



Program Update to City Council

March 2019

*Rebuilding City Infrastructure (Rebuild) is a once-in-a-generation opportunity to invest hundreds of millions of dollars in physical improvements to Philadelphia's parks, recreation centers, and libraries.*

## **Background**

Following the spring 2017 passage of Bill 170206, which authorized the issuance of bonds for Rebuild and established the delivery and approval structure for the expenditure of bond proceeds, the following milestones have led to the launch of the first Rebuild projects:

- November 2017 – 21 nonprofits were qualified to manage Rebuild projects and therefore eligible to participate in Rebuild's competitive grant application process.
- November 2017 – Rebuild proposes initial 64 sites to City Council for consideration and approval in the form of Project Statement and lease ordinance, two thirds of which are in neighborhoods with high rates of poverty, drug crimes, or health risks aligning with Rebuild's stated goal of investing equitably across Philadelphia. Other selected sites meet other Rebuild priorities such as being in very poor physical condition or being in "middle neighborhoods" where Rebuild's investment could help promote additional community development.
- May 2018 – Philadelphia Building Trades Council signs historic MOU with PRA and the City that creates a pathway to union membership for women and minority workers interested in skilled trades careers.
- June 2018 – City Council passes amended Rebuild Project Statement and Lease Ordinance.
- July 2018 – Pennsylvania Supreme Court rules to uphold Philadelphia Beverage Tax, providing Administration with confidence to proceed with issuing bonds for Rebuild.
- September 2018 – In anticipation of having bond proceeds, Rebuild opens grant applications to Project Users for first five Rebuild sites. Launching grant applications included:
  - Providing Project Users with resources and training on Rebuild standards and processes
  - Developing grant applications and legal agreements
  - Holding a diversity networking event to connect diverse contractors with Project Users
  - Opening a contract opportunity portal that provides a central location for contractors to find opportunities to join Project User teams

- November 2018 – Rebuild opens grant applications for an additional seven projects to be managed by Project Users.
- November 2018 – PAID bond issuance results in \$86.5 million for Rebuild. This 20 year bond issuance was made possible by the Philadelphia Beverage Tax.
- December 2018 – Rebuild celebrates first groundbreaking at Parkside Fields, a project being managed by the Philadelphia Redevelopment Authority.
- February 2019 – Rebuild announces next six projects to undergo construction in spring 2019, with more announcements coming.
- March 2019 – Rebuild announces first two awards to Project Users and more projects that will start in the spring.

### **Rebuild in 2019 – Shovels in the Ground**

Rebuild has more than 30 active projects with approvals, contracting, community engagement, design, or construction underway. These projects represent over \$100 million in projected expenditures.

These projects include the first two non-profit managed projects that have signed grant agreements. Beech Interplex will lead the redevelopment of the Cecil B. Moore Recreation Center for up to \$12 million in Council District 5, and Impact Services will lead a \$1.8 million improvement project at the Heitzman Recreation Center in Council District 1. Community and stakeholder engagement at both sites can begin now that grant agreements are signed. More grant agreements are expected to be signed shortly, and altogether grant awards for 11 additional projects are expected to be announced this spring.

The remaining active Rebuild projects are being managed by a combination of project leads: Philadelphia Parks & Recreation; the Philadelphia Redevelopment Authority; and directly by Rebuild using existing City contractors. The mixed delivery model will allow Rebuild to improve more sites, more quickly, in more neighborhoods of the city.

*See Appendix A for list of all Rebuild projects that have had a project delivery method approved by the District Councilmember.*

### **Looking Forward – Round Two Site Selection Underway**

To achieve its mission of making significant improvements to distressed community spaces across this city, Rebuild is preparing to evaluate the second round of project sites to present to City Council for approval. Over 90% of the City's parks, recreation centers, and libraries are in need of capital improvements and, as in the past, proposed sites will be based on conversations with District Councilmembers to understand their priorities for their respective districts, in addition to data about neighborhood needs and input from departments who operate the facilities (Parks and Recreation and the Free Library).

## Inclusion – Ambitious Participation Targets Drive Rebuild Grants and Procurement

Increasing minorities and women’s participation in contracts and the building trades is at the heart of Rebuild’s mission.

