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*Philadelphia* **FORWARD**

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## You Say You Want A Revolution...



Philadelphia Forward Executive Director  
Brett Mandel

In a city with a high cost of living and doing business, where the quality of life and the marketplace is often substandard, the truth hurts. The consequences of decades of population loss and employer flight hurt even more. But, if we can face up to the truth and avoid the consequences, we can still move Philadelphia forward.

Simply put, unless we reduce the cost of living and doing business in Philadelphia **AND** improve the quality of life and the quality of the marketplace, Philadelphia will continue to decline.

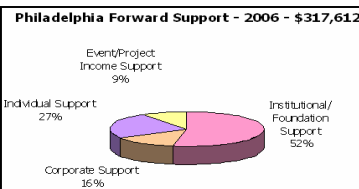
If we can confront the truth and avoid its consequences, we can make Philadelphia a city that grows jobs and attracts residents. Tax reform can make our taxes more fair and less burdensome. Ethics reform, including changes in contracting and campaign finance, can reduce the influence of money in the political process. Changes in our budgeting process and governance reforms can focus government on being responsive to the priorities and needs of the citizenry.

Philadelphia Forward will be challenging those who would be our elected officials to speak the truth and tell us how we can avoid the continued negative consequences. Watch [www.philadelphiaforward.org](http://www.philadelphiaforward.org) for information on how candidates respond so you can judge for yourself who will move Philadelphia forward.

## Philadelphia Forward Thanks Its 2006 Supporters

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# Business Tax Reform: The Taxes Are A Changin'

Some say "you can't fight City Hall" — but we have been fighting City Hall...and **WINNING!**

Five years ago this January, Mayor Street proposed to stop cutting the Wage Tax. That sparked a march on City Hall that spawned the tax reform revolution. Thanks to this movement, legislation is in place to dramatically reduce the Wage Tax far below the rate where the Mayor would have left it. The rates will go even lower when casino gaming revenue arrives.

Wage Tax			
Tax Year	January 2002 Street Administration Proposed Tax Rate (Resident/Non-Resident)	Tax Rate After The Push For Tax Reform (Resident/Non-Resident)	Difference
2003	4.5000% / 3.9127%	4.5000% / 3.9127%	0% / 0%
2004	4.5000% / 3.9127%	4.4625% / 3.8801%	-1% / -1%
2005	4.5000% / 3.9127%	4.3310% / 3.8200%	-4% / -2%
2006	4.5000% / 3.9127%	4.3010% / 3.7716%	-4% / -4%
2007	4.5000% / 3.9127%	4.2600% / 3.7557%	-5% / -4%
2008	4.5000% / 3.9127%	4.2190% / 3.7242%	-6% / -5%
2009	4.5000% / 3.9127%	4.1690% / 3.6850%	-7% / -6%
2010	4.5000% / 3.9127%	4.0158% / 3.6046%	-11% / -8%
2011	4.5000% / 3.9127%	3.8626% / 3.5338%	-14% / -10%
2012	4.5000% / 3.9127%	3.7094% / 3.4659%	-18% / -11%
2013	4.5000% / 3.9127%	3.5562% / 3.3994%	-21% / -13%
2014	4.5000% / 3.9127%	3.4030% / 3.3237%	-24% / -15%
2015	4.5000% / 3.9127%	3.2500% / 3.2500%	-28% / -17%

\*Beginning January 1, 2005, rates were lowered at the beginning of the calendar year; prior to 2005, rates were lowered at the beginning of the fiscal year  
NOTE: All rates are legislated; additional reductions should result from gaming-funded tax reduction

The Mayor further cut the BPT Gross Receipts Portion...

Business Privilege Tax (Gross Receipts Portion)			
Tax Year	January 2002 Street Administration Proposed Tax Rate	Tax Rate After The Push For Tax Reform	Difference
2003	0.2300%	0.2300%	0%
2004	0.2100%	0.2100%	0%
2005	0.1900%	0.1900%	0%
2006	0.1750%	0.1665%	-5%
2007	0.1625%	0.1540%	-5%
2008	0.1625%	0.1415%	-13%
2009	0.1625%	0.1290%	-21%
2010	0.1625%	0.1165%	-28%
2011	0.1625%	0.1040%	-36%

\*The tax rates are legislated through 2008; from 2009 on, the rates are only planned

But we must address the Net Income Portion of the tax.

