THE MINUTES OF THE 577TH STATED MEETING OF THE PHILADELPHIA HISTORICAL COMMISSION

10 SEPTEMBER 2010
ROOM 18-029, 1515 ARCH STREET
SAM SHERMAN, CHAIR

PRESENT

Sam Sherman, Chair
Leslie Benoliel
Duane Bumb, Commerce Department
Richard Dilworth, III, Ph.D.
Dominique Hawkins, AIA, LEED AP
Rosalie Leonard, Office of City Council President
John Mattioni, Esq.
Daniel Quinn, Department of Licenses & Inspections
David Schaaf, Philadelphia City Planning Commission
Joan Schlotterbeck, Department of Public Property
Robert Thomas, AIA
Scott Wilds, Office of Housing & Community Development

Jonathan Farnham, Executive Director
Randal Baron, Preservation Planner III
Erin Cote, Preservation Planner II
Jorge Danta, Historic Preservation Planner II
Karen Gonski, Administrative Technician
Rebecca Sell, Historic Preservation Planner II

ALSO PRESENT

Joseph Lukach, Executive Director, Siloam
Marion Harrington, Siloam
Lori Curtis, Siloam
John Gallery, Preservation Alliance
Marissa Parker, Esq, Stradley Ronan
Kevin Boyle, Esq, Stradley Ronan
Bevan Lawson, PE
John Frondorf, Becker & Frondorf
Sarah McEneaney, Callowhill Neighborhood Association
Amy R. Hooper, Callowhill Neighborhood Association
Sr. Maureen Lowry, Siloam
Sr. Cathy Maguire, Siloam
Susanne Cassidy, Siloam
Cyndi Gutierrez, Siloam
Bernadette Kinniry, Siloam
Steven Brown, Siloam
Jean Kirk, Siloam
Ariana Dreley, Siloam
Marcel Belisse, Siloam
Carla Blackwell, Siloam
Trish DiPietrae, Siloam

Michael Ragne, Siloam
Zak Hagert, Siloam
John Rosato, Siloam
Michael Byrne, ActionAIDS
Matthew Teter, Calcutta House
Marlene Soelle
John Struble, Callowhill Neighborhood Association
Aaron Matzkin, Rotisseur
Jeff Croysten, Diasam
Ursinio Nunez, TMC Nunez
Frank Patterson
Sandra Andino
Andrew R. Palewski
Dorothy Krotzer
Tuval Shlomo
Susan M. Davis
Tim Cwiek, Gay News

CALL TO ORDER

Mr. Sherman called the meeting to order at 9:00 a.m. Commissioners Benoliel, Bumb, Dilworth, Hawkins, Leonard, Mattioni, Quinn, Schaaf, Schlotterbeck, Thomas, and Wilds joined him.

MINUTES OF THE 576TH STATED MEETING OF THE PHILADELPHIA HISTORICAL COMMISSION

ACTION: Ms. Hawkins moved to adopt the minutes of the 576th Stated Meeting of the Philadelphia Historical Commission, held 13 August, 2010. Ms. Leonard seconded the motion, which passed unanimously.

DISCUSSION OF CONSULTANT TO REVIEW FINANCIAL HARDSHIP APPLICATIONS

Mr. Farnham explained that, during last year's review of the Rules & Regulations, the Commission discussed amending the process for the review of financial hardship applications, but decided that the review should be deferred to another day, after more study. Following that discussion, the Preservation Alliance hired a consultant to review the Commission's hardship procedures and make recommendations regarding their reform. That consultant, Dominique Hawkins, was subsequently appointed to the Commission. She has not yet issued her report, but it should be issued shortly. Also following that discussion, the Preservation Alliance began discussions with City officials, especially Deputy Mayor Alan Greenberger, about how the City might support the Commission in its review of hardship applications, which can be complex and can call for expertise exceeding that of the staff. The Deputy Mayor, who occupies two seats on this Commission, the seats filled by designees David Schaaf and Sara Merriman, has agreed to provide funding to the Commission, funding that the Commission does not have in its budget, to hire an independent expert consultant to assist with the review of hardship applications much in the same way that the Commission has hired independent engineering consultants to assess buildings that may be dangerous. To secure this funding and place a hardship consultant on retainer, the Deputy Mayor has requested that the Commission adopt a resolution committing to employing a consultant whenever it receives a hardship application. The consultant would be an expert in real estate, development, construction, rehabilitation, preservation and subsidy and grant programs such as the federal tax credits. This resolution could then serve as a prelude to an amendment to the Rules & Regulations, which would be discussed in full at subsequent meetings. The resolution should state that the Commission would retain an expert consultant, that that consultant would be on call and review all hardship applications, present a written report to Commission on every demolition hardship application, and would appear before the Commission and its advisory committees to discuss findings presented in the reports.

Mr. Sherman expressed his support for the resolution. He stated that, as the chair of the Committee on Financial Hardship, he knows that hardship applications can be complex and can call for specialized expertise to analyze. He reported that he has spoken with the Deputy Mayor about this initiative and wholeheartedly supports it. He asked his fellow Commissioners to resolve to support it.

Mr. Mattioni suggested that the Commission had not had sufficient time or materials to study the proposal. He stated that he could not determine whether an outside expert should be routinely retained without additional information. He asked his fellow Commissioners to postpone the matter for additional study and consideration.

Mr. Farnham stated that the retention of outside consultants was commonplace in the Commission's past, when it had more funding. Consultants were retained to review financial hardship applications, assess conditions of buildings, and for other tasks that required specific expertise.

Mr. Wilds, who has been a member of the Committee on Financial Hardship for many years, agreed that the Commission did, in the past, retain consultants to assess hardship applications. He contended that making the hiring of a hardship consultant standard as opposed to ad hoc will bring fairness and consistency to the process. He asserted that it was a fine idea and asked the Commission to support it.

John Gallery of the Preservation Alliance stated that he has background in real estate analysis, but often finds the applications replete with technical information that requires significant expertise to undertake the complex analyses. A consultant will assist Commission with these applications. He urged to adopt the resolution.

