

# Mayoral contenders sound off on some big issues ...

## NEXT MAYOR

**AS PART** of the Philadelphia Business Journal's annual year end People to Watch list, we are spotlighting declared and possible mayoral candidates for the May primary. Requests for information were sent to former City Councilman Michael A. Nutter, businessman Tom Knox, U.S. Rep. Chaka Fattah and state Rep. Dwight Evans, all declared candidates. Requests for information were also sent to U.S. Rep. Bob Brady and union leader John Dougherty. Brady, who has not said he would run, did not respond. Each candidate was asked to provide biographical information and answer the following questions, the first in 200 words or less and the remaining questions in 150 words or less each. Answers may have been edited to adhere to the word restrictions set forth or for space purposes, but retain the candidate's key points and views.

- 1. WHAT**, in your opinion, are the top three issues facing the city's businesses and how as mayor will you address them?
- 2. WHAT** is your impression of the city's tax environment, specifically as it relates to business and what tax changes, if any, would you try to push through as mayor?
- 3. WHAT** are your thoughts about the operations of Philadelphia International Airport and what would you want to see done differently if you were mayor?
- 4. WHAT** opportunities, if any, do you believe exist for the city to work with others in the region and what role must the next mayor play in facilitating such a collaboration?



### JOHN J. DOUGHERTY

**AGE:** 46

**TITLE:** Business manager, International Brotherhood of Electrical Workers Local 98; chairman, Redevelopment Authority; president of the Variety Club; president of Pennsport Civic Association.

**PROFESSIONAL EXPERIENCE:** Lifelong union electrician and community activist.

**EDUCATION:** Graduate of St. Joseph's Preparatory School.

**HOMETOWN:** Philadelphia

**CURRENT HOME:** South Philadelphia

**1.** We need to reduce the tax burden on businesses — especially the onerous business privilege tax. But, we need a balanced approach to cutting taxes that allows us to preserve our quality of life. What good is it operating a business in a city with low taxes, but with fewer cops and firefighters, unplowed streets, lousy schools and rampant crime?

Second, our business climate has been adversely affected by well-publicized political corruption cases that have left a stain on the city's image. I support a City Charter change to institute a more stringent ethics code, as well as an independent ethics board to monitor compliance and enforce the provisions of the code. The transparency provided by the code and the board will give corporations and private citizens confidence that adherence to high ethical standards is a priority of our government.

Third, we must do more to ensure public safety. Businesses will not stay here or move here if they believe their employees are in danger. I would increase our police force, establish more intra-govern-

mental law enforcement cooperation, and fund more afterschool programs and charter schools to address the violence issue.

**2.** The business privilege tax would be my first point of attack. It is an anti-business tax and the single greatest deterrent to the influx of new businesses into the market or to the growth of existing businesses. I would work to make it a thing of the past. Secondly, the city wage tax needs to be re-evaluated. It is a source of great angst for many people, but I caution our citizens and corporations that we cannot eradicate the wage tax altogether, lest we risk jeopardizing our quality of life. At the RDA, we stimulated \$1 billion in new construction without a tax incentive. Strong relationships and the ability to help turn people's visions into reality matter more to corporations than incremental tax breaks.

**3.** There needs to be a greater degree of accountability in every facet of the airport operations. I would consider privatizing additional nonessential services in order to stimulate competition and increase the level of service. I would also be much more aggressive and creative in negotiating better leases and pursuing interest from other carriers. Again, more competition will only benefit our travelers and our city.

**4.** During his two terms as mayor, Ed Rendell understood the value in aggressively marketing Greater Philadelphia to the world and building bridges to the outlying counties in order to pool resources and present a united and welcoming front to the world. Unfortunately, that momentum has dissipated over the past years. I believe a mayor has to be equal parts CEO and head cheerleader for the entire region. Philadelphia is the hub, but the outlying counties are the spokes that make the wheel turn. I would institute a commerce task force composed of government and corporate leaders from the region. I would be actively engaged in the process of determining a unified vision to increase business opportunities for the region. The reason why Local 98 is so successful is that we long ago established strong regional relationships. An isolationist mentality serves no one's interests. □



### DWIGHT EVANS

**AGE:** 52

**TITLE:** State representative, chairman of the House Appropriations Committee

**PROFESSIONAL EXPERIENCE:** First elected to the state House of Representatives in 1980. As chairman of the Appropriations Committee, oversees the state's \$26.1 billion general fund spending plan.

