THE MINUTES OF THE 357TH STATED MEETING OF THE

PHILADELPHIA HISTORICAL COMMISSION

13 November 1991

City Council Caucus Room

Edward A. Montgomery, Jr., Chairman

Present

Edward A. Montgomery, Jr., Chairman
David Brownlee
David Hollenberg
Jason Nathan
Reverend William D. Thompson
Stephanie G. Wolf
Barbara Kaplan, Executive Director, City Planning Commission
James Cuorato, Commerce Department
Louis Einhorn, Deputy Commissioner, Department of Public Property
Scott Wilds, Office of Housing and Community Development
David Wismer, Deputy Commissioner, Licenses and Inspections

Maria Petrillo, Esquire, Deputy City Solicitor
Richard Tyler, Historic Preservation Officer
Randal Baron, Preservation Planner
Sara Jane Elk, Historical Research Technician
Daniel W. Simcox, Executive Secretary

Also

Hyman Myers & Simon M. Langberg, Vitetta Group
Theodore Garrison, Pennsylvania Convention Center Authority
William Burke, Philadelphia Art Commission
Samuel Rappaport
Wil Wes Rappaport
Morris Hershman, counsel, Victory Investments
Captain Nathaniel Carr, Philadelphia Fire Department
Paul Uyehara, Esquire, Law Department
Kent A. Main, Reaves C. Lukens Company
Elliot Rothschild, AIA, Cassway-Albert Architects
Howard Kittell & Gray Smith, Preservation Coalition
William Blades & Donna Harris, PHPC
Don McNeil, Perth-Addison Park
John McGaw, Department of Public Property
Richard W. Thom, Old City Civic Association
Kevin F. Donohoe, The Kevin F. Donohoe Company, Inc.
Sandra Garz and William Becker, Foundation for Architecture
Carol Baer & Peter Dobrin, American Institute of Architects
Larry Dichter, South of South Neighborhood Association
Ruth Dugan, Society Hill Civic Association
Matthew Larsen, Central Philadelphia Development Corp.
Doug Veith, University of Pennsylvania

Mr. Nathan, presiding in the absence of Mr. Montgomery, called the meeting to order and announced the presence of a quorum.

The Minutes of the 356th Stated Meeting of the Philadelphia Historical Commission, held 9 October 1991, Edward A. Montgomery, Jr., Chairman. A motion to adopt the minutes made by Mr. Wilds and seconded by Mr. Brownlee, received unanimous approval.

The Report of the Architectural Committee of the Philadelphia Historical Commission held 31 October 1991, David Hollenberg, Chairman. The Committee forwarded four recommendations for approval, one for disapproval and a three-part recommendation for final plans for the adaptive reuse of the Reading Terminal.

As the Commission received the written Report of the Committee prior to the meeting, Mr. Hollenberg briefly reviewed four projects for which the Committee recommended approval:

> Jacob Reed Store, 1424-1426 Chestnut Street: The Committee recommended approval of a proposal to install a banner extending from within a central arch, provided that the pole is affixed to brick and not to the Mercer tile of the arch.
>
> City Hall: The Committee recommended approval of final plans for alterations required for compliance with the Fire Code. Mr. Hollenberg abstained from consideration of this matter.
>
> Strawberry Mansion Bridge, Fairmount Park: The Committee enthusiastically recommended approval of plans to establish a public promenade on this structure.
>
> Arch Street Presbyterian Church, 1726-1732 Arch Street: The Committee recommended approval of a proposal to install a fence, with a simplified profile, and gate at the base of the stairs of this church.
>
> Mr. Wilds seconded the preceding four recommendations for approval and the Commission adopted them unanimously. Mr. Hollenberg abstained from the vote on City Hall.

The Committee also forwarded one recommendation for disapproval.

