Interview with James Martin

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Let me begin by sketching a brief history of the Old Philadelphia Development Corporation and try to use that as a transition into what we are doing today, not only within the Old Philadelphia Development Corporation but with related activities concerning Penn's Landing and the Council for Revitalization of Employment and Industry, which is another corporation that we have a relationship with.

OPDC was founded in the late 1950's, exactly 20 years ago this year, with apparently some urging of the city administration at that time to try to involve the private business sector in the downtown development program. It was when Richardson Dilworth was Mayor and I think Bill Rafsky was Development Coordinator at that time. The city had laid out for itself a very ambitious capital program, a 20-year comprehensive plan for the entire city. It involved the closing of the open burning dumps, which had taken place, it involved new district health centers -- you are very familiar with that, I'm sure. But there was also a major component which was downtown revitalization and its start was in the historic area, now known as Society Hill and the first effort there was to remove the Food Distribution Center or the food wholesalers to the new Food Distribution Center in South Philadelphia, which had been an open burning dump site for trash, which is now really a reclaimed part of the city.

And the thing about the urban renewal program in America, which sort of requires or tends to lean toward involvement of quasi-public and non-profit type of corporations is the approach under which most of the development is done privately. Unlike many European countries the government can go in and if it wants to acquire land it can -- if it wants to build, it can -- and it takes the whole project from beginning to end. The structure of the urban renewal program as run through Congress is one where there is a certain amount of public planning, a certain amount of public land assemblage and a certain amount of site improvements for utility changes and modernization. But the major work is to be done privately and with the requirement of private enterprise participations there is sort of an interface that has to take place. Somewhere between where the Planning Commission and the Redevelopment Authority leave off and the private development picks up. And unless you have an active involvement on the part of people who are going to be making the investment in the formulation of plans, in the formulation of how a program is carried out, it is very difficult later on to get them involved in the urban renewal program. It is a lot of aggravation to be involved in urban renewal areas. You have design review boards. You have historical review activities. You have expenses of processing papers and there are a number of
clauses that make redevelopment agreements run instead of a one or two page document as in a private real estate transaction, it is a 40-page document, full of non-discrimination clauses, which it should be -- but all of these require a certain amount of interpretation, a certain amount of tolerance, so that there has to be some means of greasing the wheels between the public arena and the private arena in order to have this sort of American-style urban renewal really be effective. And so that in each city around the country -- and OPDC is not unique -- in Pittsburgh it is called the Allegheny Conference -- in Baltimore it is the Greater Baltimore Committee -- in Washington it is the Downtown Progress -- and in Atlanta it is Central Area Progress. There is a private non-profit corporation involved in one phase or another in urban renewal in most cities of the nation. The first emphasis of OPDC was on the historical preservation and the area that it was involved in at that time was limited to the Washington Square East redevelopment area, which ran from Front St. to 8th, from Walnut to South St. And the corporation there entered into formal agreements with the Redevelopment Authority. We were their consultant on matters of any renewal policy in that area. We entered into marketing agreements with the Redevelopment Authority under which our organization was selected as the developer for all the single family houses and single family lots in Society Hill. We were taken as a developer for those properties through City Council and through the department of housing and urban development. We never developed any of them. We never built one. We never restored one. But we designated nominees to do them and the thinking was that apartments would be built. Apartments already exist and many will remain. But to have a strong community and to have the kind of community organization that is going to built that will take a longterm interest in the area you really have to attract the single family homeowner who has a stake in the area. And if those properties were all put out to bid under the standard redevelopment procedure which existed through the procedures of then the Housing and Home Finance Agency -- HUD did not exist at the time -- then the developers who knew how to bid and the developers who knew how to get contracts at the lowest price and the developers who knew how to process government papers and so forth would win and you wouldn't get a single family owner investor type of community. You would have a speculative kind of developer community.

So the decisions that were made in the beginning by the city fathers, by the Redevelopment Authority, and with the approval of the department of Housing and Home Finance Agency, the urban renewal administration, and OPDC was made the developer of single family houses and lots. What did we do then? Once we were selected and City Council had approved it, now an individual homeowner did not have to go through City Council. The sale was already approved through City Council. That eliminated six weeks right there.
(WMR: Did the title actually move from the Redevelopment Authority to the Old Philadelphia Development Corporation and then to the homeowners?)

No. We were designated developers, but the title never transferred. We simply designated a nominee for the property and the nominee then entered into the redevelopment agreement with the authority. But we never actually owned them.

(WMP: What do you mean by a nominee?)

The nominee was -- in terms of selling the properties, what we did was to offer them out on a first-come first-served basis. We put signs on each of them. We advertised them. And then people would come in who were interested in buying property and what we would do is to ask them to prepare plans and historical restoration plans if the building was certified and we would ask them to show how they would finance the project. Where they would get the mortgage for the restoration. And in most cases we ended up holding them by the hand. We showed them what the redevelopment agreement would be. We directed them toward savings and loans which we knew were placing mortgages in the area and we hired and engaged on our staff on a consultant basis an architect who would be able to give them guidance on how to draw up a plan and so forth. If the people agreed, number one, to live in the property as their own property -- not to buy it, restore it, and sell it on a speculative basis -- and if they agreed that if the building were certified historically that they would restore the exterior facade (you can do whatever you want on the inside) and if they would agree to pay the re-use value as determined by the Redevelopment Authority and their financing was all in order, then we would submit that candidate as a nominee of our corporation to the Redevelopment Authority and the Authority did not have to bid the project out. Did not have to bid the individual building out. That person was selected as a home-buyer.

(WMP: Were you with the OPDC through all this?)

No. I came in on the tail end of the Housing sale program. The housing sale thing really picked up. It went through a transition which is like a normal curve -- in the beginning there were more houses than there were buyers because anybody who went down there was a pioneer and it was a bombed out area and we sort of had to salt the mine. The corporation obtained people like Mrs. Agnes Ingersoll and Henry Watts. They pioneered. They bought the first two or three houses in the whole area. And it was what I would call a buyers market. The buyers would come in and take the choice of any property at a good price. And it was very slow to take off. The Pei town houses that were built before the Society Hill Towers, which was among the first properties built in the area, went begging for three or four years. They were between $38 and $42 thousand dollars.
They went begging. People in Philadelphia thought it was crazy. I'm from Philadelphia and I'm from a row house in the northeast and we always thought these people buying these town houses in Center City for 38 and 40 thousand dollars had to be crazy. And they didn't sell for quite a while. And the reasons were cumulative. There was an atmosphere of a bombed out area. All the food wholesalers had been moved out at once. There was a lot of demolition in the Dock St. area. There were no convenience stores in terms of modern shopping, and the types of convenience stores that you look for. Stores like the A&P didn't want to come in because there were no people living there. The schools weren't so good because they had suffered from neglect from not having any young people in them for years and no people with young people wanted to move in because the schools weren't very good. All these things tend to hold everything down. It is a great cycle. And OPDC and the Redevelopment Authority and the City Planning Commission -- everyone working together and a strong commitment by the city administration. They put in all the sidewalks. They put in the Franklin lamps. They put in the landscaping -- the greenway system. One by one people who generally didn't have children, I would think, moved into the area and began to make it attractive and so it went through a point where it was slow to start and all of a sudden people realized it was a good place. It developed a very strong civic association. It was obvious that the city administration was committed to the area with a longterm investment they were putting into it and somewhere around I would say 1965 or '66 a buyers market changed to a sellers market. You had more buyers than properties available to sell and the ones that you are selling are in the higher price range rather than the real good bargains. So by the time that I came into the corporation we were left with maybe 20 or 30 or 40 properties at the most and my predecessor who was then Mr. Rafsky's assistant, Ted Newbold, properly referred to them as the dogs.