Rebuild Participation Targets	
Professional Services Contracts	<b>25-35%</b> of all Rebuild contract dollars expected to go to MBEs <b>15-20%</b> of all Rebuild contract dollars expected to go to WBEs
Construction Contracts	<b>25-35%</b> of all Rebuild contract dollars expected to go to MBEs <b>15-20%</b> of all Rebuild contract dollars expected to go to WBEs
Workforce	<b>45% of total hours</b> worked on Rebuild sites expected to be completed by minorities <b>5% of total hours</b> worked on Rebuild sites expected to be completed by women

*Note: contract participation goals are for the participation of certified MBEs and WBEs and participants in the Emerging Vendors Program, which is described below.*

To achieve its ambitious diversity targets, Rebuild is setting rigorous goals on a project by project basis, contracting with third party monitors to assess progress towards participation on Rebuild projects, imposing remedies and penalties as needed, and developing innovative programs to engage and support minority and women owned businesses pursuing Rebuild contracts.

Of the \$4,078,899 value in professional services contracts that Rebuild has committed to for profit entities so far, 27 percent of those awards are slated to go to MBEs and 24 percent to WBEs<sup>1</sup>, both meeting or exceeding Rebuild’s participation goals.

For construction, \$1.5 million worth of contracts have been awarded, with 33 percent going to MBEs and 37 percent going to WBEs.

*See Appendix B for a summary of Rebuild’s progress towards meeting diversity goals.*

### Building a Network

Starting in Fall 2018, Rebuild began hosting networking events to connect minority and woman-owned businesses with the nonprofits applying to work on the Rebuild projects. The first event was held in October, 2018 with a turnout of more than 200 vendors. The second event was held in December, with a similar turnout. Rebuild will continue to host networking events to connect diverse businesses with contracting opportunities.

### Supports for Small Businesses

Rebuild is establishing a program to provide minority and woman owned businesses with technical assistance in efforts to boost their ability to get work on Rebuild projects. The program will provide

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<sup>1</sup> MBEs and WBEs include participants in Rebuild’s Emerging Vendor Program

technical assistance – both in a cohort setting and one-on-one – focused on various areas of the construction industry, including finance and accounting, risk management, capital access and bonding, estimating, bid preparation, and contract negotiation.

The program, which will be run with the support of partner organizations (The Enterprise Center and Surety Bond Associates), will launch as soon as notice-to-proceeds with each of the partners have been finalized.

#### The Emerging Vendors Program

The Emerging Vendors Program (EVP) allows firms owned by minorities or women that are not yet certified to count towards participation goals on Rebuild projects (up to \$150,000) while they work toward certification. This program had a soft launch this winter, resulting in one approved application, three applications pending approval, and 32 applications in progress as of the date of this report.

Rebuild will actively market the Emerging Vendor Program once the contracts for the technical assistance providers are in place.

#### The EOP Oversight Committee

The EOP Oversight Committee was established to ensure Rebuild delivers on its ambitious inclusion targets. The Committee works along Rebuild staff to track progress and, pursuant to Bill No. 170206, will select third-party EOP Monitors. The committee will review monthly updates on participation and progress on Rebuild's diversity efforts, and meet regularly to provide feedback and advice to Rebuild staff.

#### Workforce Development

In January 2019, Rebuild hired a new Director of Workforce Development. Now that work is advancing on two workforce programs geared toward increasing minority and female membership in the building trades, Rebuild is preparing to launch recruitment efforts:

- *PHL Pipeline* which is expected to serve 30 people per year and will recruit individuals who do not have a background in construction but are interested and ready to pursue one. This program aims to move participants into an apprenticeship with a building trade.
- *PRA Talent Development Pipeline* is expected to provide 30 experienced construction workers with sustained work experience at the PRA, resulting in full union membership.

#### **Financial Update**

The table below shows actual and projected funding for Rebuild from FY2017 to FY2021. Because of the bond issuance made possible by the Philadelphia Beverage Tax, the funding that is currently available for Rebuild projects is many times more than the City's typical annual allocation for capital improvements to parks, recreation centers, and libraries. This funding will allow Rebuild to invest in the Parks and Recreation and Free Library systems at a scale never before possible.