> **758 South Front Street:** The Committee recommended disapproval of the proposed reconstruction of a brick wall until the applicant submits photographs and drawings which document the wall and demonstrate that an accurate reproduction of the existing wall will be built.
>
> Mr. Hollenberg noted that these materials were submitted after the meeting and were satisfactory. **Mr. Hollenberg**

then made a motion to approve this project, contingent upon two conditions:

- **that the applicant provide photographs of the wall prior to its demolition; and**
- **that the applicant obtain staff approval of the new brick and a test patch before reconstructing the entire wall.**

Mr. Nathan seconded this motion, which the Commission adopted unanimously.

At this time, Mr. Montgomery assumed the chair. Mr. Hollenberg proceeded to a three-part recommendation for final plans for the adaptive reuse of the Reading Railroad Terminal as the Pennsylvania Convention Center.

Reading Railroad Terminal, 1115-1141 Market Street: Mr. Hollenberg referred to the comprehensive background included in the written Report, specifically pointing out the discussion of the retention of the upper light monitor. Reading a section of the minutes of the 351st Stated Meeting of the Commission, he stressed:

[The Committee's] primary reservation regarded the proposed removal of the top, gabled light monitor, sometimes called the "doghouse."....[It] is a signature element of the trainshed's profile. The Committee strongly recommended its disapproval....

At the meeting of the Historical Commission...[project architect Thomas] Ventulett indicated his concurrence with the Committee regarding the top light monitor. However, he noted that preserving this structure...will increase construction costs an estimated $230,000. It will also add to long-term maintenance costs....[The Commission] noted that [it] had been flexible in its review and that this feature was highly visible and worth preserving. [It also] stressed the value of this...monitor to the "fifth facade," the roof, especially for those people who most often view the Terminal from offices in taller buildings. **The Commission agreed with its Architectural Committee and strongly urged the retention of this structure.**

Harsh words of disapproval were not used because of the project architect's acknowledgement of the importance of this feature and the general tone of conceptual review. Even so, the message was clear. **On 26 November 1991, the Committee unanimously recommended disapproval of the request to remove the upper light monitor, unless such removal is part of a project to restore it.**

Mr. Nathan seconded the recommendation.

Hyman Myers, preservation consultant for this project, expressed his disagreement with the Committee on the issue of retention of the upper light monitor. In simplest terms, he stated that there is no money left for the monitor's reconstruction. The wood on the southern run of this structure had deteriorated sufficiently and already had been removed. Presently, only its metal frame remains.

Richard Tyler indicated that bids for the project had not been received as yet. Therefore, no one could determine if there was sufficient money for this part of the project. Mr. Myers submitted that estimates for the exhibition hall were less than one-half percent different from the actual bids. Mr. Tyler reiterated that, until the bids were opened, statements regarding finances were uncertain.

Jason Nathan expressed disbelief that there was no money for this small part of a multi-million dollar project, especially as it was the only major issue consistently raised by the Commission. He would not sit idly, like a potted plant, and accede to this argument in spite of a clear record on this issue.

Mr. Myers indicated that restoration of the upper monitor would cost $250,000. The work included in the base bid ensured the preservation of the building. All other items, including some as significant as the ballroom, had been sent out for bid as alternates.

Messrs. Wilds and Nathan insisted that it was not credible to expect that the ballroom would not be completed.

Mr. Hollenberg stressed that neither the Committee nor the Commission ever gave a sign that it would be acceptable to remove the upper monitor. There was no reason that it should have been treated as an alternate; it should have been part of the base bid. It's an integral part of the both the silhouette and "fifth facade" of the building. Further, Mr. Hollenberg objected that the alternates had not been given any priority. David Brownlee supported these comments, adding that the Commission had been flexible in its review.

Hy Myers indicated that the architects had added many features, at considerable expense, which were not required by the Convention Center. He particularly noted that no features had been simplified. Mr. Myers suggested that when bids arrive, that a joint committee of the Art and Historical Commissions sit down to discuss and select alternates.