I came here in 1968 and Ted had been around -- since I had been at the Redevelopment Authority in 1963 -- I don't know when Ted actually started.

But what's happened is now the A&P is in, people like to live there, and the school is good, it has one of the strongest civic associations, one of the strongest home and school associations. It is a very strong area.

We are phased out of our work in Society Hill pretty much. In fact, I did not come to OPDC with the notion that I would be the guy in charge of selling the houses in Society Hill. My interests were not there.
I started as a trainee at the Redevelopment Authority, an urban renewal technician I, which was a job that really involved basic work of evaluating various areas of the city for urban renewal and writing up technical applications to the federal government urban renewal program. That was in 1963. I had an undergraduate degree in political science at Temple. While at the Redevelopment Authority I just went through a series of position changes from an urban renewal technician I, II, and III to become the first project coordinator for the Market Street East retail development. In 1963 Bill Rafsky went to work for the Old Philadelphia Development Corporation, so he shifted from his job as Development Coordinator for the city to the Executive Vice President of Old Philadelphia Development Corporation. And he went and had the corporation change its area of involvement from just Society Hill to all downtown, from the Delaware to the Schuylkill, from Spring Garden to South St., and launched a program of coordination of planning in Market St. East, in Independence Hall, the marketing of the office sites in Independence Mall and various other things of a city-wide nature in downtown. The depressing and covering of I-95. Work involving evaluation and advocacy for the commuter rail connection, and a number of other things.

In 1963 I started at the Redevelopment Authority as an urban renewal technician I. In 1965 I was made the project manager for Market St. East. And with that -- that involved coordinating the work of the design team, Skidmore, Owings, and Merrill from San Francisco; the traffic consultants, who were Wilbur Smith; the economic consultant, Larry Smith -- and translating at the Redevelopment Authority technical level the plans that Bacon and Victor Gruen and the Market St. East business community and many other people had been testing over at least a decade. That ultimately, those plans ultimately had to be translated into a federal application that would qualify for urban renewal treatment. So that my job was to take -- Ed Bacon used to call me his hair shirt because every time he wanted to do something, in the end it had to be translatable into a workable urban renewal scheme, which required many many changes through the administrative procedures of HUD, it required even amendments to the law, which in fact, some of the amendments to the law were written here in Philadelphia in response to the Market St. East plan.

At any rate, through my involvement in Market St. East I of course got to know Mr. Rafsky and the Market St. East Committee of the Old Philadelphia Development Corporation. At the same time I had been doing some graduate work in public administration at the University of Pennsylvania.
My exposure to the Old Philadelphia Development Corporation I will have to tell you initially was not a particularly positive one from my eyes then because the work involved in coordinating the personalities who existed in the Market St. East development was a terrific balancing act. You had Ed Bacon -- a very strong dominant kind of personality, full of ideas -- and Ed does not tolerate dissent very well and I've found that designers particularly are not polite in the nature of their dissent. I think the people who write books may be more polite, but architects and planners tend to be, if you'll forgive me, a little bit bitchy. You had on the one hand Ed Bacon and John Gallery -- a very fine urban design specialist who is now the Director of Community Development for Philadelphia -- in the City Planning Commission and then you had the Skidmore, Owings, and Merrill team coming from San Francisco with their own set of notions about urban design and translating Bacon's Market St. East scheme and so forth. And then you threw into that businessmen from the Old Philadelphia Development Corporation. So we had a 12-month planning period. They had monthly meetings with the architects. Periodic daily meetings with the City Planning Commission. We had to translate from generalized notions about a redevelopment scheme from Market St. East into a very tough format for urban renewal approval. And so the time schedule was very tight and yet every month this Market St. East committee met we would take the plans before the presidents of the department stores and they would all say -- Stockton Strawbridge, for example, would say I think it's crazy to build that thing underground, but if you are going to do it and it's not going to cost us anything, go ahead and do it. There was another man from Gimbels who used to sit there and say I don't see what it does for Gimbels. And they all got into this modification of the scheme as it went along and I thought — we're spending 300 or 400 million dollars on a major improvement and this fellow sits there and says I don't see what this does for Gimbels. And I thought why are we coming before them? What role do they really have?

I did not have a very positive regard for the committee -- I respected some of the men. But I have since learned and I think the evidence is in the activity on Market St. East that that involvement which brings into it very hard practical years and years of experience of doing business, of building shopping centers, of building successful shopping malls, -- the ideas that we have on the public level -- the administrative requirements that we have to mold plans into cannot be done without the participation of people who ultimately are going to do that big part which is the private development. And what do we have out of the Market St. East community? Well, the 1-2-3-4 Market St. Building is built by Wanamaker's and PSFS, who joined forces. And the Gimbels department store was built because Gimbels sat on the damn thing and said I don't see what that does for Gimbels. In the end they decided it didn't do anything for Gimbels so we're building a new Gimbels, which is terrific. And then through a very strong
participation by both Gimbels and Strawbridge and Clothier the Rouse Corporation was brought into Philadelphia. I don't know how many cities the Rouse Corporation is in, but it can't be more than three. They built Plymouth Meeting, Cherry Hill, Exton, they built the new town of Columbia -- they are not into old cities. But Strawbridge & Clothier organization is in most of the Rouse shopping centers, so the leverage that Strawbridge had with a Rouse organization goes beyond the standard business kind of leverage. It is a personal thing. It involves future business transactions, and so forth.

(WMP: Stockton Strawbridge you dealt with, I guess. He's quite a guy.)

Oh sure. I think that Stockton Strawbridge is probably the most effective member of the Market St. East committee and of the Old Philadelphia Development Corporation of almost anyone. And it is not because he is always on the winning side. He takes some of the most provocative positions. His participation by the Strawbridge organization is the most complete. And he really knows what is relevant for him and he focuses on it and he will not lose it. He's like a bulldog. He's very very tough. I think he's very fair and he has been on the losing side -- he's the only person that has ever really forced a vote in OPDC and he lost it 25 to 1. He fought the move of Gimbels from their old location to their new location and that was finally resolved at the Executive Committee level and it was a vote of 25 to 1.

Like I said, my first experience with the OPDC was not a very positive one through the eyes that I saw it at the time, which was one of public administration and without any real sympathy for -- you won't get developers into the city unless they can make a profit and you won't make a profit unless they know you are dealing with a practical, workable scheme. And we sitting here have never laid out our money. All we've ever done is collect. We've never had to worry about making money. And we who have never had to worry about the pressure of making money have an entirely different perspective of people who do. It just so happens that the urban renewal process in America is structured around the need for a developer to make money. And if you don't have that in there than you just won't have any developers. The whole process falls completely apart. So I don't believe there would be a Market St. East today without a Market St. East committee or an Old Philadelphia Development Corporation. The process, which involves checks and balances of having plans done under a public aegis and then bounced off of private reviewing organizations and then going back through a public reviewing authority, which is the City Planning Commission, the City Council, has been one which has tended to work.
The membership on the standing committees generally involves the Chief Executive Officer -- the man who makes the decisions in their organization. On the Market St. East Committee it is -- first it was Richard Bond, now it is Bob Harrison. First it was Stuart Rausch, now it is Todd Cook. It was H. Princefelter then it was Bernie Kant, President of Gimbels, and now it is Cy Frost, President of Gimbels. In Lits it is Stanley Abelson, who was President of Lits and Gustave Amsterdam, whose Banker's Securities Corporation owns the City Stores chain that owns Lits. So you have the people who make the decisions on that committee and they have collective clout as well as individual clout and it has been used.