ACTION: Mr. Schaaf moved that the Historical Commission resolve henceforth to retain the services an independent expert consultant:

- to serve in an on-call capacity;
- to analyze all demolition permit applications claiming that a building or structure cannot be used for any purpose for which it is or may reasonably be adapted;
- to report to the Commission on the merits of each application; and,
- to testify before the Commission and its advisory committees about the findings.

Mr. Wilds seconded the motion, which passed by a vote of 11 to 0. Mr. Mattioni abstained.

COMMENT ON NATIONAL REGISTER NOMINATIONS

GREENBELT KNOLL HISTORIC DISTRICT

Owners: Various
Nominators: Charles Fuller & Arthur Friedman

OVERVIEW: The proposed Greenbelt Knoll Historic District is located in the North East section of Philadelphia along Holmes Avenue and adjacent to Pennypack Park. The district is proposed under criteria A, B and C for (Social History and Architecture). The district as proposed to the National Register was designated to the local Philadelphia Register of Historic Places on 6/9/2006. The proposed district will have 18 houses, all single family residences. The entire development was constructed between 1955 and 1956. All the houses are one-story Modern style single family homes. The development was the first racially-integrated suburban type development in the City of Philadelphia. It is associated with Morris Milgram, developer and civil rights advocate and the architectural firm of Montgomery & Bishop with the assistance of Louis I. Kahn. The proposed district also meets the registration requirements for "Resources associated with African American settlement Patterns and Housing" in the "MDPF (Multiple Property Documentation Form) The Legacy of African Americans in Pennsylvania 1644-1965". The staff reviewed the application for the proposed Greenbelt Knoll Historic District and concludes that the proposed district meets criteria A, B and C (Social History and Architecture) and should be listed on the National Register of Historic Places. The staff recommends that the Commission endorse this application and send a positive recommendation to the Pennsylvania Historical & Museum Commission.

DISCUSSION: Mr. Danta presented the nominations to the Historical Commission. Ms. Hawkins remarked that the Greenbelt Knoll nomination was extraordinarily well prepared.

> **ACTION:** Mr. Wilds moved to recommend to the Pennsylvania Historic Preservation Board that the Greenbelt Knoll Historic District should be listed on the National Register of Historic Places. Ms. Hawkins seconded the motion, which passed unanimously.

GIRARD AVENUE WEST HISTORIC DISTRICT

Owners: Various
Nominator: Powers & Company

OVERVIEW: The proposed Girard Avenue West Historic District is an area of four blocks along Girard Avenue between Taney Street and 30th Street in North Philadelphia. The district is proposed under Criteria A for Commerce/trade. The proposed district will have 134 buildings; most of them were constructed from the 1860s to the 1890s. The proposed area developed as part of the Brewery town industrial zone and was developed as the commercial axis for the new residential nucleus that developed around the brewery industries. The area also has great significance to the history of transportation in the city, specifically the development of transportations in north and west Philadelphia. The area has great significance to the Germanic community that settled and developed this area in the second half of the 19th century until the 1920s. The area subsequently became a predominantly African-American neighborhood. The staff reviewed the application for the proposed Girard Avenue West Historic District and concludes that the proposed district meets criteria A for (Commerce/Trade) and should be listed on the National Register of Historic Places. The staff recommends that the Commission endorse this application and send a positive recommendation to the Pennsylvania Historical & Museum Commission.

DISCUSSION: Mr. Danta presented the nomination. Bevan Lawson objected to the designation of the Girard Avenue West Historic District. He asserted that the designation would impose hardships on the home owners and small business owners in the area. Mr. Wilds explained to Mr. Lawson that he was confusing the restrictions imposed by the local Philadelphia Register with the National Register. Mr. Wilds noted that if the Pennsylvania Historical & Museum Commission lists the proposed Girard Avenue West Historic District in the National Register it would not place any restrictions on the property owners unless there was a federal involvement. He also added that such designation would make the properties eligible for federal tax credits and other historic preservation incentive programs, but it would in no way restrict property owners unless they were receiving federal benefits. Mr. Lawson thanked Mr. Wilds for his explanation.

> **ACTION:** Mr. Wilds moved to recommend to the Pennsylvania Historic Preservation Board that the Girard Avenue West Historic District should be listed on the National Register of Historic Places. Mr. Schaaf seconded the motion, which passed unanimously.

THE REPORT OF THE ARCHITECTURAL COMMITTEE, 24 AUGUST 2010

Dominique Hawkins, Chair

2100-06 CHESTNUT STREET

Owner: 21st and Chestnut Street Partnership
Applicant: Aaron Matzkin
History: c. 1928 by R. E. White
Designation: Contributing to the Rittenhouse Fitler Residential Historic District, 2/8/1995
Project: Install canopy and transoms at storefront
ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend approval, with the staff to review details including shop drawings and installation details.

OVERVIEW: This application proposes to remove an illegal, internally-illuminated box sign and to install wood, five-section, twelve-light windows in the transom area. It appears that these storefronts in this building historically had five transom windows per storefront, but they were likely single-light transoms; the small-paned, twelve-light transoms do not appear appropriate stylistically for the Art Deco building. This application also proposes to install a glass awning with a metal frame and metal letter signage. The frame will project 4-½ feet from the building and will be anchored with bolts to the façade along the length of the awning and the front corners will be supported by cables anchored to the building.

DISCUSSION: Ms. Cote presented the proposal to the Historical Commission. Aaron Matzkin represented the application.

> **MOTION:** Mr. Wilds moved to adopt the recommendation of the Architectural Committee and approve the application, with the staff to review details including shop drawings and installation details. Mr. Dilworth seconded the motion.

Mr. Schaaf noted that the proposed canopy would not comply with the zoning requirements for the C5 district. The projecting lettering would not be in compliance. He noted that the Art

Commission is currently reviewing a revised design for this project. Mr. Schaaf stated that he does not oppose the proposed transoms.

Mr. Matzkin agreed that he submitted a revised design to the Art Commission. He formally withdrew the canopy and signage from his Historical Commission application. He stated that he was only seeking approval of the proposed transoms.

