cyber Security training) \$500,000
4. Congreso - Human Services Pathway program (collaboration with Peirce College and Temple Lenfest Center), \$250,000



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Last year we funded three grants:

1. Drexel - Manufacturing Career Accelerator Program
2. Urban League - Urban Tech Project
3. Philadelphia Energy Alliance- Green Retrofitting Infrastructure Program

The outcomes were as follows:

Metric	PEA	Drexel	ULP	Total
# Recruited	25	222	39	286
# Enrolled	21	45	35	111
# Completed	16	33	32	81
# Employed	9	16	28	73
Min. Wage	\$12	\$14	\$17	\$14
Max. Wage	\$21	\$37	\$21	\$26
Average Wage	\$15.17	\$19.43	\$18.50	\$17.70



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Appendix: List of targeted commercial corridors.

This list does not represent an official policy or eligibility for funding or assistance; these corridors represent pedestrian and transit oriented commercial areas with a density of businesses and often have a community-based organization partner on the ground. PCPC’s classification sometimes splits what Commerce considers one “corridor” into multiple areas, and this represents about 80 commercial areas that we commonly focus on.

PCPC#	Name	Council District
5	Chinatown	1
6	Old City	1
10	South Street/Front-8th	1
21	9th Street - Italian Market	1
31	Oregon Ave/5th-13th	1
32	South 7th Street	1
34	East Passyunk	1
35	Broad Street & Snyder Avenue & W. Passyunk Avenue	2
50	Point Breeze Avenue	2
54	South Street/16th-21st	2
64	Elmwood Avenue	2
66	Woodland Avenue	2
68	Chester Avenue	3
72	Woodland Avenue, West Philadelphia	3
83	Baltimore Ave	3
87	40th Street and vicinity	3
88	46th Street and vicinity	3
92	52nd Street	3
103	60th and Market	3,4
111	Haverford and City Avenue	4
115	Parkside Avenue	5
118	North 52nd Street	4
119	Lansdowne Avenue	4
120	Lancaster Ave, 5400-6000	4
121	Lancaster and Girard	3
122	63rd and Lancaster	4
123	54th and Berks	4
127	City Avenue	4
131	40th and Girard	3



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134	40th and Lancaster	3
135	36th and Lancaster	3
140	West Girard	5
141	Fairmount Avenue, Fairmount	5
143	Spring Garden/16th-23rd	5
147	Broad and Fairmount	5
151	2nd and Fairmount	1
152	2nd and Girard	1
155	Broad and Girard	
156	Girard and Ridge	5
158	Broad and Cecil B. Moore	5
159	Ridge and Cecil B. Moore	5
170	N 22nd Street/Hope Plaza	8
173	Germantown/Nicotown	8
176	Broad, Germantown, and Erie	5,8
178	5th, Erie, and Rising Sun	7
180	Germantown and Lehigh	5
181	5th and Lehigh	7
185	Front and Allegheny	7
190	Front and Kensington	7
192	Frankford and Susquehanna	1
197	Kensington and Allegheny	7
206	Aramingo Avenue	1
207	Richmond and Allegheny	1
209	East Girard	1,5
211	Main Street - Manayunk	4
212	Ridge Avenue - Roxborough	4
220	Chestnut Hill	8
224	Germantown/Roumfort-Gorgas	8
225	Germantown/Gorgas-Upsal	8
226	Germantown/Upsal-High	8
228	Central Germantown	8
230	East Falls	4
232	Wayne/Manheim-Wyneva	8
235	Germantown Avenue, Lower Germantown	8
237	Chew and Cheltenham	8



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238	Chew and Washington	8
240	Broad and Logan/Wyoming	
243	5th and the Boulevard	7
244	Wyoming Avenue	7
249	5th and Lindley	8,9
250	5th and Olney	8,9
253	Broad and Olney	8,9
260	Stenton and Washington Lane	9
262	Stenton and Mt. Airy	9
263	Wadsworth Avenue	9
264	Vernon Road	9
266	Cheltenham & Ogontz	9
285	Frankford Avenue/Church	7
286	Frankford Avenue/Margaret-Orthodox	7
287	Frankford Avenue/Bridge-Pratt	7
290	Torresdale Avenue - Wissinoming	
293	Torresdale Avenue - Tacony	6
295	Frankford Avenue - Lower Mayfair	6
299	Castor Avenue	9
307	Lawndale	9,10
310	Fox Chase	10
317	Bustleton Avenue-Rhawnhurst	10
318	Castor Avenue, Rhawnhurst	10
324	Cottman and the Boulevard	6,10
330	Frankford Ave - Mayfair	6
331	Frankford Avenue, 7600-8500 Holmesburg	6