At any rate, my involvement with OPDC came around 1963 -- no, 1968 -- when Ted Newbold left here and Bill Rafsky then asked me if I would come over and work as his assistant. At the time I was somewhat reluctant to do that because in addition to being the Project Director for Market St. East I was by then Center City Project Director and I had under my direction the Centre Square project, which the Wolgin organization developed. I was the Project Manager of Centre Square. On the Hahnemann program, which is only partially gotten off the ground today. And a few other miscellaneous things which would come along. Plus the direction of the project coordinators involved in Independence Mall and other Center City developments. So I really didn't want to leave that. I was very much in the center of the action. I had even been brought before one of Arlen Spector's famous grand juries for informational purposes on the Centre Square development. And I wasn't so sure that OPDC was an expansive type of situation to get into, since I knew that the assistant had primarily dealt with the sale of houses in Society Hill. But Bill Rafsky assured me that it would be as expansive as I wanted to make it and that has proven to be the case.

He left in 1971 to become the Executive Director of the Greater Philadelphia Movement when Bill Wilcox went to Harrisburg as the Secretary of the Department of Community Affairs. There was an effort at a merger between GPM and OPDC at that time. In fact there was a special meeting of the executive committee where a merger was approved. And under that merger Bill would be the executive -- the chief executive in charge of both GPM and OPDC and I would serve as line officer here and Jim Lineberger over at GPM.
It ran up against something that nobody had anticipated and that was opposition from Mayor Tate. And Mayor Tate liked Old Philadelphia Development Corporation. He did not like the Greater Philadelphia Movement because Bill Wilcox had been a behind the scenes campaign manager. Not necessarily a manager in the full sense of the word, but a very strong advisor for Arlen Spector in 1967 campaign. And it was a poorly kept secret. You can't keep secrets like that. You are either an executive director minding the business of the store or if you are going to get out in politics you had better resign or else you may affect the organization. But Tate never forgave GPM that. And even though Wilcox left and even though many of the Executive Committee members were the same as OPDC members, he had in his mind that GPM was a political organization and he let the word go out within the city administration that if OPDC merges with GPM all the contracts are cancelled. And none of our contracts pay any money. But we are only effective with the flow of information. And with that flow cut off there was a pretty chill wind that blew during that period of time. So we had a meeting with the executive committee and the mayor came in and said what was on his mind and it turned out that within the executive committee there was a lot of strong interest for maintaining the separate identity of OPDC as a special purpose downtown development corporation with a separate set of officers and a separate board of directors and a separate executive staff. And the whole thing was -- Jim is still on our board and he still comes to our meetings. And if you ask him to do something he'll be happy to get into it. Unfortunately, his relationship with the current administration is so bad that you can't ask him to do anything. Now our board is the place where you should have an ex-mayor. They bring a wealth of experience. Mayor Dilworth was on our board up until he died. People were very critical about Jim Tate. I've never found anybody who understood the pieces of municipal government any better than Jim Tate. I have always found him to be extremely cooperative and supportive of our efforts here.

At any rate, Jim was very very much against our getting involved with GPM. Around this whole period of time Mayor Tate had a major influence on a change in OPDC. He had this Penn's Landing site down at the waterfront, which was a hybrid type of development. It was funded with capital general obligation bonds through the city's commerce department and through the state's commerce department. It didn't fit into any urban renewal pattern and those city agencies really had the expertise to develop that project. The mayor came to OPDC and asked if we would be the planners and programmers and designers and the development solicitor for Penn's Landing. And the corporation agreed to do that. Mayor Tate later told me that he came to OPDC and asked us to do that because he thought we were running out of things to do. And he wanted to give us something to do.
Things had been pretty far along. Society Hill was pretty far along. They had their own civic association. The housing sale program was tapering off. The major planning for Market St. East was out of the way. The more difficult phase was implementation. And his perspective on whether the corporation needed a new function or a new charge or a new mandate I don't think was that far off. But I don't think anyone ever sat down and said we're running out of things to do. Let's dream up something to do.

From 1969 we formed Penn's Landing Corporation. We tried to do it as a committee within OPDC. We operate through standing committees. We had a historic houses committee, Market St. East committee, Market St. West committee, Broad St. South committee, and so forth. We tried to do Penn's Landing as a committee with Steve Gardner, who was then Chairman of Girard Bank as Chairman of the committee. The nature of the functions, however, in terms of the planning and the contracts and the inner-governmental relations changed the structure of the corporation so much that we were beginning to become a publicly supported corporation. And one of the sacrosanct principles of OPDC is that we are privately supported and independent because of that. So we decided to split off the Penn's Landing Corporation as a related corporation. The same board of directors, the same executive committee structure. Now Mayor Tate was a little bit annoyed at that -- he said I wanted OPDC to run Penn's Landing.

(WMP: what kind of economic base can you have down at Penn's Landing?)

As the project is developed, each of the uses that go in down there -- the funding base that we had initially were planning contracts and we had to take on staff and new office space and so forth to run that operation. We have completed all of the site improvements. Our job was to take the raw site created by the Port Corporation and come up with a plan for its surface use and for the distribution and development mix of uses in there. We have completed our planning and we have completed construction of an additional 13 million dollars of site improvements. These are the walkway systems, the boat basin arrangement, the utility system, the lighting and the landscaping, and so forth. That site is ready to go. We had selected through a national solicitation and competition the McClosky organization with Skidmore, Owings, and Merrill of Chicago as their architect to be the developer of the site. That was in 1972. And as soon as that selection occurred, there developed a big controversy over a set of ramps between South and Bainbridge -- off the Delaware Expressway at South and Bainbridge St. Now that created a severe dilemma because the development capacity of Penn's Landing is highly related to its accessibility. Now obviously you can't get to Penn's Landing from the east -- you are on the water. And so access along Delaware Ave. from the north and south was very important and access from the east across the expressway was very important. And access from the expressway and the airport was very important.
So it was during this period of time when we were involved in planning Penn's Landing, we were also involved as the Old Philadelphia Development Corporation in the successful struggle to depress and cover I-95 and we played the major role there in handling that problem.

I'll divert for a moment from Penn's Landing and come back to it to talk about I-95. There was a strong citizens movement to get I-95 depressed and covered. In the background were the technicians working on the mechanics to get that done. And there had been a Vice Presidential task force which sprang out of the Johnson administration to come to Philadelphia to look at I-95 when all this controversy was brewing about the highway. And it was really the beginning of the environmental days. You can trace right here to Philadelphia historical preservation, environmental controls, and so forth. Before I was at OPDC there was a Vice Presidential task force report which recommended depressing and covering both Delaware Expressway and Delaware Ave. with participation divided up among the federal highway administration, the department of the interior, the Dept. of Housing and Urban Development, the city of Philadelphia, the state of Pennsylvania, through its highways department and through the general state authority.

(WMP: What did the Dept.of Interior contribute?)