> **WITHDRAWAL OF MOTION:** Messrs. Wilds and Dilworth withdrew their motion to adopt the recommendation of the Architectural Committee and approve the application, with the staff to review details including shop drawings and installation details.
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> **ACTION:** Mr. Schaaf moved to approve the transoms as proposed, but deny the canopy and signage, pursuant to Standard 9. Ms. Leonard seconded the motion, which passed unanimously.

1733, 1741 BRANDYWINE STREET
Owner/Applicants: Sally Ketchum, Jeff Carpenter
History: c. 1895
Designation: Contributing to Spring Garden Historic District, 10/11/2000
Project: Modify cupola, install fence
ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend approval of the fence for 1733 Brandywine Street, pursuant to Standard 9.
ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend denial of the cupola modification for 1741 Brandywine Street, pursuant to Standards 2 and 9.

OVERVIEW: This proposal was submitted as two separate applications. The first application proposes adding a fence along the front of the property at 1733 Brandywine. An extant fence is comprised of old doors and mismatched pieces of wood.

The second application proposes to modify the cupola on a carriage house at 1741 Brandywine Street, which has been converted to a dwelling. The openings in the cupola have wood louvers that ventilated the stable below. The plans propose removing the wood louvers and installing arched four-pane sash in their places. The louvers are character-defining elements. Windows could be installed behind the louvers without altering the exterior appearance.

DISCUSSION: Mr. Baron presented the proposal to the Historical Commission. Architect Jeff Goldstein and property owner Jeff Carpenter represented the application.

The Commission members agreed that the proposed fence was appropriate to the historic district.

> **ACTION:** Mr. Wilds moved to adopt the recommendation of the Architectural Committee for 1733 Brandywine and approve the application for the fencing, pursuant to Standard 9. Ms. Leonard seconded the motion, which passed unanimously.
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> **MOTION:** Ms. Leonard moved to adopt the recommendation of the Architectural Committee for 1741 Brandywine Street and deny the application for the cupola modification, pursuant to Standards 2 and 9. Ms. Hawkins seconded the motion.

Mr. Dilworth challenged the Commission, insisting that it justify a denial of this proposal when it had approved window alterations and decks that were visible to the public at Redevelopment-Era buildings in Society Hill. Mr. Baron responded that, in this case, the applicant is proposing the removal of a character-defining feature, the louvers. The proposal does not meet the Standards. He contended that the louvers are a key indicator of this building's original use as a carriage house, which required ventilation because of the horses. Mr. Dilworth asked if the door was a character-defining feature that tells the viewer that this was a carriage house. Mr. Baron responded that the door was recently restored to its original carriage-house appearance. He noted that the door appears to swing, but, in fact, rolls up and down. Mr. Baron concluded, reaffirming that the louvers are character-defining features; their removal would not comply with the Standards.

Mr. Goldstein, the architect, stated the building is in the process of being adapted for residential use. He explained that his clients would like to light the residential space with the natural light from the cupolas. He stated that the louvers block the light. He proposes to remove the louvers and replace them with windows. Mr. Wilds asked if the louvers actually block much light. Mr. Goldstein stated that the louvers do block the light. Mr. Wilds asked if there are currently windows or glass behind the louvers. Mr. Goldstein stated that there is nothing behind the louvers. The cupolas are open to the weather. Mr. Wilds asked if the louvers could be modified to allow more light in. Mr. Goldstein stated that they could not. He stated that it is difficult to access this area. If they were converted to shutters, they could not be controlled easily. Mr. Goldstein stated that his client would like more daylight. Mr. Wilds noted that the corner building is visible from two streets. There is no rear that could be modified, leaving the front alone. Mr. Goldstein showed a photograph of the Fairmount Water Works with a window in the cupola.

Ms. Hawkins stated that little direct sunlight enters the building, owing to the large overhanging eaves. She also disputed the applicant's rendering, which purported to show that the cupolas could flood the interior with light. Mr. Goldstein disagreed.

Mr. Wilds asked if the current louver openings are arched or square openings. Mr. Goldstein stated that they are arched. The proposed windows would be arched and fit the current openings.

Mr. Carpenter, the owner, claimed that the cupolas would provide significant light to the interior. Mr. Dilworth argued that the amount of light that would or would not enter into the house was immaterial for the Commission, which only has jurisdiction over the exterior. Mr. Wilds disagreed, stating that the Commission often considers the reasons for interior alterations that have exterior manifestations. Mr. Wilds stated that the Commission has some discretion and may consider factors related to the interior when reviewing proposals for exterior alterations.

Mr. Thomas stated that he takes daylighting into account when he designs rehabilitation projects. He stated that skylights are often used, but would not be appropriate in this case. He stated that the proposed windows are a good solution. Mr. Sherman agreed.

Mr. Schaaf asked if the openings could be glazed with single pieces of glass and fixtures added on the exterior that replicate the appearance of the louvers, but allow more light in. Mr. Goldstein stated that that was a possibility. Mr. Wilds stated that he did not think that a pseudo louver would allow enough light in. He advocated for the approval of the proposal as submitted. Messrs. Wilds and Thomas suggested that the Commission could require the applicant to submit good documentation of the louvers before removing them.

Ms. Leonard stated that she would withdraw her motion to adopt the recommendation of the Architectural Committee for 1741 Brandywine Street and deny the application for the cupola modification, pursuant to Standards 2 and 9. Ms. Hawkins refused to withdraw her second and the motion stood.

> **FAILURE OF MOTION:** The Commission rejected the motion of Mses. Leonard and Hawkins to adopt the recommendation of the Architectural Committee for 1741 Brandywine Street and deny the application for the cupola modification, pursuant to Standards 2 and 9, by a vote of 1 to 11. Mses. Benoliel, Leonard, and Schlotterbeck and Messrs. Bumb, Dilworth, Sherman, Mattioni, Quinn, Schaaf, Thomas, and Wilds dissented.

> **ACTION:** Mr. Wilds moved to approve the application for 1741 Brandywine Street, provided documentation of the current cupola condition is submitted to the Commission, with the staff to review details. Mr. Schaaf seconded the motion, which passed by a vote of 11 to 1. Ms. Hawkins dissented.