**Rebuild Funding Sources (\$MM): FY2017 Actual to FY2021 Projected**

	<b>Actual FY 2017</b>	<b>Actual FY 2018</b>	<b>Projected FY 2019</b>	<b>Projected FY 2020</b>	<b>Projected FY 2021</b>	<b>FY17-FY21 Total</b>
Rebuild Bonds	\$0.00	\$0.00	\$86.50	\$0.00	\$86.50	\$172.99
City GO Capital Funds	\$1.00	\$8.00	\$8.00	\$8.00	\$8.00	\$33.00
Grants	\$0.65	\$4.43	\$3.73	\$13.36	\$13.23	\$35.39
<b>TOTAL</b>	<b>\$1.65</b>	<b>\$12.43</b>	<b>\$98.22</b>	<b>\$21.36</b>	<b>\$107.72</b>	<b>\$241.38</b>

The bond funds and GO capital funding from the City’s capital budget will fund design and construction at Rebuild sites across the City. Grant funding, including the William Penn Foundation’s historic commitment of up to \$100 million, will fund design and construction as well as costs that are not capital eligible, including Rebuild’s diversity and inclusion programs, community engagement, and administrative costs. The table below summarizes current commitments of Rebuild funds, i.e., round 1 and 2 Project User grants and the amounts of executed contracts and work orders.

**Committed Rebuild Funds as of 2/28/2019**

<b>Delivery Method</b>	<b>Rebuild Bonds</b>	<b>GO Capital</b>	<b>Grants</b>	<b>Total</b>
Project User	\$81,706,326	\$12,000,000	\$3,083,320	<b>\$96,789,646</b>
City Capital Projects	\$0	\$1,531,362	\$0	<b>\$1,531,362</b>
PRA Projects	\$1,855,277	\$0	\$0	<b>\$1,855,277</b>
Rebuild Administration	\$2,285,996	\$170,017	\$160,859	<b>\$2,616,872</b>
<b>Total Committed Funds</b>	<b>\$85,847,599</b>	<b>\$13,701,379</b>	<b>\$3,244,179</b>	<b>\$102,793,157</b>

*See Appendix C for more information about Rebuild’s available funding and funding commitments to date.*