Landscaping on the cover. The Dept. of Housing and Urban Development a portion of that cost also. And this Vice Presidential task force report identified areas of responsibility, percentages of responsibility, and dollar amounts of responsibility. And so it required enactment by the general assembly in Harrisburg. It required enactment by the City Council in Philadelphia. It required appropriations to HUD and to (?). It required all kinds of inner-agency, inner-state, inner-governmental coordination and while the whole thing was being worked out a secretary of Highways in Pennsylvania said the cover doesn't work anyway because it is considered a tunnel and you can't have tunnels on innerstate systems because you can't have flammable goods go through them. It took 18 months to work out the flammable, non-flammable, tunnel situation. It was finally an administrative determination that it wasn't a tunnel, it was a covered area of the highway and you could have it done. It was purely -- the highway people, particularly in Pendot, were always against the cover. It just was a complicated thing and they threw up one roadblock after another to get it undone.

So while that controversy went, the cost went up. While the cost went up, people said well, my share is x millions. And somebody else would say no, your share is x percent. And if you were dealing with an absolute dollar figure, who picked up the increased dollar figure for that share of the highway?
It was very complicated because Delaware Ave. had to be depressed and that wasn't in the interstate system. Delaware Expressway was in the interstate system. And different percentage formulas applied to each. So each government would have to divide it up and each department would have to divide it up. Then it took three years to get it through the General Assembly. The House approved it one year, but not the Senate. The Senate approved it one year, but not the House. And finally they got together. Maybe three years lapsed before the general state authority had their appropriation, but by then costs had escalated even more.

At any rate, during this whole period of time -- I would say at least four or five years elapsed. During that whole time there were a whole series of administrative determinations, legislative authorizations in Washington about protecting the environment and historical preservation. I was involved in planning Penn's Landing. I thought it was crazy to depress and cover Delaware Ave. We were going to have to create a new Delaware Ave. in Penn's Landing to get access. Because it would be depressed right where it went past Penn's landing. We would have to take spurs off and drive it in and create a roadway network in Penn's Landing.

Delaware Ave. comes up alongside of Penn's Landing and it follows -- that was to be depressed and covered as part of this Vice Presidential task force agreement. I knew darn well that was a bad decision because we would have to take valuable resources of limited land in Penn's Landing and use it for internal circulation. At the same time I had been involved with a study force in Washington on center city urban mass transportation and I had gotten to know some of the good technicians in Washington. The one fellow I got to know very well was a fellow by the name of Dick Buchard and I sat down with Dick privately in his office one day and said how do you really untie the Gordian knot of I-95? It is just not going to go forward. And he says there has since been a new ruling that we can pay for environmental protection elements and historical preservation features of highways if you stay right within the right-of-way of the highway or with improvements that are a direct consequence of the highway. So he said that means that you can throw out the Vice Presidential taskforce report and reapply to depress and cover I-95 with 90-10 funding. The city doesn't have to put up any money. The state doesn't have to put up any money. You don't have to deal with HUD, you don't have to deal with the Dept. of Interior, you don't have to deal with anybody else. Just U.S. Dot and Penndot.

Under this agreement, the city would have had to put up 3 1/2 million dollars, the state would have had to put up 3 1/2 million dollars to depress and cover Delaware Ave. That was all out of it. He said Shapp had to agree --
So I came back and told Rafsky what Buchard had recommended. Throw out the Vice Presidential task force report. Reapply for depressing and covering under some regulation and the feds will have to approve it on a 90-10 basis. The city will save at least 3 1/2 million for its share of the highway. The state 3 1/2 million. And the thing will be run by one department. So Bill told Jim Tate that and Jim said ok, but this is the last thing we are going to do. Otherwise that highway goes in at grade. And Tate convinced the Governor to reapply. Penndot reapplied. And Secretary Volpe under pressure from Senator Scott approved the thing and it went forward.

Now that approval contained the whole ramp network, the whole portion of the highway from the Ben Franklin bridge down past Penn's landing, including the ramps that came off the expressway and serve Penn's Landing and serve Center City. And the public hearing for this landscape cover, everything was approved for the working drawings for that center city section of the highway.

As the highway started to get underway a new coalition group from around South and Bainbridge Sts protested the ramp at South and Bainbridge. That then held up the highway for four years. It is still not finished. And there is no way to get off I-95 in Center City.

During this whole period of time we were selecting a developer for Penn's Landing. We were saying here's how you get there, across these ramps, across this cover, and so forth. And with a citizen's law suit against the highway the developer said I can't get to the site. I cannot get financing for major development on this site from institutional lenders unless we can demonstrate that people can get to it. You couldn't get to Penn's Landing from Center City except by going circuitiously across Race St. up to Delaware Ave. and down from Queen St., which went under where the expressway was being built out to Delaware Ave. You didn't have Market, Chestnut, Walnut, Dock St., Spruce St., -- you had no way to get out there except for very obscure arteries. So we agreed with them that you don't have to proceed. And after we selected them we went into in effect a moratorium.

Now the highway is pretty far along. You can demonstrate it is going to be open next Spring. Dock St. is open and Spruce St. is open. And McCloskey has gotten into trouble financially and we have urged him to proceed with development during all of 1976. He has refused to submit any kind of development program, timing, anything. So in January we dismissed him as the developer.
We are now soliciting new development interest from the alternate developer, who was designated at the time he was. And we are also inviting a proposal from a major national Texas organization called the Gerald Hines Interests. Gerald Hines has built Huston -- the equivalent amount of office space and retail space and hotel space as all the Market St. East and all of Penn's Landing within the past six years and is among the finest quality developers that I've ever seen. And they are interested in Penn's Landing.

The site has very unique qualities to it. The only place in the city where the Delaware River is open for recreational use and for public access. We want to maximize that opportunity in terms of the private uses that go on in the site and so there are vast areas of it where no development is to occur other than water-related types of things. And that's along the boat basin. The site that is in place now runs from Market St. to Lombard. The riverfront attracts people. They like to go down to it just to look at boats. And so we have areas for sitting and standing and in the summer we'll have a full program of public free entertainment. We'll have the navy and the coast guard will bring in ships. And we're having Op-Sail come back this summer. We're having a lot of things that will bring in water-related kinds of things. We'll have concerts by the edge there and so forth.

We'll have an international sculpture garden. Fairmount Park art association has these pieces of sculpture and they are sitting in basements for the most part. They are now on fine public display on Penn's Landing.

At any rate, we want to continue this as an attractor kind of place where people can come and enjoy something free. And we want the private uses on these two development parcels to have things that attract people -- restaurants, etc. Because of the attractiveness of the waterfront we want the lower levels to be like walking along the boardwalk with restaurants, shops, stores, entertainment activities and so forth. Because of the high income producing capacity of the site we would like the upper levels to be hotels, offices, apartments and they will grow out of the high rise.

The Penn's Landing project that we inherited was called the "historic mile". It went all the way up past the bridge and it went down to Catherine St. and what we had to do was to take the full plan and say now we are working with one piece of it. How do you make one piece of it work? So our plan was a refinement of the master plan.
(WMP: What about the tall office buildings that were projected for down there?)

I think it is a fairly limited possibility. I think probably right at the foot of Market St. is a good possibility for an office building because you would have access to the 2nd St. subway station, which has all been completely rebuilt. It is under reconstruction right now. But Penn's Landing is not a major office site other than what I think could be a very fine office location right at the foot of Market St.