Mr. Hollenberg objected to this proposal. Though well intended, it would place the two commissions in the role of client. He suggested, rather, that any such committee meet after the Authority decided which alternates were feasible.

James Cuorato introduced his remarks by reminding the other members of the Commission that, in addition to his responsibility toward preservation, he represented the Commerce Department. He noted that the project has proceeded well to this point and that the Architectural Committee has been flexible, particularly for a National Historic Landmark. The Authority and the City have an absolute commitment to keep this project on schedule. That is the reason for so many alternates. The Committee report conveys a clear recommendation for approval subject to the inclusion of the upper light monitor. When bids arrive, there will be difficult decisions. Until then, he urged approval, contingent upon retention of the monitor.

Gray Smith spoke on his own behalf, noting his longstanding criticism of this project. One of the driving reasons for building the convention center on this site was that it represented an opportunity to restore the trainshed. Therefore, he strongly opposed the removal of this signature element.

Mr. Hollenberg repeated the recommendation of the Architectural Committee to disapprove the request to remove the upper light monitor, unless such removal is part of a project to restore it. Mr. Wilds seconded the motion, which was approved unanimously by the Commission.

Mr. Hollenberg made a second motion, to approve the remainder of the proposal. Mr. Brownlee seconded this recommendation, which the Commission adopted unanimously.

Mr. Hollenberg made a third motion, to allow a temporary installation of a vent, necessary to air condition the hallway through the easement in the Headhouse, in the existing restored storefront on the Market Street facade. Upon inquiry, he further explained that this alteration was necessary because the Authority only had an easement through the Headhouse at this time. Mr. Hollenberg, whose firm designed the existing entrance several years ago, abstained from the vote of the Committee and the ensuing vote of the Commission. Mr. Nathan seconded this recommendation, which the Commission adopted unanimously.

Old Business
The Victory Building, 1001-1013 Chestnut Street
Demolition permit application. Mr. Tyler briefly introduced this application. The Commission designated the Victory Building as historic in 1972. Samuel Rappaport acquired the building, through a partnership, in 1974. The building was entered on the National Register of Historic Places in 1980 and listed on it once more as a significant building in the Center City East Historic District in 1984. For various reasons, the owner did not rehabilitate it during the 1980s, a period of significant economic development and preservation spurred by generous tax credits. Though he would review the application in greater depth later in the meeting, Mr. Tyler noted that in September 1991, Mayor W. Wilson Goode selected an ad hoc Committee to explore yet further the prospects for rehabilitation of the Victory Building. Throughout the review, the key to solving this problem has been to find a developer, a financial institution and a tenant willing to commit to rehabilitation. In its search, the Mayor's Committee on the Victory Building placed advertisements, with the owner's permission, in the New York Times and The Wall Street Journal. The Commission retained the Reaves Lukens Company to appraise the building's current value. Neither the report of the Mayor's Committee nor the appraisal were encouraging. As late as 10 November, Tyler was prepared to report to the Mayor that our efforts had not succeeded. However, several new facts changed his perspective. On November 10, the president of Thomas Jefferson University [Jefferson] submitted a letter, which read in relevant part:

> Jefferson has been concerned about this building for many years. We're well aware of both its architectural significance and its present poor, unsafe, unattractive condition. Many of our patients and visitors have commented about both conditions.
>
> In the past, several attempts have been made to determine the feasibility of restoring the building. At present, the University is simply not willing or able to fund such a restoration/rehabilitation. Our present feelings are that we would be willing to consider relocating our extra-campus office space into a restored Victory Building, providing the rental costs would reflect the market place.

After reading this letter, Tyler spoke with Kevin Donahoe, who expressed interest in developing the property. Further, in the past, the Pennsylvania Manufacturers' Corporation [PMC] expressed interest in participating in the financing of such a venture. Late yesterday, it appeared that the key players had emerged: a developer, financing institution and a tenant. Tyler added that senior City officials expressed a willingness to consider local tax incentives to encourage rehabilitation of this building. He stressed that this statement did not guarantee a commitment from the City. However, based on the totality of this information, he suggested that all interested parties meet to discuss this possibility and return in the spring with some resolution.