1826 DIAMOND STREET

Owner/Applicant: Shawn Bullard
History: 1885
Designation: Contributing to Diamond Street Historic District, 1985
Project: Legalize door, install windows
ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend approval of the windows, provided the correct brickmold is installed, with the staff to review details; but denial of the door, pursuant to Standard 6.

OVERVIEW: This proposal seeks to legalize the installation of doors that do not match the historic doors of this row. In addition the applicant wishes to install windows with a brick molding that does not match the original design found in this row. He removed the building's windows and door, exceeding his permit, which specified only interior work.

DISCUSSION: Mr. Baron presented the application to the Commission. Developer Shawn Bullard represented the application.

> **MOTION:** Mr. Wilds moved to adopt the recommendation of the Architectural Committee and approve the windows, provided the correct brickmold is installed, with the staff to review details; but deny the door, pursuant to Standard 6. Ms. Leonard seconded the motion.

Mr. Baron explained that, when submitted, the application requested legalization of the door, which was already installed, and approval of the windows, which had not yet been installed. He reported that he visited the site recently and discovered that the windows had been installed and the building appeared occupied. Mr. Baron stated that the brickmold that was installed on the windows is typical of the buildings in the Spring Garden neighborhood, but is not the appropriate brickmold for this building.

Mr. Bullard stated that this building is located in North Philadelphia. He claimed that the cost of a historically correct window is 10 times that of a cheap window he would have installed if the building was not designated as historic. He contended that the neighborhood is blighted and the developers cannot afford the historically correct windows. He claimed that he could obtain a window for his building for $160. He stated that he purchased a brickmold that he could afford. He stated that he installed the windows without an approval because he could not afford a window that would be approved. He noted that the house next door was torn down; he saved his building rather than demolishing it. He contended that the installed brickmold should be acceptable because it is deemed historical in the Spring Garden area. He asserted that the brickmold does not detract from the appearance of the window. He requested that the Commission legalize his windows and door.

Mr. Wilds stated that the record show that Mr. Bullard obtained a building permit for interior work, but that permit clearly stated "No work to windows or doors" and "No changes to the exterior." Mr. Bullard conceded that he had done work without an approval or permit, but claimed that he "got ahead of himself." He asserted that the windows themselves are historically accurate; only the brickmold is not. Mr. Wilds stated the brickmold could be easily and cheaply replaced by a carpenter. Mr. Bullard stated the correct brickmold would have added $400 to each window, bringing the cost to $1100 per window.

Mr. Bullard observed that this is Diamond Street area and that he is responsible for helping to save it. He contended that lenders are reluctant to finance the installation of expensive materials in the area. Mr. Sherman stated that he appreciated the applicant's investment, but he and Mr. Wilds asserted that he should have complied with the process. They contended that Mr. Bullard should have appeared before the Commission and made his arguments for the lower-cost materials rather than ignoring the process and moving ahead without approval or permit. Mr. Bullard responded that Diamond Street is a high-crime area and does not warrant the more expensive materials. Mr. Baron disagreed with Mr. Bullard and claimed that Diamond Street is undergoing a renaissance owing to its proximity to Temple University. The argument being used to justify the work is a financial hardship argument. He said that because Temple has become a campus rather than commuter school the demand for units has outstripped supply and that developers are renting the units before they are finished and getting very respectable rents for the units.

Mr. Wilds stated that the door installed without an approval does not replicate the appearance of the historic door. Mr. Bullard stated that the building has already been broken into through the door. Mr. Wilds stated that the applicant, who was completely aware of the Commission's jurisdiction and procedures, should have followed the process in this case as well. Rather than installing a door without any review, he should have pleaded his case to the Commission. Mr. Bullard claimed that the historic door was removed before he purchased the building. He also claimed that there was no documentation on the historic door in the Commission's file on the property. Mr. Baron stated that the design of the original door is documented in the Commission's files.

> **WITHDRAWAL OF MOTION:** Mr. Wilds and Ms. Leonard withdrew their motion to adopt the recommendation of the Architectural Committee and approve the windows, provided the correct brickmold is installed, with the staff to review details; but deny the door, pursuant to Standard 6.
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> **ACTION:** Mr. Wilds moved to legalize the windows and door, provided the correct brickmold is installed, with the staff to review details. Mr. Mattioni seconded the motion, which passed unanimously.

316 S. 21ST STREET

Owner: William Hozack and Vesna Hess
Applicant: Tuval Shlomo
History: c. 1860, main block refaced in 1949
Designation: contributing to Rittenhouse Fitler Residential Historic District, 2/8/1995
Project: Replace slate shingles with synthetic slate shingles, replace sidewalk paving
ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend denial, owing to incompleteness and pursuant to Standards 2, 5, 6, and 9 and Roofs Guidelines.

OVERVIEW: This application proposes to remove existing rectangular and fishscale slate shingles and install synthetic Ecostar slate shingles in a random pattern. No information was provided regarding the condition of the existing shingles.

This application also proposes to install stone sidewalk paving, though no information has been provided regarding material or site plan.

DISCUSSION: Ms. Sell presented the proposal to the Historical Commission. Tuval Shlomo represented the application.

Ms. Sell stated that she received additional information from the applicant since the application materials were distributed to the Commission. Mr. Shlomo introduced photographs of the slate roof and stated that his client has decided to replace it in kind. Ms Sell advised him that the staff could review and approve a replacement in kind.

Mr. Shlomo discussed the bollards and cobblestones. He stated that he would like to install a concrete sidewalk with granite blocks around the tree, to accommodate the change in grade.

Mr. Wilds suggested that Mr. Shlomo withdraw the current application and submit an application for staff review for the slate roof. He also noted that the sidewalk portion of the application appears incomplete. He suggested that Mr. Shlomo submit a new application with additional information on the sidewalk. Mr. Schaaf recommended that Mr. Shlomo confer with the Streets Department about his sidewalk changes. Mr. Reuter agreed that he should confer with the Streets Department about the sidewalk, but observed that the City Council would need to approve the bollards by ordinance.

Mr. Shlomo formally withdrew his application for 316 S. 21st Street.

OLD BUSINESS

The Historical Commission decided to undertake its old business out of order because both matters would be rather brief.

