



CITY OF PHILADELPHIA

August 19, 2020

Joyce Wilkerson, Chair
Philadelphia Board of Education
Sent via electronic mail

Re: Renewal of Keystone Opportunity Zones

Dear Ms. Wilkerson,

We strongly support renewal of the Keystone Opportunity Zone (KOZ) program at the former refinery complex.

First, the proposed logistics hub will generate thousands of jobs for Philadelphia residents, both during redevelopment and afterwards. The redeveloper, Hilco Redevelopment Partners, has indicated willingness to make specific, binding commitments regarding recruitment and training of local workers. Those commitments would be formalized in a Community Benefits Agreement (CBA) negotiated with neighboring community organizations prior to finalization of KOZ renewal. An Economic Opportunity Plan (EOP), which will also be executed prior to finalization of KOZ renewal, will set ambitious goals for diversity and inclusion:

1. 50 percent participation in contracts by minority-owned firms (construction and professional services)
2. 50 percent share of all hours worked attributable to minority workforce
3. 50 percent share of all hours worked attributable to local residents

Second, this redevelopment will demolish refinery infrastructure, closing the door on refinery operations that have polluted Philadelphia's air, ground, and water for over 150 years.

Third, the redeveloper, in partnership with Energy Transfer Partners, is committing up to \$500 million for environmental remediation. This remediation is not only important to surrounding neighbors but to the entire region given the site's position straddling the Schuylkill River and the intensifying effects of climate change.

Fourth, the redevelopment's viability is predicated upon the continued designation of the site as a KOZ. However, Hilco will adopt a Payment in Lieu of Taxes (PILOT) Agreement requiring payment of \$1.36 million annually, an amount equal to 110 percent of the real estate taxes owed absent KOZ designation. The School District will receive \$748,000, representing 55 percent of this annual payment. The PILOT is in addition to estimated local tax revenue of \$30 million during redevelopment and \$40 million once the project reaches full capacity. This additional tax

revenue will help us to continue to ensure that the School District's financial stability remains a budgetary priority, as we have done through the fiscally best and worst of times.

Because of the property's incredible potential, and for the reasons above, we believe that this is a once-in-a-generation opportunity to transform a massive, vacant, blighted albatross into a sustainable, 21st-century economic engine for our city and region. It also presents an opportunity to directly benefit Philadelphia's public school students, residents, and communities, via innovative programming and partnerships. Accordingly, we respectfully request that you join us uplifting our great city—economically and environmentally—by supporting the renewal of KOZ designation at the refinery complex.

Sincerely,



James F. Kenney
Mayor



Kenyatta Johnson
Mayor Councilmember, Second District

cc: Leticia Egea-Hinton, Board Vice President
Ameen Akbar, Board Member
Julia Danzy, Board Member
Mallory Fix Lopez, Board Member
Lee Huang, Board Member
Doha Ibrahim, Board Member
Maria McColgan, Board Member
Angela McIver, Board Member
Imere Williams, Board Member