Kevin F. Donahoe, a commercial developer, expressed interest in developing the Victory Building. He previously worked with Mr. Rappaport for more than a year and conducted feasibility studies for an array of uses, including medical offices. At that time, he concluded that rehabilitation was not viable without a tenant. The missing factor seemed a commitment from Jefferson, a natural tenant given their location across the street and recent expansion. If Jefferson and PMC would meet to discuss this proposal, then he felt confident that rehabilitation was possible. The Hospital, given its tax exempt status, could use tax refinancing to subsidize redevelopment costs. This possibility, however, depended on a commitment from Jefferson.

Morris Hershman, counsel to owner Samuel Rappaport, asked how Mr. Donahoe reconcile his present testimony with his earlier statement that "the project is economically not viable....even with zero cost for the existing building and land." Donahoe admitted that that statement reflected his opinion in September 1990. However, the prospect of a Jefferson as tenant changed the scenario. Again, he stressed the importance of ensuring the Hospital's commitment.

Captain Nathaniel Carr, Assistant Fire Marshall, raised several public safety concerns. Based on an inspection that morning, he informed the owner of a hazard posed by an opening above the security grate, which may allow entry of an incendiary device. Carr also mentioned a need to secure shutters on the rear of the second floor. Vandals could readily gain entry through these windows via a ledge which extends along the 10th Street side around to the rear. The Fire Department urged the owner to make these reasonable repairs as soon as possible.

Gray Smith, Chairman of the Advocacy Committee of the Preservation Coalition of Greater Philadelphia, lauded the unanticipated expressions of interest by Kevin Donahoe and Jefferson. Given the overwhelming significance of the building and its relatively good condition, Smith urged the Commission to defer action.

Morris Hershman asked Smith, if the permit were approved, whether the Coalition would appeal this decision. Mr. Smith responded affirmatively, but stressed that he would prefer to work with the owner in a cooperative manner rather than to assume an antagonistic role. Mr. Hershman suggested that their appeal would afford adequate time to negotiate any deal which might result in the rehabilitation of the Victory Building. He added that all parties who expressed interest just this morning have been aware, for more than a year, that the Victory Building was available and that a demolition permit had been submitted. He dismissed the preceding testimony as a delay tactic.

After noting that the heightened attention to the building may save it, Commission counsel Maria Petrillo advised the Commission that the issue before it was consideration of a demolition permit application for the Victory Building. Talk of appeals or litigation was pure speculation. Today, the Commission must take action. The maximum six month deferral permitted by the ordinance had been exhausted. Unless Mr. Rappaport agreed to allow the Commission to table the matter, a decision was required. In its deliberations, the Commission could weigh:

- the issue of financial hardship, as reflected in the appraisal by Reaves Lukens, the report of its Committee on Financial Hardship and the Report of the Mayor's Committee;
- the historical significance;
- the record of violations and concerns of both the Department of Licenses and Inspections and the Fire Department;
- the purpose of the ordinance and other public policy concerns;
- the proposal for redevelopment of the site;
- as well as the new information submitted by Thomas Jefferson University and Kevin Donahoe.

Ms. Petrillo noted that this new information cast the claims of economic hardship in a different light. Yet, in fairness to the applicant, she indicated that Mr. Rappaport had been cooperative in addressing recently stated concerns. The Commission should weigh all of the above, as well as other information submitted. Yet, the Commission must decide.