**EDUCATION:** Germantown High School, 1971; Community College of Philadelphia, 1973; La Salle University, BA in English, 1975.

**HOMETOWN:** Philadelphia

**CURRENT HOME:** Philadelphia

**1.** The top three issues facing Philadelphia's businesses are public safety, public safety and public safety. It is absolutely incumbent upon the city administration and members of Philadelphia's business community to recognize and act to stem the growing tide of violence that threatens to destroy our neighborhoods, our businesses and our future. We cannot grow our economy, we cannot grow our companies, and we cannot grow our city under the terrible weight of violence we are experiencing. No amount of business tax cuts, regulatory changes or economic stimulus will compensate for a citizenry and business community that is not safe and secure.

I agree with Greater Philadelphia Chamber of Commerce Chairman Joseph Frick's assessment that addressing violence is a paramount concern for Philadelphia's business community. He should be applauded for pledging to marshal the resources of the chamber to stem the growing tide of violence; Philadelphia's businesses are a critically important partner in bringing an end to violence. As mayor, I will make public safety my No. 1 priority; I will hire 500 more police officers, fully enforce quality-of-life issues, appoint a commission to expand minority participation in the construction industry, and bring back Police Commissioner John Timoney to Philadelphia.

**2.** Philadelphia's economy faces enormous challenges. Philadelphia's growing too slowly, losing too many residents and falling behind other cities in work force quality. We face high taxes, low rates of small business growth and a lack of connection to the new economy. In spite of the challenges, I still believe that Philadelphia is a city with tremendous natural advantages that position us to reach our full potential. As mayor, I will lead the charge in solving the core issues that hold the city back from real economic growth and capitalize on our intrinsic advantages.

An environment of economic growth will be a hallmark of my administration. By fostering small business growth as well as entrepreneurship, realigning our tax policy, increasing minority- and women-owned business participation, and

spurring our economic engines to generate new jobs, I will continue to build on my 26-year record of developing innovative ideas and delivering results.

**3.** Philadelphia International Airport has made important improvements over the past several years. The new international terminal is truly world-class, and leadership at the airport is attempting to make the facility more passenger-friendly. Much work remains, however, to make the airport the high-quality regional asset Philadelphians deserve. More needs to be done to improve parking, particularly short-term parking, to allow for easier and more efficient access to the airport. The airport must also work with carriers to improve baggage handling so that customers are not forced to endure missing bags or unacceptable delays in retrieving their luggage. As mayor, I will work to ensure that these changes and improvements are implemented. Just as in my successful fight to expand the convention center, I will also require detailed customer service agreements be adopted so that the focus for the airport will remain on the end-user.

**4.** The residents of southeastern Pennsylvania must be united not only in common dwelling but in common effort. The city's challenges are also the region's challenges: Philadelphia's murder wave affects the entire region just as guns bought from outside of Philadelphia lead to crimes in the city; Philadelphia's neighborhood blight is directly linked to suburban sprawl; and a crumbling Philadelphia infrastructure, particularly the Philadelphia Gas Works and our transit system, will have a significant impact on the entire region's economy.

Just as I have worked with my legislative district neighbors in Cheltenham to develop a regional plan for Northwest Philadelphia, I will work with the counties surrounding Philadelphia through regular meetings with their leadership so that we can plan together, advocate for resources together and ultimately grow together. Just as our fates are intertwined, so too must we be united as one in making southeastern Pennsylvania reach its full economic potential. □

# ... in business, taxes, the airport and regional development



**CHAKA FATTAH**

**AGE:** 50

**TITLE:** U.S. congressman, second district

**PROFESSIONAL EXPERIENCE:** At 21, became a special assistant to Philadelphia's housing secretary. A year later, became a special assistant in the Philadelphia managing director's office. At 25, elected to the State House and served for six years before being elected to the State Senate. Has represented the second district in the U.S. House of Representatives since 1994. Sits on the House appropriations committee.

