



RYAN BOYER
President

Philadelphia Building and Construction Trades Council – AFL-CIO

4170 WOODHAVEN ROAD • PHILADELPHIA, PA 19154 • (215) 677-8500 • FAX (215) 677-7918

JOHN J. DOUGHERTY
Business Manager

PATRICK J. EIDING
Secretary-Treasurer

June 6, 2018

Dear City Council Member:

Let's get the obvious out of the way first. The Philadelphia Building Trades is opposed to the 1% Construction Impact Tax. We also are opposed to any amendments to the tax, including the nonsensical and likely illegal 25% rebate to contractors. This letter was approved this morning by all Building Trades Business Managers in attendance at this morning's Building Trades meeting.

This ill-conceived tax would have the net effect of ending the recent, prosperous run of new construction that is transforming neglected sections of the city.

Under former Mayor John F. Street, City Council President Anna Verna, Council members such as Jannie Blackwell and Jim Kenney, and engaged community activists like Nellie Reynolds and Asa Cooney, we successfully recruited many people of color into the Building Trades.

People like numbers, so here are a few for you:

* 1,200 people applied for employment in the PHA partnership program with the Trades; 900 ended up taking the test, and more than 700 remain members of the Building Trades to this day.

* Around that same time, the Trades launched a pre-apprenticeship program with the School District of Philadelphia, which drew 800 kids of color, the majority of whom are still in the Building Trades.

* During the Convention Center expansion project, for which IBEW Local 98 was wrongly criticized for not sharing minority workforce numbers, state certified payroll records proved that 48% of our project workforce was comprised of women and people of color from start to finish. In fact, one of the two stewards on the job was an African-American woman.

* More recently, the Building Trades employed the top-scoring 45 kids of color from the School District as part of the Penn-Assist program.

Vice Presidents

JOSEPH ASHDALE
ANTHONY GALLAGHER
ROBERT HEENAN

GARY MASINO
SHAWN MCCULLOUGH
BILL OUSEY

DENNIS PAGLIOTTI
STEPHEN PETTIT
ED SHAW

JAMES SNYDER
SAMUEL STATEN, JR.
STEPHEN SWEENEY

JOSEPH WILLIAMS
MARTIN WILLIAMS, JR.

June 6, 2018

Page #2

What we find so ironic is that the Building Trades receives very few hiring recommendations for kids of color from members of City Council. In fact, the requests from Council members for us to host fundraisers for them or make campaign contributions to them outnumber recommendations of qualified minority kids by a margin of 50 to 1. Conversely, the Trades constantly recruits kids of color into our unions. It's obvious we need to provide Council with more frequent updates.

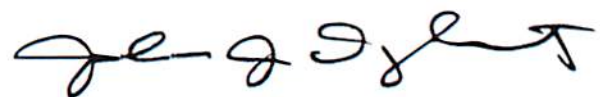
We also take issue with the terrible timing of this anti-business tax proposal, given that the city, with significant assistance from the Trades, is on the short-list for Amazon's second national headquarters. A decision is coming soon. This onerous tax proposal at this crucial time essentially tells Amazon that we're not interested in their business. Dumb. If we don't win Amazon, we hope our friends in Pittsburgh get it. At least make it a win for Pennsylvania.

We also question the rushed nature of this tax proposal, which was created as a means to help fund the development of more affordable housing in the city. The problem is the affordable housing program doesn't even exist yet, so why are we rushing to implement yet another tax to fund a non-existent program that has no defined costs or parameters? It makes zero sense.

Listen, contrary to what you may think, we are not big fans of the 10-year tax abatement on new construction and are open to radically altering or eliminating it altogether. We suspect the city is not collecting anywhere near the taxes and fees it is rightfully owed by developers. For that reason, we have retained the services of Econsult and its principal, Steve Mullin, as well as a prominent Philadelphia law firm, to conduct a thorough audit, going back five years, of every abated property in the city and every contractor operating in the city to check their licenses, permits, the number of minority workers they've hired, the City Wage Taxes, Business Privilege Taxes and all other applicable taxes they've paid, and the political contributions they've made. We suspect the results of this audit will be eye-opening, to say the least.

The Philadelphia Building & Construction Trades Council urges you to vote "NO" on the 1% Construction Impact Tax. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Dougherty". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping tail.

JOHN J. DOUGHERTY
Business Manager

JJD/ee

opeiu #32
afl-cio