Business Privilege Tax (Net Income Portion)			
Tax Year	January 2002 Street Administration Proposed Tax Rate	Tax Rate After The Push For Tax Reform	Difference
2003	6.50%	6.50%	-
2004	6.50%	6.50%	-
2005	6.50%	6.50%	-
2006	6.50%	6.50%	-
2007	6.50%	6.50%	-
2008	6.50%	6.50%	-
2009	6.50%	6.50%	-
2010	6.50%	6.50%	-
2011	6.50%	6.50%	-

\*The tax rates are legislated through 2011

For information on reforms to make taxes on small and growing firms more fair and less burdensome, visit: <http://www.philadelphiaforward.org/content/>

## BUDGETWATCH: Makes Change, Budget Forecasts

BUDGETWATCH raises the level of public debate surrounding the city budget process. BUDGETWATCH commentaries pointed out wasteful spending, revealed millions of dollars "hidden" in the budget, and even put more police on city streets.

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A recent analysis predicted the city will end this fiscal year with at least \$75 million more than predicted in the budget. But, citizens won't have a say in spending the extra money.

Another BUDGETWATCH opinion detailed how, behind closed doors, the Mayor decided to reduce the number of city police officers when State Police commenced patrols of I-95 and I-76. But, many city and state officials assumed the state patrols

would allow the city to expand the number of police on the streets, not just maintain the same number. After BUDGETWATCH made the decision public, media representatives confronted the Mayor, who reconsidered and reversed his position.

BUDGETWATCH opinions are reprinted in *The Evening Bulletin*, and available on the *Philadelphia Forward* homepage: <http://www.philadelphiaforward.org/content/view/157/89/>

## Moving Philadelphia Forward: Meet Other Reformers



Philadelphia Forward Board Member Della Clark

Philadelphia Forward Board member Della Clark is moving Philadelphia forward. Clark is President of The Enterprise Center, which strives to be the world's premier accelerator of minority entrepreneurship.

The Enterprise Center, which hosted Philadelphia Forward's Forward Thinker Awards, offers initiatives centered on entrepreneurial development.

The Enterprise Center operates the U.S. Department of Commerce's Pennsylvania Minority Business Development Center, The Enterprise Center Capital Corporation, The Enterprise Center Community Development Corporation, two training courses, an award-winning youth entrepreneurship program, a global replication department, and a Magic Johnson/HP Digital Inventor Center.

Della, who has not lost her decidedly non-Fluffiya accent, lives in the East Falls section of Philadelphia.

# Real Estate Tax Reform: February 23<sup>rd</sup> Conference Set

*Philadelphia Forward* will host a conference on Real Estate Taxation issues in Philadelphia on Friday, February 23, 2007 at Temple University. The conference will bring together attendees including city and state elected and appointed officials, media representatives, representatives of community organizations, and city residents to discuss crucial issues surrounding Real Estate Taxation and the transition to "full-value" taxation.

At the conference, we will be able to place the issues we face into a larger context — what is right and wrong about Real Estate Taxation, how have other jurisdictions confronted issues we face in Philadelphia, and how have other jurisdictions implemented policies to make Real Estate Taxation fair and understandable.

We want the event to be informative, but we also want to stress participation and dialogue surrounding the ideas. We know neighbors are concerned; the conference will address those concerns.

So save the date and make plans to attend! In the meantime, *Philadelphia Forward* created an interactive internet resource to improve the debate on issues surrounding city Real Estate Taxation:

[www.philadelphiaforward.org/content/view/143](http://www.philadelphiaforward.org/content/view/143)

The tool uses example homes to illustrate unfairness in city Real Estate Taxation and show we can create an equitable and transparent system of Real Estate Taxation in Philadelphia. Also included is information about how we can help vulnerable homeowners pay their Real Estate Tax bills.

Visitors can also use *Philadelphia Forward's* Real Estate Tax Calculator to see how full-value reassessment and other policies could affect Real Estate Tax bills

on their homes or homes throughout Philadelphia: [www.philadelphiaforward.org/content/view/126/77/](http://www.philadelphiaforward.org/content/view/126/77/)

# Citizen/City Hall Compact: Who Will Sign On?

The Reformers' Roundtable has crafted a Compact setting forth what we demand of our city government, and what we can do for Philadelphia. The Compact includes:

- The Citizen Respect And Engagement Covenant — The workings of government should be open and understandable and the rules governing life in the city should be clear and fair. Our elected leaders should demonstrate respect for the citizenry and invite citizen involvement in the processes of government so that adopted policies favor the city as a whole, not special interests.