Samuel Rappaport, owner, conveyed his preference for a vote and intimated that Mr. Tyler suggested that the permit would be approved. Though Mr. Rappaport still wanted to see the building restored, he could not continue to bear its costs. Though he hopes that this eleventh hour attempt to save it succeeds, he stressed that Mr. Donahoe stated only a year ago that the project was not viable. Rappaport indicated that, if the Commission approved the permit, he would not demolish the building so long as there was a genuine commitment for rehabilitation. To date, none have been made. Rappaport urged the Commission not to defer. If a deferral lasted until April, then the Coalition appealed this action, the whole process could drag on for years, while he continued to pay taxes, interest and liability for the building. Regarding the Fire Department's request to weld the rear shutters, Mr. Rappaport indicated that he had done so, and that vandals had broken through them.

Ned Montgomery first stressed that Mr. Tyler could not have predetermined the Commission vote. He also reinforced that discussion of an appeal was mere speculation. Acknowledging the owner's request for a vote, Mr. Montgomery asked Mr. Tyler to review, in more detail, the record of this application.

Richard Tyler reminded the Commission of those concerns which may weigh into its deliberations on the demolition request. First, he noted that financial hardship requires proof of three points: that reasonable reuse had been precluded, that the owner could not obtain a reasonable rate of return on his investment, and that sale of the building was impracticable. Financial hardship, then, could be weighed against the significance of the building, the purpose of ordinance, and plans for redevelopment of the site. Further, in weighing these matters, the Commission could consider the testimony of Mr. Donahoe and the written expression of interest by Jefferson.

First, Mr. Tyler presented an overview of the historical significance of the building, accompanied by slides. The Victory Building was erected in 1873 of a design by Henry Fernbach for the New York Mutual Life Insurance Company; the company remained until 1920. Three floors were added in 1890-91. The building stands second only to City Hall as an example of the Second Empire style. It is an extraordinary survivor of this style and a monument to the historic commercial architecture of Chestnut Street. The Philadelphia Historical Commission designated it in 1972. It was entered on the National Register in 1980 and also included as a significant building in the Center City East Commercial District which was placed on the National Register in 1984. The significance of the building is considerable.

Tyler then reviewed a chronology of the pending demolition permit application. In September 1991, the Committee on Financial Hardship determined that hardship had been demonstrated for the building despite several flaws in the submissions and reports. On 11 September, the Commission voted to defer action until 13 November to allow the Mayor's Ad Hoc Committee to examine yet further the possibility of preserving this important landmark. The Mayor's Committee placed advertisements in the 17 October 1991 national editions of the New York Times and Wall Street Journal. These articles generated three telephone calls, none of which were promising. Another call from a Chicago developer who suggested redevelopment for low and moderate income housing also seemed unlikely.

Upon request of the Commission, the Reaves Lukens Company appraised the property. They found that it had a market value of $3.3 million, that the total acquisition and office/retail rehabilitation costs would amount to $20,408,630, requiring a rental rate of $32.09 per square foot. This rate exceeds that of the Bourse and other comparable buildings. The appraisers concluded that this use lacks viability. Re-use as a medical office would entail greater construction costs and a higher rent.

Mr. Tyler also mentioned that he worked with architect Eliott Rothschild to prepare a conceptual plan for adaptation of the building as an hotel. Arena Construction estimated construction costs for this design of $20,033,000. With an acquisition costs of $5.5 million, asbestos abatement and use of the ITC, the total becomes $24,834,216; this cost does not include furnishings and the various expenses associated with hotel marketing and development. Depending on room size, the building could accommodate between 108 and 130 rooms and suites. Assuming 120 room, an acquisition cost of $5.5 million and construction without the special requirements for hotel development, the cost per room amounts to $206,952. This requires an average rental of $207 per night. Using the appraised value of $3.3 million for acquisition cost, the construction per room falls to $186,327 and the room charge to $186. In October 1991, a good month for hotels, the Omni, Sheraton, Ritz and Bellevue had an average occupancy of 75% at $121.50 per night. The Victory Building, therefore, is probably too small for a hotel chain and too large for a specialized hotel operator.