It requires a lot of promotion now. We've lost the development momentum because of the highway situation and the recalcitrance on the part of McCloskey to proceed with development. But we've had to reinculcate that.

(WMP: Are you getting any support from the present administration?)

Very much so. They have assigned a very high priority to Penn's Landing. The Director of Commerce whose department has capital program responsibility has taken a very strong personal interest in it. And he has been completely supportive of what we want to do. City Council has been very strong in favor of Penn's Landing but it has to recapture that development momentum.

It is now a gigantic recreation area. And it is a drain of funds. It costs a good half million dollars a year to maintain it. And it has to become a pay-as-you-go type of operation. I know Len Moak is very impatient about that.

You ask about the rail commuter connection. It is a project that we have been strong advocates behind for a long time and it -- there are a number of reasons why we are strongly behind it. We believe that the transportation studies that have been done have accurately reflected transit benefits of the undertaking. We've got an 1891 train terminal which is a dead-end terminal built by the Reading. It does not have any more capacity for bringing in any more trains. Rail ridership is up and it is increasing with improvements to the system. And the same type of situation exists with the Penn Central station. Now since both of these systems are at or nearly at capacity, the only way to increase their capacity is by creating a connection between the two systems which will allow trains to move through the stations without stopping and going back out all the switches that they come in on. That technologic change increases the downtown delivery capacity by 3. You are not going to need the capacity increased by 300% but you need a new floor under your feet. We now have a ceiling over our heads in two pretty obsolete types of facilities. The other thing that it does is that it makes the service area of the Reading the same service area of the Penn Central and the service area of the Penn Central the same service area of the Reading, which means that people who currently take the train into town have to transfer to another mode will be able to stay on the train and go to their destination.
This is a strong inducement for people to leave their cars at home. There is a percentage slippage where you have people who have to transfer and they have an option of transferring or taking their car, the increased cost, the increased time, the inconvenience, means you lose a certain number. But the rail commuter connection is an option to taking a car.

We killed the Crosstown Expressway, and properly so in my judgment, with a massive study by Alan M. Vorhees on the basis that the traffic was not crosstown traffic at all. It was center city destined traffic and all you were doing was reinforcing the automobile orientation of arrivals and departures into Center City and rather do that they recommended beefing up the mass transit system including building the rail commuter connection. So that building the rail commuter connection is consistent with cancelling the Crosstown Expressway. And it is an option that the city has made of highways -- of transit vs. highways.

So we are convinced that the transit benefits are there and that modernization operated by one system -- the SEPTA system -- rather than two railroads now will create for the region a much improved system of 500 plus miles of trackage, as much as you will find in any city in the nation. Now integrated in center city. The project is a regional project with an impact.

.... (tape change) I have arranged more meetings with various secretaries of transportation and their chief deputies and assistants and with the political leaders on the rail commuter connection than on anything else that I've done. And I was in a fairly unique position in that regard because one of the people who ended up in the Secretary's office was the fellow who worked for U.S. DOT here in Philadelphia and he became executive assistant to the Deputy Secretary of Transportation in Washington so because of the strong personal relationship between the two of us I always knew where the rail commuter connection stood. And I was able to help monitor that project, help bird-dog it, arrange for various sessions with Senator Scott, Secretaries Volpe, Brynniger, and Coleman and we've had a very major involvement with that as has Bill Rafsky, Bill Day, when he was President of the Corporation, Bill White, now that he is President of the Corporation and a very very strong involvement. The other thing that the project will do is create massive development in downtown. It will create a cleared area between Filbert and Market, the air rights above which can be developed and are planned to be developed as part of Market St. East. It will create a whole new station area with retail shopping in and around it like Place Ville Marie in Montreal and we think that the effect on Market St. East is going to be just like the removal of the Broad St. Station in Penn Center and the opening of those development rights.
So we've been very strong behind the rail commuter connection and Mayor Tate was strong behind it and Mayor Rizzo has been very strong behind it and I definitely believe it will go forward.

It is I think going to have the most revolutionary change on the face of downtown Philadelphia in this generation. Penn Center was 15 years ago. This is going to be the one that does it.

(WMP: Is there any real estate activity that reflects an awareness of this?)

Sure. Some of it I don't like. There is speculation and the buying up of some older buildings by a fellow named Sam Rappaport. And I don't mean that in a libelous sense, but his pattern has been one of going into older declining areas and knowing how to take advantage of the decline and he owns most of the buildings in this block out front here. He has a lease on the Reading Terminal, the market area, and he owns a number of buildings along down the waterfront in the so-called old city area. Other things that have happened which I think are evidence of what's coming in the richness of the area has been the success of 1-2-3-4 Market St. Office Building, which is fully rented and is the first office building of Market St. East. PSFS was built and it is in the middle of the eyesores of Market St. and it is a very successful office building. The transportation serving this area is just unsurpassed in downtown. There is nowhere better. Penn Center has stopped going west because you are so far west that the blocks around here -- the subway stop is at 15th St. or 30th St. There is no Broad St. subway stop. The Lindenwald Line is 18th and Locust. The Penn Central is a good four or five blocks away now. And the Reading is way over. With the Market St. East you've got the Lindenwald Line at 8th and Market. You have the Penn central and the Reading between 10th and 12th and Market. You have subway stations at 8th, 11th, 13th. Broad St. station right at City Hall. There is no place with more urban mass transportation anywhere in Center City.

(WMP: Would you say that what you are doing is going to so strengthen the inner city that the spread city will be slowed down?)

Well, when you get into basic demographic changes in the region I don't know where things are finally going to end up. I do think there was a certain logic to the city and I think the logic is still here and in some respects the logic has been reinforced by recent developments. The energy crisis, for example, the increased cost of transportation, the environmental controls, the inability to build massive urban-style developments in suburban areas due to ambient air quality standards, due to water and sewer problems, due to the catching up of taxes in suburban areas for providing the intra-structure for these things.
In Philadelphia, and in all your older cities, what do we have? We've got an existing utility system, we've got an existing street system, we've got an existing sewage system. The intra-structure is built and it is paid for and it is here. And it still works fine. It works very well. And when you start going into these outer areas where your clerical staff needs a car to get there -- and what do they do when they are there? They eat in the office park cafeteria. Here they can go shopping at Wanamaker's, Strawbridge's, they can go down to Jeweler's Row, they have a choice of eating anywhere. The diversity of town is still a great magnet. But we've lost certain momentum. We've lost the ability to develop certain sites. The logic of being here is still here and we think -- what has happened in Philadelphia in the last 10 years? We've absorbed almost a million square feet of office space in Philadelphia over the last ten years. The pace hasn't slackened.

Market St. East is an existing shopping center for the residents of north, south, and west Philadelphia, for whom this is their Cherry Hill or Plymouth Meeting. I live in Germantown. I have the option of going to Plymouth Meeting or coming to Center City. I happen to be Center City oriented. If I lived in North Philadelphia or in near South Philadelphia or West Philadelphia, I wouldn't have that option. My option would be Center City. And it is a great place to have to go to. You can get there within 10 minutes by a bus or a subway or trolley car. It is the regional shopping center for approximately a million people who are closer to Market St. East than to Cherry Hill, Plymouth Meeting, Echelon and so forth. That's not going to go away. It is also the shopping area for all the people who work downtown. Wanamaker's does not have any particular marketing magic associated with them. You go into Wanamaker's at lunch time vs. Lits and Strawbridges at lunch time you will find a vast difference in the volume of buyers because Wanamaker's is situated up where all the office workers are and they go out at lunch time and they buy. And you've got your Center City employment population, which is not going to disappear, as another core of that type of market. Then you have the special purpose buyer. The buyer -- maybe my wife wouldn't buy in Center City towels and pillow cases, but maybe for clothes for my kids, or stereo systems or jewelry, or specialty items, the diversity is such that special purpose buyers come to Center City. The transient population, the student population use Center City as their place of buying. They generally go to the department stores downtown. So that's a big market. So the things that are being done are really built upon provable markets which currently exist and which are stable or increasing.