**EDUCATION:** Master's degree, the University of Pennsylvania's Fels Institute of State and Local Government.

**HOMETOWN:** Philadelphia

**CURRENT HOME:** Philadelphia

1. We must begin with a vision that allows government, businesses and workers to stand as one in making Philadelphia a city of real opportunity, shared responsibility and limitless promise. To do that, we have to mount an aggressive effort to create, grow and retain small and midsize businesses in Philadelphia. Two, we must create a partnership between corporate leaders and City Hall on critical issues like enhancing entrepreneurial opportunities in the region. Third, we should increase our capacity to accommodate business by expanding amenities like the convention center and

improving our city's overall infrastructure.

2. We have to have a fiscal program for the city that is predictable and long term. The city needs revenues that create an attractive business climate, not penalties that destroy it. I'm committed to eliminating waste and abuse in city government so we can go beyond incremental change and fundamentally redesign the city's tax structure in a way that offers substantive tax relief to all Philadelphians.

3. Business leaders from around the country and around the world have to know that Philadelphia means business. That means that when they come here for a business meeting or a convention, they can be reasonably certain that their flights will be on time, that security procedures will be user-friendly, that their baggage will be handled professionally, and that convenient parking and public transportation will offer them the means to go to and from Philadelphia's premier shopping, hotel and conference facilities. As mayor, I would continue the work that I've done in Congress to fund the structural improvements that make on-time performance possible, and I would make Philadelphians proud of our commitment to improving Philadelphia International Airport.

4. I believe that when Philadelphia is economically strong, the region is, too. I am committed to pursuing policies that not only strengthen Philadelphia, but strengthen the tri-state area in ways that work for all of us. I helped to fund the Reverse Commute Program, a public-private partnership that takes Philadelphia workers to suburban jobs. As mayor, I look forward to continuing that kind of innovation and collaboration, and in the coming months, I will announce specific policies that I would implement immediately as mayor. □

**TOM KNOX**

**AGE:** 64

**TITLE:** Former CEO of United Health Care of Pennsylvania

**PROFESSIONAL EXPERIENCE:** CEO, UnitedHealthcare of Pennsylvania; chairman and CEO, Fidelity Insurance Group; CEO, Crusader Bank; rehabilitator and CEO, Fidelity Mutual Life Insurance Co.; deputy mayor for management and productivity, City of Philadelphia.

**EDUCATION:** Dropped out of Roman Catholic High School in the 10th grade. Joined the US Navy. Received GED while in the service.

**HOMETOWN:** Philadelphia

**CURRENT HOME:** Rittenhouse Square

1. With the exception of the time I spent in the Navy and as a deputy mayor under Ed Rendell, I've been a Philadelphia businessman all of my life. I've been doing business in this city from the day that I began my paper route outside the Abbottsford Housing projects to the day that I retired as the CEO of UnitedHealthcare of Pennsylvania. I know how costly it can be to keep a business in Philadelphia. Three issues, in particular, create problems for large and small businesses alike. They are: 1. work force quality; 2. Philadelphia's abusive tax structure; and 3. the cost of doing business. Early next year I will unveil my plan to dramatically improve Philadelphia's work force investment system so that Philadelphians can get the high demand skills they need in the 21st century economy and so that employers can find the employees they need to stay in Philadelphia. Next, as mayor, I will look for the funds to eliminate the gross receipts tax, lower the net profits tax and lower the wage tax. Finally, as mayor, I will overhaul Philadelphia's licensing and inspection system to lower business costs and make it easier to do business here.

2. Philadelphia's failure to reform its wage and business tax system has cost it



literally hundreds of millions of dollars in lost wages from forgone jobs. Philadelphia's tax structure is abusive and it must be reformed. I support the cuts to the business privilege tax and wage tax that have been made so far. As mayor, I will work to identify new sources of revenue and work with council to accelerate those cuts with an eye toward eliminating the gross-re-

ceipt tax, lowering the net profits tax to less than 4 percent, and lowering the wage tax to 3 percent ahead of schedule.