As of 10 November, efforts to preserve the Victory Building had not been fruitful. Then, Jefferson and Mr. Donahoe offered hope. Mr. Tyler regarded the letter from the former and the earlier testimony of the latter as facts which could be weighed into consideration of this demolition request.

Barbara Kaplan offered her perspective on this submission. She contrasted this case with the Jayne Estate Building and the stores on the 900 block of Chestnut Street which were purchased prior to designation. Mr. Rappaport acquired the Victory Building with full knowledge of its historic significance. During his ownership, as shown by the compilation of violations, he has not maintained it well, by any standards. Following a fire in 1982, there remain questions why the insurance money was not used to repair the building. Mr. Rappaport claims that his plans were impaired by the City, which would not permit encroachment on to the sidewalk. Yet, he never presented any serious plans. As recent as two years ago, his suggestion had been discussed; though she offered to meet with the architect, Mr. Rappaport did not follow up on this offer. The current condition of the building was the result of demolition by neglect. The opportunities available during the 1980s, when income tax credits offered a significant incentive for preservation, were lost. Further, she indicated that there has not been an attempt to sell the building at its true value. He has clearly not proven that sale was impracticable, because he never offered it at a price equal or less than fair market value. Ms. Kaplan concluded that hardship had been self-imposed.

Samuel Rappaport addressed several of the preceding points. He indicated that he was not aware the building was designated as historic when he acquired it. Regarding rehabilitation prospects in the 1980s, he maintained that he had tried. In 1982, he was prepared to install sprinklers. Then, the building suffered a fire; the sprinklers would not have prevented the damage which occurred. He added that there was little damage to the bricks and mortar. From the insurance company, they received approximately $300,000. Though he tried to rehabilitate it, his partners prevented him. He took them to court to obtain sole ownership of the property. Once he acquired it, his attempts to develop the property were blocked by the City's resistance to his proposal to encroach onto the sidewalk to the degree the building previously had. About a year ago he obtained approval for this proposal. A construction estimate for this work, from Chip Durrell, that entailed only renovation of the first floor and did not include addressing other problems and violations, was $3.3 million. [Elliot Rothschild of Cassway-Albert Architects later noted that these estimates for rehabilitation entailed more than the ground floor. Preparing the retail level for occupancy also required waterproofing the building, new roofing and other substantial work.] Mr. Rappaport deemed this cost prohibitive and dropped the project. He approached Jefferson and PMA, though neither have expressed interest. He has tried for a long time to rehabilitate the building, with no success. Therefore, he urged the Commission not to defer action until April, because if the Coalition subsequently appeals the decision in the spring, the case will extend another year. He maintained that he had not neglected the building, but had been hampered by his former business partners and the City. The building has been subject to constant vandalism and as a result, has received the vigilant attention of the Department of Licenses and Inspections. Today, the Victory Building is not so severely deteriorated that it could not be rehabilitated; the problem remained that it was not economically feasible.

Scott Wilds requested that Mr. Rappaport clarify a few points. First, when the partnership of Victory Investments acquired the property in 1974, it paid $1.15 million. At that time, he retained a 37.5 percent share of the partnership. When Mr. Rappaport bought the building from his partners, he paid $5.5 million, which gave him a 25% share from Ted Snyder and a 37.5% share from Stein and Silverman. Mr. Rappaport added that he also had to pay other obligations and debts of the building which raised the price to nearly $6 million. Wilds then asked if a mortgage was obtained. Rappaport responded that he obtained a mortgage, after acquiring the property, for $6 million. Mr. Wilds then noted that of this amount, Mr. Rappaport had owned a