(WMP: How far north will the impact of this be on the East side of Broad St. up towards Temple University where you've got blocks and blocks of demolished buildings?)

I can't really answer that, although I happen to be a believer in natural barriers and I think that certain things are barriers that in effect create starts and stops. I really believe in this. The Vine St. expressway is a barrier and what happens below the Vine St. expressway will be entirely different from what happens
above the Vine St. expressway and I would think that some of the residential areas that are closer in are going to start looking more attractive to people. There was recently an article in the Sunday paper this week about Northern Liberties, about the Fairmount Section, about Queen Village, and Penn's Port, where people are rediscovering these old areas. The people who came first picked the best areas and those areas in many cases are still the best areas. They not be the most desirable now for a number of other reasons, but some of the logic as to why they were the best areas has never gone away and I think that people have rediscovered Society Hill. They are now rediscovering Queen Village and these areas near South Philadelphia. People have rediscovered the Art Museum area. And I think this kind of effect is going to be felt more and more. To what extent, I really cannot answer.

Just the fact that people now -- the size of the American family is no longer a man and a wife and two children. It is now a man and a wife and maybe no children. Or a man and a man or a woman and a woman. That eliminates a major consideration that went into the creation of a lot of residential communities. You don't have to be concerned with schools. And without having to be concerned about schools you are in an entirely different kind of market. You may be more concerned with how quickly you get to work. So those things are happening. In some cases you can't really predict what they are. The Arabs may triple the price of their next tariff change -- what effect will that have? You really can't measure that in advance.

(WMP: Hopefully your organization will monitor these kinds of changes -- )

There are some things that we have to be responsive to and there is one thing that we are doing which has taken that into account and we are into a bit of a fight with some of the economists who are strong proponents for OPDC type programs. OPDC is an organization that has primarily been involved in creating a positive climate for improving the service sector portion of our economy.

As we were getting into doing Market St. East in cooperation with the city and in Independence Mall what was moved? What had to happen in Independence Mall? There was a lot of old loft buildings in there. A lot of declining industries. Printing industries. Needle trade industries. Wholesaling. And so forth. And the effort was made to remove those declining industries and put in something which was a growth industry, such as offices, and insurance, and our service sector. Now the question is how right were we? The decision was made, whether it was conscious or unconscious, that you would move those things aside and create a climate and a condition to improve the service sector thing, making the Judge Lewis quadrangle created office sites next to it because it became very attractive. But to create the office site decisions still had to be made to move the industrial, manufacturing, wholesaling, and other uses and that was logically thought through in terms of economics in the change of the nature of not only the city's economy, but the nation's economy from a blue-collar labor kind
of thing to a white-collar economy. Things fell in place at the expense of certain things. And we got to a point in Market St. East where finally the ILGWU came in to see us -- Bill Rafsky and me -- and they had a very very tough business agent who said no more of my shops. You are doing beautiful things in Independence Mall, beautiful things in Market St. East, but every time you do it we lose our shops and I'll stop you in City Council. I've got the votes; you don't. And he was right. He did have the votes and he could stop us. And nothing really had been done at our level to say what could be done to save those jobs in Center City.

And I labored under the standard kind of economic thinking at the time that we've got to improve the service sector and get rid of these old declining industry-type positions. But there are a lot of reasons why industries decline. We don't make buggy whips anymore. We're no longer the cooperidge center of the world. We don't make barrels for storing pickles, liquor, and so forth. It's a dying kind of thing.

But we're not wearing any less clothes. If you look in the closets in your house today vs. the closets in your parents and grandparents house, we're wearing more clothes. And we're not buying less carpeting than we were before, we're buying more carpeting. We're not buying less print -- more things are being printed. We're just not doing it here. And it is not all off-shore. It's not all in Taiwan, Seoul, Puerto Rico. It is here in the United States. The increase in needle trades in the United States has been fantastic. There are more jobs in needle trades today in the United States than there were 20 years ago.

Philadelphia is not a big industry town. We are a shop town. Shops of 50, 75, 200 people. The man who owns the business, runs the business, he's in charge of the books and he's probably stealing from himself a little bit. And his wife is on the payroll and his brother and so forth. And he doesn't consider himself a big businessman. And he's the guy who is out in these shops employing 50, 75, and maybe as many as 200 people. But the crux of Philadelphia's manufacturing employment is small industrial operations, not big industrial operations.

At any rate, the ILGWU approached us and said we now want you to use the same effort you used to get Rohm & Haas in and that you used to get the federal government in to help save some shops here. To get the federal government in what did the city do? They gave them the land. They gave the federal government this block where the federal court house and office building is. To get Rohm & Haas in, what did they do for Rohm & Haas? They gave them the land. Rohm & Haas has a building down here at 7th and Locust or 8th and Locust, so they bought this property, 8th and Locust, for Rohm & Haas at the exact same price that they sold them the site on Independence Mall. They gave it to them.
Now what have we done? Whitman's Chocolates. They wanted to stay in the city. They bought Whitman Chocolate's land for a million dollars. And they accelerated — they took one block of Independence Mall — all of Independence Mall had been one big development. They took one block out, split it out, and expedited it. It went through City Council separately; it went through the federal government separately; that thing was done in six months. (Rohm & Haas). When you do that you make a decision to wipe out what is there. Get it out of the way as quickly as possible. And there is no counterpart effort, with all of our brains and with all of our experience, and all of our governmental assistance. So it is true that we lose certain things in industry. Like buggy whips. Which you don't make anymore. You are obsolete in that. But it is also true that there are public decisions made with regard to highways, with regard to investment, with regard to private decisions on capital investments, which are the product of people, not just events. They are the product of deliberate policy. And so the union came to us and said you won't do any more Market St. -- with us participating with you, what can we do together?