Appendix A  
Rebuild Projects with Approved Delivery Methods as of 3/19/19

CD	Site Name	Scope	Method	Est. Cost (\$)	Status	Est. Completion
8	Barrett Playground	Complete overhaul	Project User	\$ 9,000,000	Grant application	Spring 2021
1	Capitolo Playground	New playground	City Capital Project	<\$500k	Construction	Spring 2019
5	Cecil B Moore Rec Center*	Complete overhaul	Project User	\$ 10,767,062	Community engagement & design	Spring 2021
6	Disston Rec Center	New playground	PRA Contract	\$500k-\$1M	Out to bid	Fall 2019
6	Disston Rec Center	Sitework	City Capital Project	<\$500k	Construction	Summer 2019
5	East Poplar Playground	New playground	City Capital Project	\$500k-\$1M	Design	Summer 2019
5	Fishtown Rec Center	Playground	City Capital Project	\$ 367,000	Groundbreaking March 2019	Spring 2019
5	Fishtown Rec Center	Pool	City Capital Project	\$1M-\$5M	To be bid Spring 2019	Spring 2020
5	Fishtown Rec Center	Hockey building roof	PPR Skilled Trades	<\$500k	To be bid Spring 2019	Summer 2019
6	Frank Glavin Playground	Partial Overhaul	Project User	\$ 1,400,000	Grant award	Winter 2021
10	Gifford Playground	New playground & sitework	PRA contract	\$500k-\$1M	Equipment on order	Summer 2019
5	Hancock Playground	New playground	City Capital Project	\$500k-\$1M	Design	Fall 2020
10	Hayes Playground	New playground	City Capital Project	\$1M-\$5M	Pre-construction	Summer 2019
1	Heitzman Rec Center	Partial overhaul	Project User	\$ 1,800,000	Community engagement & design	Spring 2021
8	Jerome Brown Playground	Roof replacement	PPR Skilled Trades	\$ 50,000	Waiting for weather	Spring 2019
3	Kingsessing Rec Center	Complete overhaul	Project User	\$ 10,000,000	Grant application	Fall 2020
3	Kingsessing Library	Complete overhaul	Project User	\$ 7,000,000	Grant application	Fall 2021
9	Lawncrest Library	Partial overhaul	Project User	\$ 5,000,000	Grant application	Spring 2021
9	Lawncrest Rec Center	Partial overhaul	Project User	\$ 4,500,000	Grant application	Spring 2020
5	M.L. King Jr. Rec Center	Roof replacement	PRA contract	\$500k-\$1M	To be bid Spring 2019	Spring 2019
7	McPherson Square	Complete overhaul	Project User	\$ 13,600,000	Grant award	Spring 2021
3	Miles Mack Playground	Playground & building improvements	City Capital Project	\$1M-\$5M	Community engagement & design	Winter 2019
6	Moss Playground	Sidewalks	PRA Skilled Trades	<\$500k	Waiting for weather	Spring 2019
6	Moss Playground	New playground	PRA	\$500k-\$1M	Equipment on order	Fall 2019
1	Murphy Rec Center	Field & building improvements	City Capital Project	\$1M-\$5M	Site assessment	Summer 2020
7	Nelson Playground	Roof	PRA contract	\$ 159,000	Under contract	Fall 2019
7	Nelson Playground	Building renovations	PRA contract	<\$500k	Design	Winter 2019
9	Olney Rec Center/ Hammond & Nedro	Complete overhaul	Project User	\$ 10,000,000	Grant award	Spring 2021
4	Parkside Fields	New practice field	PRA contract	\$ 555,000	Construction	Spring 2019
4	Parkside Fields	New game field	City Capital Project	\$5M-\$10M	Design	Summer 2020
1	Powers Park	Lighting, cameras, fencing and electric, storage shed	PRA Contract	<\$500k	Predevelopment	Spring 2019

Appendix A  
Rebuild Projects with Approved Delivery Methods as of 3/19/19

CD	Site Name	Scope	Method	Est. Cost (\$)	Status	Est. Completion
7	Rivera Rec Center	Complete overhaul	Project User	\$ 10,500,000	Grant award	Fall 2020
1	Trenton & Auburn Playground	Partial Overhaul	PPR/ PRA	TBD	Environmental testing	TBD
2	Vare Rec Center	Complete overhaul	Project User	\$ 14,000,000	Grant award	Summer 2021
8	Vernon Park	Sidewalks	PRA skilled trades	\$ 63,000	Complete	Fall 2018
8	Vernon Park	Site improvements	City Capital Project (design) / PRA (const)	<\$500k	Design	Fall 2019
7	Waterloo Playground	Phase 2 of renovations	City Capital Project	TBD	Contract amendment	Spring 2020

*Note: work at the Cecil B. Moore Recreation Center is estimated at up to \$12,000,000.*

Appendix B  
Rebuild Contract Participation as of 3/19/19

3/20/2019

PROFESSIONAL SERVICES			MBE Rebuild Goals 25-30%				WBE Rebuild Goals 15-20%	
Site/Contract	Project Lead	Service	Total Professional Services	Total For Profit	MBE Commitment \$	MBE Commitment	WBE Commitment \$	WBE Commitment
CB Moore Rec	Beech Interplex	Rebuild Project	\$ 777,420.00	\$ 714,920.00	\$ 209,976.00	29.4%	\$ 154,984.00	21.7%
Heitzman Rec	Impact Services	Rebuild Project	\$ 320,064.00	\$ 270,064.00	\$ 136,054.00	50.4%	\$ 134,010.00	49.6%
JMT	Rebuild	Program Management	\$ 2,436,375.00	\$ 2,436,375.00	\$ 487,275.00	20.0%	\$ 489,275.00	20.1%
Community Marketing Concepts	Rebuild	Business Outreach	\$ 30,000.00	\$ 30,000.00	\$ -	0.0%	\$ 30,000.00	100.0%
Mitchell & Titus	Rebuild	Financial Review	\$ 29,000.00	\$ 29,000.00	\$ 29,000.00	100.0%	\$ -	0.0%
Talson	Rebuild	Diversity Planning	\$ 137,944.00	\$ 137,944.00	\$ 117,252.40	85.0%	\$ 20,691.60	15.0%
Surety Bond Associates	Rebuild	Business TA	\$ 278,875.00	\$ 278,875.00	\$ 75,000.00	26.9%	\$ 130,000.00	46.6%
The Enterprise Center	Rebuild	Business TA	\$ 181,721.00	\$ 181,721.00	\$ 47,000.00	25.9%	\$ 21,200.00	11.7%
<b>TOTAL</b>			<b>\$ 4,191,399.00</b>	<b>\$ 4,078,899.00</b>	<b>\$ 1,101,557.40</b>	<b>27.0%</b>	<b>\$ 980,160.60</b>	<b>24.0%</b>