1700 DIAMOND STREET

Owner & Applicant: Ursinio Nunez
History: c. 1886-87
Designation: Contributing to the Diamond Street Historic District, 1/29/1986
Project: Install internally illuminated signage
ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend approval of open-faced channel lettering reading "Diamond Pizza" with a separate sign behind the window glass reading "& Mexican Grille," with the staff to review sign attachment details, pursuant to Standard 9.

OVERVIEW: This application proposes to install internally illuminated signage to read "Diamond Pizza & Mexican Grille." A channel letter system is proposed on the front façade and a box sign is proposed on the side elevation. No information has been provided regarding attachment details, materials, or specifications of the lighting units.

DISCUSSION: Ms. Sell presented the proposal to the Historical Commission. Property owner Ursinio Nunez represented the application.

Mr. Wilds asked Mr. Nunez if the currently proposed sign meets the requirements recommended by the Architectural Committee in July. Mr. Nunez stated that the sign company, which has experience with the Commission, believes that it meets the recommendation.

Ms. Sell stated there is a difference. The faces covering the channel lettering are plastic. Mr. Nunez stated that the faces are plastic, but a clear plastic. Ms. Hawkins observed that the sign appears to be neon within the letter openings, but noted that the documentation is inconclusive regarding the facing. She contended that the Commission must determine whether the facing would be detrimental to the appearance of the sign. Mr. Wilds asked if the lettering would be freestanding. Mr. Nunez replied that it would be. Ms. Hawkins stated that, in her opinion, the sign was acceptable. She suggested that the staff could review attachment and painting details. The raceway should be painted to blend in with the building behind it.

> **ACTION:** Mr. Wilds moved to approve the sign as submitted, with the staff to review attachment and painting details. Ms. Hawkins seconded the motion, which passed unanimously.

415 S. CROSKEY STREET

Owner/Applicant: Joel Frisch
History: c. 1870
Designation: contributing to Rittenhouse Fitler Residential Historic District, 2/8/1995
Project: legalize windows, security gate, transom
ARCHITECTURAL COMMITTEE RECOMMENDATION: Ms. Gutterman moved that the Architectural Committee recommend denial, pursuant to Standard 6. Mr. Evans seconded the motion, which passed unanimously.

OVERVIEW: This application proposes to legalize the installation of vinyl windows, metal security gate, and transom. The staff approved an application for interior work and window replacement at the rear of the building, but the owner exceeded the scope of the permitted work. Although the approved drawings originally noted the replacement of the basement windows and a security door, the applicant deleted them from the drawings, withdrawing all work to the front facade from the review. The staff later discovered that the storm door, transom, and basement windows had been replaced. The first and second-story windows at the front façade were also replaced with vinyl units since designation without a permit.

DISCUSSION: Mr. Baron presented the application to the Commission. No one represented the application.

Mr. Baron presented a letter from the property owner requesting a continuance because he was unable to attend today's meeting owing to the Jewish holiday.

> **ACTION:** Mr. Thomas moved to continue the application for 415 S. Croskey Street to the Commission meeting on 12 November 2010. Ms. Leonard seconded the motion, which passed unanimously.

THE REPORT OF THE ARCHITECTURAL COMMITTEE, 24 AUGUST 2010

Dominique Hawkins, Chair

THE REPORT OF THE COMMITTEE ON FINANCIAL HARDSHIP, 8 SEPTEMBER 2010

Sam Sherman Jr., Chair

1123-33 SPRING GARDEN STREET

Owner: Siloam
Applicant: Joseph Lukach, Executive Director, Siloam
History: 1849, Church of the Assumption, Patrick Charles Keely, architect
Designation: individually designated, 5/8/2009
Project: Demolish building
ARCHITECTURAL COMMITTEE RECOMMENDATION: The Architectural Committee voted to recommend that the Commission find that the property at 1123-33 Spring Garden Street cannot be used for any purpose for which it is or may be reasonably adapted and approve its complete demolition, pursuant to Section 14-2007(7)(j) of the Philadelphia Code.
COMMITTEE ON FINANCIAL HARDSHIP RECOMMENDATION: The Committee on Financial Hardship voted to recommend that the Commission find that the property at 1123-33 Spring Garden Street cannot be used for any purpose for which it is or may be reasonably adapted, that a sale of the property is impracticable; that commercial rental of the property cannot provide a reasonable rate of return; and that other potential uses of the property are foreclosed; and approve its complete demolition, pursuant to Section 14-2007(7)(j) of the Philadelphia Code.

OVERVIEW: This application proposes the complete demolition of the former Church of the Assumption building at 1123-33 Spring Garden Street. This application seeks to prove that the church building cannot be used for any purpose for which it is or may be reasonably adapted and thereby justify the demolition with the claim that the required retention of the church building would impose a financial hardship on the owner.

The applicant, Siloam, a non-profit provider of services to persons with HIV-AIDS, purchased the property in March 2006 from the Archdiocese of Philadelphia. It also purchased the abutting properties at 1135 and 1137 Spring Garden Street, 1122-32 Brandywine Street, and 535 N. 12th Street. It sold the property at 1137 Spring Garden Street in June 2009. Only the property at 1123-33 Spring Garden, the property with the church building, is designated as historic. The Historical Commission has no jurisdiction over the other properties or buildings.

The church building has been vacant since 1995, when the Archdiocese of Philadelphia closed the Church of the Assumption. Siloam occupies other buildings in the complex, but not the church building. Siloam claims that the church building is in very poor condition and no potential reuse would support high rehabilitation costs. Siloam reports that it marketed the building through a commercial realtor, but no buyer was secured owing to the condition and reuse costs.

The Commission individually designated the property last year, in May 2009. At the time of designation, Siloam was in the process of seeking a permit to completely demolish the church. During the nomination review, Siloam claimed that the building was in poor condition and that adaptive reuse was not feasible, but the Commission responded that the designation hearing was not the proper forum in which to consider such matters. The Commission suggested that Siloam submit a hardship application to justify its claims that the building could not be reasonably reused.