Here's what we did. We built the Garment Center at 8th and Arch Sts. And in the Garment Center we have industrial space that pays $1.25 a square foot; we have a day care center for the children of working parents in operation; we have office space that pays $7.50 a square foot. We have a training center. And we have modern space to go to work in. Where? 8th and Arch, right behind Strawbridge & Clothier. So why shouldn't people who work with their hands also have a place which is in Center City? Why should people who work with their hands have to go to 10th and Quarry through the bums and the dirty bookstores and everything else. And if you think a young girl or a young man is going to come out of high school and go into an elevator which smells a little funny, may stop in the middle of the floor, and go up and see some guy who is a boss who looks like this, with a cigar, and she's going to spend her life working there when she can go to work at INA or Rohm & Haas or even be a receptionist or even go to a Gino's or a McDonald's -- there at least you get a uniform and you work in air conditioned conditions -- they're not going to do it! And the urban renewal program did what? It took them out of the places that were there, which were bad enough, and it moved them to another place which was even worse. And when it moved them, it didn't pay the cost of moving. It paid the cost of picking up the machine and carrying it to a new location. It didn't pay the cost of rewiring to accommodate that. That machine is good sitting in place -- it has been there 30 years. But when you move it it doesn't work anymore. Tables aren't balanced. Machines have to be re-set. It didn't pay those costs. And so what do you have? You've got an old management, you've got an old employee base -- young people aren't coming in. Banks won't invest in machinery and equipment. Government agencies won't give you loan guarantees. There are a whole series of things that collapse in on you. And why? Because at a very basic policy decision we have made the decision to say that industry is dying and so we won't worry about it anymore.
I don't know. I've spent a lot of time on it. I'll give you an example of some things that happened. Vine St. expressway was cleared 8 years ago -- took out the AFoF-CIO hospital designed by Louis Kahn. It must have taken out 50 buildings that housed garment shops. Has the Vine St. expressway been built? No. Do you think the Market St. business community would ever sit still for demolishing Market St.? On the assumption that maybe it is going to be built? We wouldn't have sat still for it. You've got an organization. You've got a smart Executive Director. You've got a lot of money. You've got a lot of political clout. And we've got an intelligence system that tells us what is going to happen and when. The industry guys who are in these small shops who are really concerned with hiring and firing, getting employees and so forth -- they don't know how to plan like that. You come in and talk to them about where there should be plants and they say get out of here. So what we've done is we built the Garment Center. It is a show and tell. It is a terrific development. Very successful. And we now have people -- first the real estate community literally tried to kill it. I can name two real estate firms that literally tried to kill it. Because they owned most of the rest of the loft space in town. And they say why build new space when we've got all this vacant space on the market. But they have garbage. And they know downright well if you can show how to build new space at a rent the industry can afford, they are going to be stuck with that vacant space. They are stuck with it now.

As I started to work with the union people I gained a certain amount of respect for their brains, intelligence, practicality, and everything else. Because they are no dummies. They are as professional as anybody I've ever seen and they are as knowledgeable and in many cases better equipped to do things than we are -- particularly because of the political base. And so we said we are only doing something that is scratching the surface. You have to have an organization -- get that involvement by the downtown business interests, get that involvement by the political leaders, get that involvement by the industry leaders and their labor leaders. We created an organization -- an ad hoc organization called the garment board. We presented the idea to GPM, OPDC, the Mayor's Cabinet, the Mayor's Committee of 12, and so forth. And we got some good support -- Steve Gardner from GPM said that's terrific. But the point is that Gardner was a believer and I would take Mahoney and Jimmy and I would go talk to Gardner, Moak, and everybody else and there were many people who simply think that we are whistling into the wind. Burt Zameda, First Pennsylvania Bank, the economist of the University of Pennsylvania thought we were crazy -- a wasted effort. Well we don't think it is. And we are going to keep going with it and we don't care what
the standard economists say. Now the Chamber of Commerce, with the Southeast Pennsylvania Economic Development Corporation, took a building for Philco-Ford -- the old Philco-Ford building up at Wissahickon Ave. and the Delaware Expressway and they were to get that thing occupied as an industrial mall. Well, they got it 40% occupied, with crazy leases -- no escalation -- and they started to go downhill with it to the point of declaring bankruptcy. That was ok -- we didn't care about that so much except that the employer they had there was a needle trade employer -- the largest knitted manufacturer in the city -- Barrington Knitting Mills. So here we were downtown building the Garment Center for maybe 600 jobs the first effort. Here because of a sour real estate transaction by some of our geniuses in our sister agency, we're going bankrupt, costing a thousand jobs with Barringer Knitting Mills. So they told us -- but we went in with the union and with the union we bargained the tenants up to paying new rent to reflect the cost of operations. We went to the city and asked the city to move the voting machine warehouse in and we got 150,000 square feet from the city. And we went to the state and we told the state who had a 2 million dollar mortgage -- make more money available for bankable leases as we get tenants and we'll save you 2 million dollars that you initially lost. We'll save a thousand jobs and we'll create a healthy condition in that community rather than a declining one.

They agreed to that provided we manage the property, provided that if it became a break even that we would buy it. We now own it. We have it 80% occupied. We're making money on it and we saved the jobs.

Now you asked me about the Garment Center and whether you do others? You can't build all new. You can't throw out all old things. You can't be a completely waste society. You know these shavers -- you shave once and then throw it away? I go crazy when I see that! But we do the same things with our buildings. Now some buildings in Philadelphia you can't save. Number one, they were built for a certain economic life; they have lived through that economic life and they are dead. They are the old speculative loft buildings and they are dead. Now the Philco building wasn't the Philco building. It was the Atwater Kent Radio Manufacturing Company. It is a fantastic building. And Atwater Kent built a building to last a thousand years. He closed it down after five years. But that is a fantastic building. It has central air conditioning, central heating, sprinkler system, floor bearing capacity -- it has beautiful structural features to it. The old Gimbel's warehouse out on the Schuylkill River, which is now the Marketplace, a wholesale design furniture thing. That wasn't the Gimbel's warehouse. That was the Hudson Motor Company Assembly Plant. And that building was built to last. You can drive a truck right through the middle of it. So that there are buildings around town that you can identify which had a special purpose to their construction or special interest in quality in
their construction which are salvageable. And there are other buildings which had just a 20-year financing, a 20-year physical life, and so forth, which are dead. Then there are buildings which are in certain areas of the city that no matter how good they are the area isn't right for them. And it is one thing to say build a mini-industrial park in our ghettos and it is something else to get people to go to work there and leave their cars outside and have people take the bus or get off the subway and work their way through a DMZ from the subway station to where they are going to work. Now I can get you a very good job with an industrial plant in North Philadelphia making more money than you are getting right now as a secretary and you won't take it. And most people won't take it because they are just afraid. So that if you look at a building like Wissahickon Industrial Center -- it is in an industrial area. It's a good building. The expressway is on the north. The Bud plant is on the south. The park is on the east. It has got natural barriers on it -- not in a negative sense but in the sense of being a whole complex in and of itself. So that -- if I had the Wissahickon Industrial Center in say 22nd and Lehigh -- I don't think you could do it today. Maybe ten years from now you can. So what we have to do is with the practical participation by the labor movement, whether it is printing, metal fabricating, steel work, needle trade operations, and the involvement of their employers just as we have the involvement of Gimbels and Wanamakers and PSFS and Strawbridge & Clothier downtown. With their involvement begin to develop practical approaches -- not to whistling into the wind. Not to saving the buggy whip industry in Philadelphia, but in saving those aspects of the industry that do have logic for being here. Where the need is here in terms of the people. Everybody who gets out of school, out of every class, half that class is below average. By definition. In Philadelphia, the whole class by some national standard may be below average. I'm not exaggerating. And how many of those kids are going to go to college? Very few. How many of those kids are going to go into a productive kind of employment? Ok, they may go work at Gino's or McDonald's. Some of them may get jobs as stenographers and so forth. But in the end there is a girl who is not good with syntax who is going to be good with her hands or a young man who is going to be good with tools and not a computer programmer or a technician or something like that. I don't care what Burt Zameda says, the world is half full of people like that. And if their jobs disappear then what are you going to do with them?

(WMP: From what you have been saying, I gather that you have been greatly expanding the scope of interest of OPDC.)