CONSTRUCTION			MBE Rebuild Goals 30-35%				WBE Rebuild Goals 15-20%	
Site/Contract	Project Lead	Service	Total Construction	Total For Profit	MBE Commitment \$	MBE Commitment	WBE Commitment \$	WBE Commitment
Gifford Playground	PRA	Rebuild Project	\$ 572,000.00	\$ 572,000.00	\$ 229,500.00	40.1%	\$ 35,000.00	6.1%
Parkside Fields	PRA	Rebuild Project	\$ 505,000.00	\$ 505,000.00	\$ 126,250.00	25.0%	\$ 378,750.00	75.0%
Nelson Playground	PRA	Rebuild Project	\$ 148,308.00	\$ 148,308.00	\$ 45,000.00	30.3%	\$ 103,308.00	69.7%
Moss Playground	PRA	Rebuild Project	\$ 255,000.00	\$ 255,000.00	\$ 83,000.00	32.5%	\$ 27,000.00	10.6%
<b>TOTAL</b>			<b>\$ 1,480,308.00</b>	<b>\$ 1,480,308.00</b>	<b>\$ 483,750.00</b>	<b>32.7%</b>	<b>\$ 544,058.00</b>	<b>36.8%</b>



Appendix C  
Rebuild Funding Sources, Commitments Expenditures as of 2/28/19

**Rebuild Funding Sources FY17 Actual - FY21 Projected**

	<b>Actual FY 2017</b>	<b>Actual FY 2018</b>	<b>Projected FY 2019</b>	<b>Projected FY 2020</b>	<b>Projected FY21</b>	<b>Total</b>
Rebuild Bonds	\$0.00	\$0.00	\$86.50	\$0.00	\$86.50	\$172.99
City GO Capital Funds	\$1.00	\$8.00	\$8.00	\$8.00	\$8.00	\$33.00
Grants	\$0.65	\$4.43	\$3.73	\$13.36	\$13.23	\$35.39
<b>TOTAL</b>	<b>\$1.65</b>	<b>\$12.43</b>	<b>\$98.22</b>	<b>\$21.36</b>	<b>\$107.72</b>	<b>\$241.38</b>

Funding Notes:

1. The first tranche of bond funds was issued in FY19 in the amount of \$86.5M. This table assumes that the second tranche will be released 2 years later in FY21 for the same amount; however, the amount will be based on market conditions at the time of issuance.
2. Rebuild Capital Budget Funds are split between the Library (\$1M per year) and Parks and Recreation (\$7M per year) sections of the Capital Budget.
3. The William Penn Foundation (WPF) Start Up grant was released in two stages: \$500,000 was released in FY17 and the remaining \$4.3M was released in FY18.
4. Remaining WPF grant payments are contingent on the availability of Rebuild bond funds; after Rebuild bonds were issued, \$3.5M was released in FY19. This table assumes \$10M will be released in each of FY20 and FY21.
5. Other grant funds include grants from the Patricia Kind Foundation, the Surdna Foundation, and the Barra Foundation, and 1:2 matching funds from WPF.
6. This table assumes \$3M of state and other grant funds in each of FY20 and FY21.

