

MAYORAL CANDIDATE RESPONSES TO CROSSTOWN QUESTIONNAIRE

Five mayoral candidates have responded to the Crosstown Coalition questionnaire: Lynne Abraham, Nelson Diaz, Jim Kenney, Doug Oliver, and Anthony Williams. To see the full text of the each response go to the Crosstown website: philacrosstown.org. We have not located an email address for Milton Street so no response from him. Some interesting highlights from the responses:

- **THE TEN YEAR TAX ABATEMENT:** Abraham and Williams favor the ten year realty tax abatement program. Abraham answered "yes" to the question of whether the abatement program should continue as is and suggested that it be extended to neighborhoods "just beyond the reach of development" on a fifteen to twenty year basis. Williams reports he is a strong supporter of the program and suggests a comprehensive review/adjustment to encourage even greater commercial/residential development in areas that have not seen the development that has occurred elsewhere. Diaz and Oliver disagree. Diaz writes that the program's benefits have "overwhelmingly gone to Center City" where he characterizes the growth as largely self sustaining so that terminating the abatement will not significantly reduce Center City growth. He suggests that the program should be installed in "outlying commercial corridors that have not shared in recent growth." Oliver states "now that redevelopment has occurred, a reevaluation is appropriate" adding that development could occur "in certain neighborhoods even without receiving the benefit of a tax abatement". Kenney sidestepped the question, noting his past vote in favor of the abatement scheme but offering no opinion as to its continuation.
- **FREQUENCY OF REAL ESTATE TAX REASSESSMENTS:** Oliver calls for 5 year reassessments. Kenney suggests reassessments every two to three years and Abraham takes a similar approach, stating that best practices call for yearly reassessments but that, due to budgetary constraints, three years would make sense. Diaz failed to answer the question presented - "how frequently should reassessments occur?" and instead observed that "abrupt, dramatic changes in tax levels are not fair" so that more frequent, less dramatic changes would better serve... Williams replies "By law reassessments should occur annually to capture increases in property values, to fund schools and to limit sticker shock . . ."
- **SHIFT FROM WAGE/BUSINESS TO REALTY TAXES:** For Abraham, the question of whether revenue sourcing should shift away from wage/business taxes to realty levies does not admit of a "yes or no" answer. She states that a case can be made for

Members of the Coalition:

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eliminating the net income tax, reducing the wage tax and increasing the gross receipts tax but observes that the best approach is to place all revenue sources "on the table." rather than focus on any particular revenue source. Diaz, Kenney, Oliver and Williams favor a shift from wage/business taxes to realty levies because wage earners and businesses can move more whereas improvements/land subject to the realty tax are less mobile. Diaz, Williams and Kenney refer favorably to the Job Growth Initiative propounded by Paul Levy of the Center City District and Jerry Sweeney of Brandywine Realty Trust which seeks to amend the realty tax uniformity clause of the Pa. constitution so that commercial/industrial property tax rates could be raised higher than residential rates with the overage devoted to lowering wage tax rates. Oliver notes that a shift from the wage tax puts more money in residents' pockets which helps the local economy and discourages workers and businesses from leaving the City.

- *SALE OF TAX LIENS:* Kenney offers no reply as to the merits of tax lien sales to third parties. The other four candidates would consider such sales as a possibility. Abraham answers "yes" to the tax lien sale question adding that, as mayor, she would investigate all methods of increasing revenue. For Diaz, tax lien sales to third parties should be an option on the table. He cautions that the experience of some cities which have sold liens en masse has not been positive. Oliver supports lien sales to third parties but only for out of state property owners. Kenney speaks favorably of the NYC model where each year liens are offered for sale.
- *COUNCIL'S PROCESSING OF THE PGW SALE:* Williams did not answer the question of whether Council should have held hearings on the proposed PGW sale. The other four candidates agreed that Council should have conducted public hearings, even Kenney, who was a member of Council at that time, and who wrote that he could have called for a vote on the question but, instead, chose not to anger and embarrass his colleagues.
- *PENSIONS: DEFINED BENEFIT PLANS:* The issue: Should Philadelphia institute a defined contribution pension plan for new hires so that their retirement benefits would be calibrated on the amount contributed over their City employment and rather than via the traditional defined benefit plan where the City promises to pay each retiring employee a set amount calculated by years of employment? Abraham favors a new defined contribution approach as does Oliver who adds that "a lot of voices should be heard" before such a plan is implemented. Diaz supports the Nutter administration's elective hybrid Plan 10 proposal, an option that few employees have selected. Plan 10 is a 401k type vehicle funded both by employees and the City. The employee's account balance at the time of retirement determines retirement income rather than a schedule promising a set sum based on years of service. Kenney supports a Plan 10 approach but promises revisions that would increase voluntary membership. Williams does not answer the question.
- *STREAMLINING LAND BANK PROCEDURES:* Asked whether to retain the Land Bank Ordinance requirement that Council approve all Land Bank sales, Abraham would delete Council approval as would Diaz who suggests that Council's representation could be assured by increased representation on the Land Bank oversight committee. Kenney and Oliver state that if the current processes cause unnecessary delays, they would support efforts to streamline the process. Williams supports the current system.
- *CREATING A PERMANENT INSPECTOR GENERAL:* All five candidates would continue the Inspector General's office and, further, endorse a charter amendment to

create a permanent inspector general in lieu of the current situation where the office exists at the whim of each mayor. Abraham urges that this innovation should be part of a complete City Charter overhaul and should not be done on a one off basis.

- *NON PARTISAN ELECTORAL REDISTRICTING*: Under the present system, Council creates the boundaries of the ten Council districts once every decade after the publication of the Federal census. Abraham and Oliver unequivocally favor a non partisan panel to draw Council district boundaries. Williams notes that, as a state Senator, he cosponsored a bill to create a non partisan Legislative and Congressional Reapportionment Bureau.and states he would “examine the same approach at a local level”. Diaz also favors this approach but suggests that Council be provided an up or down vote on the Commission's proposals. Kenney is circumspect and calls for further study of this idea.
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