- The Public Participation And Fiscal Responsibility Contract — The City budget represents the most concrete expression of the citizenry's civic will. Our elected leaders should establish a process to create a City budget that encourages a true public debate about our collective priorities and the results we achieve through government spending.
- The Public Interest And Ethical Standards Pact — City government should work for the

citizenry. Our elected leadership should work for the public interest and establish and maintain the highest ethical standards in all public conduct.

- The Better Philadelphia Accord — A vision for the future is crucial for a successful city. Our elected leaders should communicate their ambitions for our city and their dreams for Philadelphia's future.

Watch for events to give candidates the opportunity to comment on the Citizen/City Hall Compact and their commitment to support the reforms that can move Philadelphia forward.

To download a draft of *Philadelphia Forward's* Citizen/City Hall Compact, visit: <http://www.philadelphiaforward.org/content/view/180/91/>

# Ethics Held Hostage...Ethically Challenged, Mayor Acts

Some 45 days after the legal deadline to do so, and moments before *Philadelphia Forward* and other organizations were to host a press conference to condemn his delay, the Mayor finally presented his nominees for membership on the Board of Ethics to City Council and the public.

The nominees: Pauline Abernathy, Richard Glazer, Richard Negrin, Stella Tsai, and Reverend Alyn Waller were approved by City Council



and have commenced their important work administering and enforcing ethical conduct in city government.

*Philadelphia Forward* and its Constituency For Change had to keep the pressure on until the Mayor finally did his job and respected the will of the voters. But, even the strongest Mayor in a Strong-Mayor form of government is no match for the power of public opinion!

The **FORWARD** Thinker

Philadelphia **FORWARD**

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*Philadelphia Forward* is a citizens' organization formed to build a diverse constituency for change to promote the policies that can make Philadelphia a vibrant city that is a preferred place to live, work, and visit.

For more information about getting involved with the push for reform, visit: [www.philadelphiaforward.org](http://www.philadelphiaforward.org)

## Philadelphia Forward Making News & Change

*Philadelphia Forward* continues to make news and extend the reach of its work through the local media. Here are a few highlights from recent attention the organization has received.

**Philadelphia** (*Philadelphia Magazine December*)  
THROW 'EM OUT! PHILLY'S POLITICAL  
REVOLUTION STARTS NOW:

"What kind of man sings "Respect" at City Council hearings, bombards the Mayor's BlackBerry with e-mails, and tries to sell the city's business privilege tax on eBay? Only one who's as deadly serious about reforming Philadelphia as Brett Mandel."

"We're the only city, now, with the expectation of a tax reduction built into the budget process, and we're debating whether it's ambitious enough," says Ed Schwartz, the former chairman of the Tax Reform Commission. "And there'd be nobody debating it if it wasn't for Brett Mandel."

**CITY PAPER CHOICE AWARDS 2006** (*Philadelphia City Paper Nov 2-Nov 9*) Best Trend in Local Politics: "With...Brett Mandel loudly chiding the mayor —

among many others — a grassroots power-reclamation movement has taken root amid the aged weeds of corruption and contentment. Finally."

**The Evening Bulletin** [www.TheEveningBulletin.com](http://www.TheEveningBulletin.com) Philadelphia Forward's BUDGETWATCH opinions are regularly reprinted in *The Evening Bulletin* read by thousands of readers.

**The Philadelphia Inquirer** (*Inquirer Editorial: Citizen of the Year Nominees, Dec. 30, 2006*) "Brett Mandel runs *Philadelphia Forward*, where he advocates for fiscal and political reform using Internet savvy, a grasp of how the city really works (fruits of his years in the City Controller's Office), and an in-your-face style."



Brett Mandel pictured in December's *Philadelphia Magazine* for an article titled "The Revolutionary"

**metro** Each Monday, readers of *The Philadelphia Metro*, the local version of the world's largest global newspaper, can find thoughts and opinions from members of *Philadelphia Forward's* Reformers' Roundtable on significant issues of the day.

**LEADERSHIP Philadelphia** Philadelphia, the nation's oldest community leadership program, named 101 "connectors" who exemplify high-quality leadership and concern for the common good. Among the top Philadelphia connectors: *Philadelphia Forward* Executive Director, Brett Mandel, and board members, Della Clark, Graham Finney, Sharmain Matlock-Turner, and David Thornburgh.

*Philadelphia Forward* is generating attention, but, much more important, we're making change. We *ARE* providing positive direction to move Philadelphia forward.