CONTENTS OF THE APPLICATION

1. demolition permit application;
2. cover letter introducing the application, dated 9 July 2010;
3. site plans showing the extent of demolition at the building (complete) and the location of the building within the larger context;
4. 10 photographs of the building and its context showing all facades where the demolition would occur;
5. a letter from the IRS confirming Siloam's 501(c)(3) status, dated 9 July 2010;
6. an overview of Siloam's mission and services;
7. a newspaper article published 16 July 2010 regarding Philadelphia's HIV-AIDS infection rates;
8. an affidavit by Joseph Lukach, Siloam's executive director, providing facts and other information about the building and organization;
9. the Board of Revision of Taxes information sheet on the property provided the assessed value and other information (Tab 1);
10. copies and a summary of utility bills for the property (Tab 2);
11. a summary of mortgage payments for the complex (Tab 3);
12. copies and a summary of insurance bills for the property (Tab 4);
13. an assessment of the building and cost estimate for rehabilitation by the Community Design Collaborative, dated May 2007 (Tab 5);
14. an update to the Community Design Collaborative cost estimate by Becker & Frondorf, dated 5 February 2010 (Tab 6);
15. an Unsafe violation from the Department of Licenses & Inspections, dated 8 July 2009, for walls and roof in danger of collapse (Tab 7);
16. a conditions assessment by engineer Bevan Lawson, dated 14 April 2009 (Tab 8);
17. an assessment of the building's condition and historical significance by architectural historian George Thomas, undated (Tab 9);
18. an appraisal report for the property by Edward S. Snyder, dated 22 May 2009 (Tab 10);
19. a conditions assessment by engineer Bevan Lawson, dated 18 May 2009 (Tab 11);
20. a Siloam report regarding discussions about the church building with Partners for Sacred Places and the Non Profit Finance Fund, dated 10 March 2008 (Tab 12);
21. information on the Partners for Sacred Places training program attended by Siloam staff, dated 11 October no year (Tab 13);
22. a Siloam report regarding discussions about the church building with the Non Profit Finance Fund, dated 20 May 2008 (Tab 14);
23. a letter from architect Stuart Rosenberg regarding potential buyers for the building, dated 5 May 2009 (Tab 15);
24. a series of letters between attorneys Kevin Boyle and Robert Shusterman regarding a potential sale of the building, dated 22 July to 18 August 2009 (Tab 16);

25. a report from realtor Colliers International regarding the marketing of the property, dated 7 July 2010 (Tab 17);
26. photographs of the interior of the church;
27. photographs with annotations regarding the structural condition of the church;
28. a contract to demolish the church building with Tamco Construction, dated 20 February 2009 and a revised contract, dated 9 September 2010; and
29. correspondence between the realtor and Avram Hornik regarding negotiations to purchase the church.

COMPLETENESS OF APPLICATION PURSUANT TO SUBMISSION REQUIREMENTS

Section 9.3 of the Rules & Regulations authorizes the Commission's staff to "review the financial hardship documents and ascertain their completeness pursuant to the submission requirements delineated in Sections 6.7 and 9.2 of these Rules & Regulations." This review for completeness is not equivalent to the Commission's review for completeness and should not be confused or conflated with it. The staff's review for completeness determines whether the applicant has provided the documents to satisfy the minimum submission requirements stipulated in the historic preservation ordinance and Rules & Regulations. The Commission's review for completeness determines whether the applicant has provided sufficient information to render a hardship decision. The staff can reject an application that does not meet the minimum submission requirements. The staff cannot reject an application that meets the minimum submission requirements, but does not provide adequate information for the Commission to render a decision. Only the Commission itself can reject such an application.

Section 6.7 of the Rules & Regulations delineates the submission requirements for any alteration or demolition application.

Section	Required document	Provided (Y/N/NA)
6.7.a	building permit application	Y
6.7.b	cover letter	Y
6.7.c	historic documentation	NA
6.7.d	photographs	Y
6.7.e	site plan, demolition plan	Y
6.7.f	interior plan	NA
6.7.g	shop drawings	NA
6.7.h	specifications	NA

Section 9.2 of the Rules & Regulations delineates the submission requirements for any hardship application. It mirrors Section 14-2007(7)(f) of the ordinance, which requires the submission by affidavit.

Section	Required document	Provided (Y/N/NA)
9.2	by affidavit	Y
9.2.a.1	purchase information	Y
9.2.a.2	assessed value	Y
9.2.a.3	financial information for property, 2 yrs	Y
9.2.a.4	all appraisals	Y
9.2.a.5	sales information	Y (apparently no price asked)
9.2.a.6	consideration of reuses	Y

Section 10.2 of the Rules & Regulations delineates the submission requirements for any hardship application in which the applicant claims non-profit status.

Section	Required document	Provided (Y/N/NA)
10.2.a	documents stipulated in 6.7 and 9.2	Y
10.2.b	documentation of non-profit status	Y

As the above analysis clearly demonstrates, the applicant has provided the documents needed to satisfy the minimum submission requirements stipulated in the historic preservation ordinance and Rules & Regulations. Pursuant to Section 9.3 of the Rules & Regulations, the staff has determined this application to be complete and therefore forwards it to the Architectural Committee and Committee on Financial Hardship. Note that, pursuant to the same section, the Architectural Committee, Committee on Financial Hardship, and the Commission are also authorized to review the application to determine whether it satisfies the minimum submission requirements. The Architectural Committee, Committee on Financial Hardship, and the Commission may reject an incomplete application and direct the staff to return it to the applicant.

Also note that only the Commission may require the submission of additional documentation as authorized in Section 14-2007(7)(f)(.7) of the ordinance and delineated in Sections 9.2.b and 10.2.c of the Rules & Regulations. The staff, Architectural Committee, and Committee on Financial Hardship may recommend that the Commission require the addition documentation, but the staff and committees may not unilaterally require that documentation. The applicant has already provided nearly all of the information that might be requested by the Commission under Section 10.2.c, as shown in the breakdown below.