37.5% share, which would have allowed him to retain $2.3 million of this mortgage for himself. Mr. Wilds asked if this money was used to make necessary repairs to the building. Mr. Rappaport responded that he used his share to pay interest on a loan obtained to acquire the building. Though he owned the building, his efforts to rehabilitate were fruitless. Meanwhile, he still had to pay taxes, insurance and other bills on the property as well as interest on his loan. Further, vandalism brought considerable attention and repeated violations from Licenses and Inspections. Mr. Rappaport added that the telephone company also filed suit against him for $55,000 because their wires were disturbed in the basement of the building. Mr. Wilds concluded that, as with the case of the insurance payment from the fire, Mr. Rappaport did not invest money marked for the building for its maintenance, allowing it to deteriorate. Mr. Rappaport stressed that he has not removed any money from this property. To the contrary, he has fed it money for nine years. Mr. Wilds once more pointed out that money had been available for the building, but not used for its maintenance.

Sandra Garz, Director of Civic Issues for the Foundation for Architecture, submitted a letter which was entered into the record. The Foundation urged the Commission to deny this demolition request for the following reasons: the Victory Building remains one of the finest surviving examples of the Second Empire mode of architecture in the United States; the hardship claimed by the owner does not meet the three-part test outlined in the preservation ordinance, and that the expression of interest by Kevin Donahoe and the letter from the president of Thomas Jefferson University contradict the owner's position that "there is no reasonable reuse consistent with preservation," or that "the sale of the property is impracticable."

William Blades of the Philadelphia Historic Preservation Corporation reinforced the comments of the Foundation. Mr. Blades indicated that he had spoken to several developers who worked with Mr. Rappaport to try to develop the building. Their efforts were stopped by an inability to arrive at acceptable terms with Mr. Rappaport.

Donna Harris, speaking on her own behalf, expressed pleasure with the expressions of interest by Jefferson and Mr. Donahoe. She then conveyed particular concern that the Commission and its staff gave too little weight in the consideration of demolition permits to the architectural significance of a building. In the present case, the historic significance as well as the owner's longstanding record of neglect warrant denial of his request. Ms. Harris submitted written testimony for the record.

Howard Kittell, Executive Director of the Preservation Coalition, submitted written testimony and spoke in opposition to the demolition request. He stressed the historic significance of the building, the insufficient documentation of efforts to redevelop the property and that any hardship incurred by the applicant has been self-induced.

Don McNeil speaking on his own behalf suggested that Mr. Rappaport did try "in his worst way" to preserve the Victory Building. Mr. McNeil expressed concern that the many other historic buildings owned by Mr. Rappaport may suffer a similar fate. Yet, he conveyed delight that there may be hope to rehabilitate the Victory Building and suggested that it may serve as a symbol across Philadelphia for renewed optimism.

Mr. Rappaport expressed pleasure to learn that so many people were interested in the building, having heard little expressed for more than nine years. He claimed that he did not neglect the building, yet, he refused to throw money away on band-aid repairs that would not render it ready for occupancy. He had approached Jefferson on numerous occasions, but they never expressed interest. Mr. Donahoe, who is now convinced that the building can be developed, said just last year that it was not viable. Mr. Rappaport stressed, however, that he still wanted to see it rehabilitated, and would wait until April to act on a demolition permit, if one were granted. He submitted that those who would not trust him with such a permit, simply did not know him. He urged the Commission to approve his request, even if it was made contingent upon further negotiation and further delay.

Stephanie Wolf expressed difficulty accepting Mr. Rappaport's request that the Commission trust him with a demolition permit. Having heard him already justify demolition, she advised against acceptance of his request.

David Wismer indicated that, through consideration of the entire record, he remained concerned with public safety. His review, absent the past 24 hours, would lead him to suggest allowing demolition. He accepted the findings of the appraisal and stressed that Jefferson states only that it would be interested in occupancy at market rates. It did not indicate that it would remain interested if the rates were comparable with those suggested by the appraisal. He proposed allowing demolition, contingent upon a moratorium on action until April 1, 1992.