3. The airport is one of the most critical pieces of the Philadelphia economy and the mayor should take the right steps to ensure that it is operating well. As vice chairman of the Airport Advisory Commission, I have the necessary experience to ensure it's running smoothly. Right now, the airport is plagued with corruption and sweetheart, no-bid contracts and it makes me angry to think how the selfishness of so few has hurt so many. If elected mayor, I pledge to root out the "pay-to-play" culture that has held the airport — and so many other vital parts of the city — back for too long.

4. Many of Philadelphia's problems are regional, so its solutions must be too. For example, I look forward to working with Montgomery, Bucks, Chester and Delaware counties — not to mention New Jersey — in finding a solution to the problems that plague SEPTA. Crime is a regional issue, too. Many of the guns used in Philadelphia crimes have been traced to gun stores just outside of our city. Philadelphia cannot solve all of these problems on its own. I will use consensus-building skills to augment economic partnerships with our regional neighbors and to find businesses in other states and nations to come to the Philadelphia region to build the regional economy. □

**MICHAEL A. NUTTER**

**AGE:** 49

**TITLE:** Former Philadelphia City Councilman

**PROFESSIONAL**

**EXPERIENCE:** Philadelphia City Council (1992-2006), chair of Pennsylvania Convention Center Board (2003-present); previously investment manager for investment banking firm.

**EDUCATION:** University of Pennsylvania's Wharton School, BA, 1979; St. Joseph's Preparatory School, 1975.

**HOMETOWN:** Philadelphia

**CURRENT HOME:** Wynnefield

1. The first issue impeding Philadelphia's economic growth is our tax structure, which is out of line with the surrounding suburbs. In City Council, I led the fight to continue the Rendell administration's cuts in the city wage tax and the business privilege tax. I worked with the Greater Philadelphia Chamber of Commerce and the Philadelphia Bar Association on those issues.

Second is the "pay to play" culture that



discourages most legitimate businesses from investing in Philadelphia. This "corruption tax" costs us billions of dollars in lost economic investment each year. This is why I have led the fight to reform the city's political climate, create an ethics board and limit campaign donations.

Third is the relatively low education levels of our working population. We lag behind the surrounding suburbs and other major cities in high school graduation rates and proportion of working adults with college degrees. This is why I added an additional \$1 million to the budget for Community College of Philadelphia this year and helped to create excellent new school choices, such as the Microsoft School for the Future in my former City Council district.

2. The business tax environment makes us noncompetitive with the surrounding region. City Avenue illustrates this: mostly nonprofit organizations are located on the

city side while for-profit businesses are located on the Montgomery County side. I have been the city's leader on tax reform. In council, I led the fight to continue cuts in the wage tax and business privilege tax; I marched down Broad Street with the head of the chamber of commerce on this issue. While in City Council, I wrote the law that created the Tax Reform Commission, a charter change approved overwhelmingly by the voters. The gross receipts tax is particularly offensive, since it taxes businesses that may not make a profit. Until we cut these taxes to a reasonable level, our job creation will continue to be generally flat, as it has been for the last 20 years.

3. Philadelphia International Airport is one of the single most important economic development engines in the region. It is a great asset that could be a greater catalyst if a few issues were resolved. First, we have to reduce delays and congestion by completing the project to expand Runway 17-35 over the next two years. In the long run, we have to complete plans to increase airfield capacity by adding new runways; this will involve re-

solving issues with our neighbors in Delaware County. Second, we must reduce the problems related to baggage handling, which are by far the greatest source of complaints and deterrent to airport use by business travelers. The third challenge is to relieve the parking congestion...

4. As chairman of the Pennsylvania Convention Center Authority, I led the efforts to resolve the center's notorious labor problems. I did this by working effectively with the regional representatives on the board. I also worked with the surrounding counties to obtain new state funding for the next expansion — scheduled to begin next year. We must work with the surrounding counties on most of the major issues facing Philadelphia — in particular: 1. SEPTA's pending funding crisis; 2. inadequate resources for Philadelphia's schools; and 3. dedicated funding for the region's arts and cultural organizations. We have to clean up our political culture and manage our resources better than we have. In addition, the mayor must engage in a true dialogue with the region's leaders. Only then, will the rest of the state try to work with Philadelphia. □