Section	Required Information	Provided (Y/N/NA)
10.2.c.1	identification of reasonable reuses	Y
10.2.c.2	rehabilitation cost estimates	Y
10.2.c.3	current standard of building-maintenance costs	NA
10.2.c.4	comparison of cost in existing and new building	NA
10.2.c.5	impact of reuse of building on financial condition	Y
10.2.c.6	impact of reuse on program, function or mission	Y
10.2.c.7	additional cost attributable to the building	Y
10.2.c.8	grants to maintain or improve the property	Y
10.2.c.9	organization's budget	?
10.2.c.10	consideration given to relocation	NA

SUMMARY OF THE APPLICATION

Siloam owns a series of abutting properties at 1123-33 Spring Garden Street, 1135 Spring Garden Street, 1122-32 Brandywine Street, and 535 N. 12^{th} Street. It also owned 1137 Spring Garden Street, but sold it on 3 June 2009. Only the property at 1123-33 Spring Garden, the property with the church building, is designated as historic. The Historical Commission has no jurisdiction over the other properties.

Siloam purchased the property in question as well as the abutting properties on 15 March 2006 from the Archdiocese of Philadelphia. After the purchase but before the designation, Siloam explored potentially reusing the church building with the assistance of the Community Design Collaborative, Partners for Sacred Places, and Nonprofit Finance Fund. Points 10 and 18 to 24 of the Lukach affidavit describe these activities. Siloam explored three reuses: a gathering space for Siloam; a leased revenue-producing space; and a worship space for a congregation (Point 10). The Community Design Collaborative, “a community design center that provides *pro bono* predevelopment design services to nonprofit organizations,” estimated that the repair and renovation costs for the church building with an unknown interior use at $5,453,139 in mid 2007 (Tab 5). Becker & Frondorf, construction cost estimators, reassessed the Community Design Collaborative’s 2007 cost estimate in 2010 and determined that the rehabilitation costs had risen to $6,319,000 (Tab 6). Partners for Sacred Places and Nonprofit Finance Fund provided education and assistance for capital project fund raising and facility assessment, planning, and financing (Tabs 12-14). The conclusion drawn from these efforts is provided in Affidavit Point 18; “Siloam considered uses and adaptive reuses of the church building, but ultimately determined that the costs of the renovation vastly exceeded the organization’s resources.”

The application claims that the church building is in very poor condition. The building has been vacant, unheated, and without regular maintenance since 1995. Siloam retained structural engineer Bevan Lawson to assess the building at the time of the designation. Lawson offers two reports. The first, dated 14 April 2009, notes numerous structural problems resulting from a lack of maintenance and concludes that, if not repaired, the structure could become unsafe and then imminently dangerous. He suggests a series of efforts to alleviate and repair the poor conditions to stabilize the structure including removing the steeples (Tab 8). One month later, in a second report dated 18 May 2009, he declares the building to be imminently dangerous and contends that the spires must be removed and the towers demolished down to the roof (Tab 11). The second report does not indicate how the building, which he stated was not yet unsafe in April, became imminently dangerous in May. The Department of Licenses & Inspections inspected the building and declared it Unsafe on 8 July 2009 (Case 206007). The violation states that the building has loose and missing brickwork, cracked and fractured walls, deteriorated walls and roof, and is in danger of collapse (Tab 7). The application includes a report by George Thomas, an architectural historian, regarding the historical significance of the building and providing an assessment of the condition of the building. The historical significance of the building is not the subject of this review and any material on it should be disregarded. The assessment of the building’s condition by Thomas should be discounted because he is neither a professional engineer nor a licensed architect.

An appraisal by certified appraiser Edward Snyder, dated 22 May 2009, is provided. It concludes that the property “has no market value” (Tab 10). It also states that “the cost to rehabilitate … far exceeds the value”; “the property should be demolished”; and “the restrictions [i.e. the historic designation] cause the subject to have no marketability.”

The application includes a letter, dated 5 May 2009, from architect Stuart Rosenberg (Tab 15). Mr. Rosenberg reports that he had “a number of clients interested in purchasing the church.” He states that they all concluded that “the renovation costs proved to be too great and the projected income generated from the property inadequate to justify the time and risk of such a complex undertaking.” However, Mr. Rosenberg provides no details about his clients, their proposed uses for the church building, their estimated rehabilitation costs, or their potential returns on investment. Without these details, the claims are impossible to corroborate.

The application includes correspondence between attorneys representing Siloam and a potential buyer, who endeavored to negotiate a sale of the church building (Tab 16). The negotiations ended after Siloam’s attorney rejected a proposed contingency limiting the maximum allowable cost to stabilize and retrofit the building to $400,000, a figure considered “not realistic.”

The application includes a report, dated 7 July 2010, from Colliers International, a commercial real estate broker (Tab 17). The report explains the efforts to market the property. Colliers marketed the property from January to July 2010. It posted a "For Sale" sign on the property, issued a marketing flyer, listed it on a real estate database, advertised it on its website, and sent emails about the property to 240 brokers. Colliers received 54 inquiries, nine of which lead to inspections. It received one offer, which is documented in the correspondence in Tab 16. The report concludes that "there are no parties interested in purchasing this property." It states that the cost of rehabilitation has deterred otherwise interested parties from purchasing the church building, which is vacant and dilapidated.

The Lukach affidavit concludes that "Siloam considered uses and adaptive reuses of the church building, but ultimately determined that the costs of the renovation vastly exceeded the organization's resources" (Point 18). The "church building is currently uninhabitable and unfit for occupancy, so any lease or rental without substantial repairs is impracticable" (Point 33). Despite the marketing efforts, "no serious buyers have materialized" and the realtor "cannot predict when or whether this property can be sold in its current state" (Point 32). "Siloam has no other path to recourse other than demolition" (Point 35).

REVIEW CRITERIA

Section 14-2007(7)(j) of the historic preservation ordinance stipulates that:

> No permit shall be issued for the demolition of an historic building … unless the Commission finds that issuance of the permit is necessary in the public interest, or unless the Commission finds that the building … cannot be used for any purpose for which it is or may be reasonably adapted. In order to show that [the] building … cannot be used for any purpose for which it is or may be reasonably adapted, the owner must demonstrate that the sale of the property is impracticable, that commercial rental cannot provide a reasonable rate of return and that other potential uses of the property are foreclosed.

