

Mayor doubles down on starting Rebuild

Michael D'Onofrio Tribune Staff Writer May 25, 2018 The Philadelphia Tribune

Mayor Jim Kenney is doubling down on his expectation that the beverage tax will survive a court challenge by proceeding with a scaled-down version of the city's massive infrastructure project in the face of City Council opposition.

Standing once again before children and parents, this time at the Olney Recreation Center in North Philadelphia, Kenney said the facility will be the second site to receive funds through the citywide Rebuilding Community Infrastructure project, or Rebuild, on Tuesday.

"As you can see, this site is a perfect site for Rebuild," Kenney said. "You all have dealt with a failing roof, flooding basement, a playground and fields that need work, and a building that is in dire need of upgrades."

Councilwoman Cherelle Parker stood beside the mayor to support funding the design of a new master plan for the aging facility in her district. The design of a master plan will include community input and is expected to begin in the coming months.

The announcement comes a week after Kenney and Councilman Kenyatta Johnson revealed Vare Recreation Center in South Philadelphia will be the first project to receive Rebuild funds.

Kenney continues to push forward with the \$500-million investment to rehabilitate city parks, recreation centers, playgrounds, and libraries regardless of the fact the main funding source for the initiative remains in doubt.

A legal challenge to the city's sweetened beverage tax, the major funding source for the project, is before the state Supreme Court. A decision is not expected to be handed down before the end of the summer.

In addition, a state representative in Harrisburg has introduced pre-emption legislation that could sink the tax.

Revenues already collected from the beverage tax, upwards of \$84 million as of March, are sitting unspent in the event the tax is struck down and those revenues must be repaid.

The fate of Rebuild is inextricably tied to the beverage tax: No tax, no Rebuild.

"We have to be real clear about that," Parker said at Olney Recreation Center. "There's no way to sugar coat it: If the sugar tax is repealed, if it's struck down by the courts, ... [Rebuild] will be impossible to be implemented as our visions had hoped."

The bulk of Rebuild, approximately \$300 million, will be paid for through the issuance of bonds backed by the beverage tax. Although City Council has approved the issuance of bonds, city

officials have said no money will be borrowed until the state Supreme Court rules on the beverage tax.

Kenney is attempting to launch Rebuild, albeit incrementally, using what he has said is approximately \$8 million in existing capital funds, rather than awaiting the approval of a legislative package that has sat idle with City Council for months — until this week.

However, Council President Darrell Clarke has said he does not expect to begin Rebuild in any way until the fate of the beverage tax is known.

“We will not spend [funds on Rebuild] until the litigation is concluded and we will not borrow the money,” Clarke said this week.

As the two sides clash over Rebuild, uncertainty remains over whether the Rebuild funds can begin flowing without the consent of City Council.

In addition, on Thursday City Council voted to approve on first reading a legislative package for Rebuild which includes the project’s overall blueprint and initial site selection, among other things.

The two pieces of legislation are expected to be up for a final vote at the next City Council meeting on June 7.

When asked if she was confident City Council will approve the legislative package, Parker balked.

“I am confident about my colleagues and that all 17 members of the City Council of Philadelphia are interested in moving forward on this significant investment in parks, rec centers, and libraries in the City of Philadelphia,” Parker said.

The Kenney administration has secured agreements from the Philadelphia Building and Construction Trades Council setting diversity goals for Rebuild projects.

But critics on City Council have said the agreements are limited and don’t provide firm guarantees workforce diversity goals will actually be met.

In addition to Olney Recreation Center, Parker said the city will fund the design of a new master plan for improving the Lawncrest Recreation Center. However, funding for that project will come through existing dollars and not Rebuild.

“These are dollars that are allocated specifically to the 9th Councilmanic District,” Parker said regarding funding for Lawncrest Recreation Centers.

City officials could not provide cost estimates for designing new master plans for either of the North Philadelphia recreation centers.