It is a somewhat touchy subject. I presented the OPDC Executive Committee with the prospect of getting involved with this for a selfish reason. Just like the union had a selfish reason.
Just like the union had a selfish reason. The union has a selfish reason in doing the garment center. They are losing members. They don't want to sit around counting pension funds. Old Philadelphia Development Corporation wants to continue Market St. East. Selfishly, you cannot continue it unless you come up with workable solutions for this thing. For this inflation problem. But having done the Garment Center and now created an organization which I am President of -- and I control it here; I run it here -- OPDC is 1/3 of this office space here. The rest of it is the Council for Revitalization of Employment in Industry. I spend a good half of my time on this. And I don't think my executive committee is aware of the depth of time and involvement there. It has to be done.

Bill White is President of OPDC and is generally aware of it. If there is a better civic leader in Philadelphia than Bill White I don't know who it is.

I'd like to try to wrap up -- I think that what the Old Philadelphia Development Corporation has done is to show the strength of organization and we do it two ways. Number one, we have a sustained involvement both in time and money by downtown business. You have a longterm program which is constantly changing in response to different events in Center City which has maintained interest on the part of the people who are most directly affected. And you have an organization with a full-time staff and management that has over the years, with Jack Robin and Bill Rafsky and I don't put myself in either of their classes, it is a good strong executive -- it's not to reflect on any one individual but there has to be a good strong operational staff to do it and OPDC has generally had that over the years. And I see the same kind of experience needing an organization and professional staff and longterm staying power also for the blue collar trades. We're not going to save all our blue-collar trades, but we are wiping them out deliberately. We are wiping them out inadvertently. We're wiping them out by default rather than saying -- it's just like we're saying how can we make Market St. East work? It is hard to make Market St. East work. It's not easy. It's extremely hard to make it work and we are putting the effort into making it work. And I think the same question should be said with how can we keep some of our blue collar jobs? How can we have employment opportunities for people who are in the end always going to work with their hands. And it is hard. It is not just a matter of taking an economic argument and saying well we had 40% employment in white collar in 1950 and 65 or 60% in blue collar and then in 1970 we had 40% in blue collar and 60% in white collar, therefore the pattern is clear -- you are going down with one to the point of absurdity. It's like in 1960 we were creating more PhD's at a greater rate that by 1990 there would be more PhD's in the United States than people.
So you take a trend at any given time and you drive it to a point of logical extremity which doesn't necessarily apply. We are going to be wearing more clothes. We are going to be buying more carpeting. We are going to be doing more printing. The question is how can we make it happen here? You have to take the same energies, money, professional staff, and time and put it into regaining some of those things. Because the logic has not left.

The Garment Center -- we did an historic search at the Garment Center site because we found these blocks underneath. So Dick Pyler, who is a good friend of the Historical Commission searched the record and went right back to its beginning. The Garment Center was originally owned by the Commonwealth of Pennsylvania. It was sold during the Revolution to raise money for the war and the first buyer was a breeches maker. And that guy knew the best site right in the very beginning and today it is back in use as a garment manufacturing operation. And that area of the city is a terrific location. That's where the dress manufacturing is in Philadelphia -- Bleeker St., Villager, subdivisions of Jonathan Logan. They don't own sewing machines. Bleeker St. is up on the Boulevard. You won't find a sewing machine at Bleeker St., except where they do the patterns. All the Bleeker St. dresses are sewn in little contract shops downtown here.

(BF: What about the textile industry that used to be here?)

It's gone. I don't see it coming back. Once it's gone, it's gone. I think that if we can make an effort at stabilizing --

(WMP: It went to the South where they had lower wages.)

That's right. They take margins of competitive edge. The reason why we haven't lost certain things here is that we haven't lost the logic of their production. Take Bleeker St. dresses -- they have five seasons a year. Ten sewing seasons. And with each season they have to decide whether they are going to cut corduroy or velvet, long hems, short hems, wide lapels, narrow lapels, and they have to market it and then they have to buy the fabric, cut it, sew it, deliver it, etc., all within a 10-week period. Well, you can't do that from Japan. And as long as people are wearing fashion apparel, which America makes better than anybody in the world -- popular priced fashion apparel -- you've got to be able to deliver. If you deliver your wearing line on Oct. 20 instead of Sept. 15, take it all back. Pierre Cardin moved back to New York City from Columbia, South America because they were losing sales over insufficient delivery, energy costs, quality control.
Who are the outstanding labor leaders in the garment industry?"

Well, they are aging. The outstanding labor leader in the needle trades is Chick Chakin, who is the President of the International Ladies Garment Workers Union in New York. And he has just taken over. He is the first ILG international president born in this country. And he has a very positive and aggressive approach towards helping the industry -- not just typical labor management, pension type issues, but a very positive orientation.

"What about in Philadelphia?"

For the most part, the kind of leadership they have taken in civic affairs has been phoney involvement. I'll give you an example of what I mean by that. If you look at our board you will find Ed Toohey, who is the head of the AFL-CIO. Ed Toohey knows he is not really wanted on our board. He papers our board. And he doesn't come to any of our meetings. He wants to do what is right for the labor movement and what is right for Ed Toohey. Now the labor movement is very good at electing officials. They are not very good at collecting something for the betterment of their own workers. They get appointed to the Planning Commission or to the Civil Service Commission or to the Housing Authority, or to the Redevelopment Authority. The Redevelopment Authority has two labor leaders -- Bob Gray, Paul Lawson. Tom McGran is on the Housing Authority Board. Somebody else is on the Planning Commission. What does it do for the membership? what does it really do? What are they doing in terms of their involvement? Sockton Strawbridge is a civic leader -- he's on the Old Philadelphia Development Corporation. He's on a committee to improve the area where he is. And there is a much more direct logic than having him on the Planning Commission in terms of what they actually get out of it.

Now, the labor leaders in Philadelphia are now waking up to the fact that here we are all these years, we've elected all these public officials, we've been involved in these campaigns, and we've raised funds and we get this appointment to the Civil Service Commission or the Health and Welfare, whatever. Now we've got people like Max Levine, from the Graphic Arts Union. He's on our board. Jim McGeehan from the steelworkers union -- he's coming on our board. Jim Mahoney, who started with the ILGWU, who is I think a genius among men. I've never met anybody with a conceptual mind like Mahoney. He is now the Executive Vice President of the Pennsylvania AFL-CIO.
(WMP: I'm looking for a labor leader to get that point of view. Might he be a good one?)

Well, he would be if you could find him. He's hard to nail down. He's the best, or one of the best.

I think part of the problems with the unions is some of the problems that has happened with the management -- it has grown old. Tired. Not an aggressive organizing management. A lot of them collect pension funds.

(WMP: Of management people -- you speak well of Stockton Strawbridge. I'm very fond of him. Would he be a good one to talk to about what has been going on about the city?)

Certainly I think he would be excellent. I think that there may be others who would have a broader view of some things than he may have. I think that he very deliberately has involved himself in things like Market St. East and Old Philadelphia Development Corporation and has limited his time. I would think somebody like a Bev Murphy would give you an interesting perspective. I disagree with the man violently. Murphy is the only guy who at GPM spoke up against what we were doing. I happen to agree with Stockton Strawbridge a heck of a lot more than I agree with Bev Murphy, but I think Bev Murphy has involved himself in a broader range of issues and would provide a different perspective on things. I think Steve Gardner would be an excellent one. John Haas might be. Morrie Dorrance, who has been active in the Partnership, OPDC. Stu Rausch. Morris Duane. Charlie Tyson is a possibility.