**Rebuild Committed\* Funds by Delivery Method through 2/28/2019**

<b>Delivery Method: Project User</b>	<b>Rebuild Bonds</b>	<b>GO Capital</b>	<b>Grants</b>	<b>Total</b>
<i>Design and Pre-Construction</i>	\$7,261,443	\$0	\$0	\$7,261,443
<i>Construction</i>	\$60,025,265	\$12,000,000	\$1,000,000	\$73,025,265
<i>Project Management &amp; Project Review Team</i>	\$8,554,337	\$0	\$0	\$8,554,337
<i>Diversity and Inclusion</i>	\$0	\$0	\$530,468	\$530,468
<i>Community Engagement</i>	\$0	\$0	\$1,552,852	\$1,552,852
<i>Contingency</i>	\$5,865,281	\$0	\$0	\$5,865,281
<b>Project User Total</b>	<b>\$81,706,326</b>	<b>\$12,000,000</b>	<b>\$3,083,320</b>	<b>\$96,789,646</b>

\*Committed = Rounds 1 and 2 Project Users

<b>Delivery Method: City Capital Projects</b>	<b>Rebuild Bonds</b>	<b>GO Capital</b>	<b>Grants</b>	<b>Total</b>
<i>Design and Pre-Construction</i>	\$0	\$385,486	\$0	\$385,486
<i>Construction</i>	\$0	\$1,145,876	\$0	\$1,145,876
<b>City Capital Projects Total</b>	<b>\$0</b>	<b>\$1,531,362</b>	<b>\$0</b>	<b>\$1,531,362</b>

\*Committed = Executed Work orders for FLP and PPR Projects

<b>Delivery Method: Phila Redevelopment Authority</b>	<b>Rebuild Bonds</b>	<b>GO Capital</b>	<b>Grants</b>	<b>Total</b>
<i>Design and Pre-Construction</i>	\$0	\$0	\$0	\$0
<i>Construction</i>	\$1,855,277	\$0	\$0	\$1,855,277
<b>PRA Total</b>	<b>\$1,855,277</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,855,277</b>

\*Committed = Executed PRA Work Orders

<b>Rebuild Committed* Funds</b>	<b>Rebuild Bonds</b>	<b>GO Capital</b>	<b>Grants</b>	<b>Total</b>
<i>Design and Pre-Construction</i>	\$0	\$0	\$0	\$0
<i>Construction</i>	\$0	\$0	\$4,440	\$4,440
<i>Project Management &amp; Project Review Team</i>	\$2,285,996	\$170,017	\$0	\$2,456,013
<i>Diversity and Inclusion</i>	\$0	\$0	\$0	\$0
<i>Community Engagement</i>	\$0	\$0	\$6,376	\$6,376
<i>Administrative Costs</i>	\$0	\$0	\$150,043	\$150,043
<b>Rebuild Administration Total</b>	<b>\$2,285,996</b>	<b>\$170,017</b>	<b>\$160,859</b>	<b>\$2,616,872</b>

\*Committed = contract amounts minus expenditures (see Rebuild Expended Funds as of 2/28/19 Table)

<b>GRAND TOTAL OF COMMITTED FUNDS</b>	<b>\$85,847,599</b>	<b>\$13,701,379</b>	<b>\$3,244,179</b>	<b>\$102,793,157</b>
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**Rebuild Expended Funds as of 2/28/2019**

<b>Delivery Method</b>	<b>Rebuild Bonds</b>	<b>GO Capital</b>	<b>Grants</b>	<b>Total</b>
<i>Design and Pre-Construction</i>	\$0	\$0	\$0	\$0
<i>Construction</i>	\$0	\$0	\$8,880	\$8,880
<i>Project Management &amp; Project Review Team</i>	\$150,379	\$29,983	\$0	\$180,362
<i>Diversity and Inclusion</i>	\$0	\$0	\$154,820	\$154,820
<i>Community Engagement</i>	\$0	\$0	\$8,750	\$8,750
<i>Administrative Costs</i>	\$0	\$0	\$1,672,697	\$1,672,697
<i>Contingency</i>	\$0	\$0	\$0	\$0
<b>Rebuild Administration Expenditure Total</b>	<b>\$150,379</b>	<b>\$29,983</b>	<b>\$1,845,147</b>	<b>\$2,025,510</b>