Jay Nathan stated that, in this case, he could not disregard the statements by Jefferson and Donahoe. The building possesses such historic significance that if there remains a chance to preserve it, the Commission should explore every last possibility. He added that it was inappropriate to approve demolition to start an appeal process and to force a civic association to bear the burden of a law suit. He regarded Mr. Donahoe's statement sincerely and felt that Jefferson may be able to undertake this project. Nathan stressed that the Hardship Committee had acted appropriately in arriving at its determination. The Commission, however, maintained a broader responsibility. He contrasted this request to those for the Jayne Estate Building and the stores on the 900 block of Chestnut Street. In those buildings, he saw no prospect for reasonable reuse. He did not consider himself one to stand in the way of the bulldozer before any building, yet he would oppose this demolition request, given the record.

David Brownlee acknowledged a sincere concern for public safety, but stressed that he was not convinced that the owner had not been the source of all his own problems. Brownlee suggested that the building stands as testimony to the owners' intentions.

Upon request of Louis Einhorn, Ms. Petrillo explained that the applicant may take an appeal of this decision to the Board of Licenses and Inspections Review. She added that Mr. Hershman may attempt to appeal through other avenues.

Mr. Tyler offered a recommendation. On the record before the Commission, including the letter submitted by Thomas Jefferson University and the statement by Kevin Donahoe, there was not a demonstration that "all reasonable reuses had been precluded," nor was it clear that the building could not provide its owner with a "reasonable rate of return." As such, Mr. Tyler recommended denial of the permit without prejudice to any future submission.

Ms. Petrillo noted that even though substantial evidence had been presented for a demonstration of financial hardship, the studies included neither the federal income tax credit nor any local tax relief. She reinforced that the applicant could re-submit an application, relying in substantial part on materials presently before the Commission, if the expressions of interest did not manifest in feasible rehabilitation.

Mr. Hershman again requested that the Commission approve the permit contingent upon a condition that demolition not proceed before 1 April 1992. That action would place all parties who have expressed interest under pressure to act expediently. He stressed that the building posed a threat to public safety and that rehabilitation costs, even without consideration of the acquisition cost, were prohibitive. All of the building systems require replacement and the building layout is impractical. In the current economic climate, the prospects for the Victory Building are even worse.

Gray Smith once more announced that the Coalition would help the City to defend an appeal by Mr. Rappaport. Ms. Petrillo stressed that this statement was wholly irrelevant to the matter before the Commission. The Commission acknowledged that their decision relied on the facts before them.

Mr. Nathan made a motion to deny the request for a demolition permit based upon the record before the Commission, including the letter submitted by Thomas Jefferson University and the statement by Kevin Donahoe, that there was not a demonstration that "all reasonable reuses had been precluded," nor was it clear that the building could not provide its owner with a "reasonable rate of return." Mr. Wilds seconded this motion. The Commission voted unanimously to deny the demolition permit application. Mr. Hollenberg abstained.

Following the vote, Mr. Rappaport expressed his intent to meet immediately with Thomas Jefferson University Hospital and the Pennsylvania Manufacturers' Corporation to rehabilitate the building. He noted, however, that he must proceed with alternative strategies to address the problems this building poses for him. In response to Mr. Wilds suggestion that he could emerge a hero from this process, Mr. Rappaport responded that he hoped the Victory Building would emerge the hero.

The Report on Staff Activities, October 1991, Richard Tyler, Historic Preservation Officer. The Pennsylvania Supreme Court heard reargument in the matter of United Artists' v. City of Philadelphia, Philadelphia Historical Commission on 23 October 1991. Ms. Kaplan inquired into the status of a demolition request for Knowlton, a mansion in Northeast Philadelphia designed by Frank Furness. Though a site visit was suggested, Mr. Tyler indicated that one had been taken and that the staff would present slides at the next Commission meeting. **A MOTION to adopt the report, made by Mr. Hollenberg and seconded by Mr. Brownlee, was approved unanimously.**

There being no further business, the Commission adjourned.

Respectfully submitted,

Daniel W. Simcox,
Executive Secretary