Section 9.4 of the Rules & Regulations restates and elaborates on the review criteria for hardship applications. It instructs that:

> To substantiate a claim of financial hardship to justify a demolition, the applicant must demonstrate that the sale of the property is impracticable, that commercial rental cannot provide a reasonable rate of return, and that other potential uses of the property are foreclosed. The applicant has an affirmative obligation in good faith to attempt the sale of the property, to seek tenants for it, and to explore potential reuses for it.

The historic preservation ordinance mandates that an owner asserting that a building cannot be used for any purpose for which it is or may be reasonably adapted must apply two overlapping analyses in tandem to demonstrate the claim of hardship.

For the first analysis, the owner must expose the property to the real estate market in a broad manner for a sufficient length of time with reasonable terms and conditions. If the property is marketed adequately and can be reasonably adapted, it will be acquired for reuse. If it is not marketed adequately or cannot be reasonably adapted, it will not be acquired. The Commission must scrutinize the marketing of the property to determine whether it reasonably allowed for a sale or rental to occur. If the marketing was adequate, but the property was not acquired, then the Commission can conclude that the property cannot be reasonably adapted. The key questions are whether a sale is or is not impracticable and whether a rental will or will not provide a reasonable rate of return.

For the second analysis, the owner must evaluate the reuse potential of the property. Such evaluations can never be exhaustive, but must be directed at the most likely potential reuses that can be achieved with reasonable adaptations. Also, such evaluations are dependent on myriad assumptions. The Commission must scrutinize the evaluations to determine whether they address the most likely potential reuses and whether they reasonably assess the costs of those probable reuses as well as the potential returns from those reuses. The key question is whether reuse options are foreclosed.

During its review, the Commission must focus on the meaningful evidence while ignoring testimony that is not germane. The Commission must not factor the charitable activities of the property owner, a non-profit provider of services to those with HIV-AIDS, into the hardship equation. However laudable they are, the activities have no bearing of the viability of the reuse of the church building. The Commission must also ignore testimony that this particular owner can or cannot afford to reuse the building. The test requires proof that no reasonable owner can reuse the building; the current owner's resources were not germane. For example, the assertion that Siloam should liquidate other assets such as its other real estate holdings to finance the rehabilitation of the church building is flawed; the hardship test must determine whether the reuse of the property is feasible, not whether a particular owner is capable of funding a reuse. Whether the current owner has no resources or unlimited resources, the hardship test, if applied correctly, should come to the same conclusion. Likewise, the Commission must ignore claims regarding the building's historical significance as well as its prominence on the neighborhood's skyline. The preservation ordinance does not allow the Commission to factor relative significance or prominence into a hardship review; feasibility of reuse is the only standard. The Historical Commission must reject suggestions that the owner donate or sell the building for $1 to another party for adaptive reuse. If the Historical Commission compels the owner to sell the building for $1, it will have, in essence, conceded that the historic designation of the church has deprived the property of all value. Such a concession would be an iron-clad basis for a constitutional takings claim against the City. Likewise, the Commission must reject suggestions that it require the owner to mothball the building until the neighborhood rebounds and the reuse of the church is viable. That requirement would also open the door to a takings claim because the owner would be deprived of all value for an indeterminate period of time. Finally, for the historic preservation ordinance to function and protect the other 22,000 properties on the Philadelphia Register of Historic Places, the Commission must occasionally approve the demolition of a historically significant building. To deny a demolition, even with good intentions, when the evidence indicates that a building cannot be feasibly adaptively reused, would be unconstitutional.

In the end, the Commission must answer the following questions:

- Can the property be used for any purpose for which it is or may be reasonably adapted?
- Is the sale of the property is impracticable?
    - Has the owner made a good faith attempt to sell the property?
- Can commercial rental of the property provide a reasonable rate of return?
    - Has the owner made a good faith attempt to seek tenants for the property?
- Are other potential uses of the property foreclosed?
    - Has the owner made a good faith attempt to explore potential reuses for it?

DISCUSSION: The staff distributed additional information to the Commission members. It provided minutes of the 8 September 2010 meeting of the Committee on Financial Hardship; materials from applicants regarding the contracting for the demolition and discussions with a potential buyer who ultimately elected not to purchase the building; a report by engineer Sam Harris from the Preservation Alliance; and a copy of a Preservation Pennsylvania newsletter and two interior photographs from neighbor Andrew Palewski.

Mr. Farnham presented the application to the Commission. Attorneys Marissa Parker and Kevin Boyle, Joseph Lukach, the executive director of Siloam, the property owner, realtors Michael Barmash and James Scott, structural engineer Bevan Lawson, and construction cost estimator John Frondorf represented the application.

Mr. Boyle thanked the Commission and its committees for their time and patience. Mr. Boyle summarized the application. The church building has been vacant for more than 15 years. In accordance with canon law, it was stripped it of its religious identity including stained glass windows, alters, baptismal fonts, and other features by the Archdiocese. Siloam, the current owner and applicant, purchased the property from the Archdiocese in 2006. In 2007 and 2008, Siloam investigated various adaptive reuses and renovations of the church building with the Community Design Collaborative or CDC. Siloam also consulted with Partners for Sacred Places and obtained a grant from the Nonprofit Finance Fund to study the feasibility of reuse. Siloam explored using the church as a wellness center and community center. It searched for parties that would be interested in leasing or renting the church building, but found none. It looked for congregations to use the church, but found none. Architect Stuart Rosenberg worked with several clients, who considered reusing the church, but all rejecting the building after calculating the rehabilitation costs. The CDC estimated in 2007 that it would cost $5.4 million to renovate the church. Becker & Frondorf have prepared an updated estimate, which stipulates that it would cost $6.3 million for a generic reuse. Mr. Boyle contended that the estimates are conservative. They do not include any soft costs, for example for architectural and engineering fees. He listed several projects, all of which were simpler, that cost as much or more than these estimates. He stated that Siloam concluded that it was not viable to save the church in late 2008 and entered into a demolition contract on 20 February 2009, before Andrew Palewski submitted the nomination to designate the church or the Commission notified Siloam of its intention to consider the nomination. Mr. Boyle reminded the Commission that it had designated the church over Siloam's objections in May 2009. Siloam sought a complete demolition permit beginning on 6 March 2009, but was unable to obtain that permit owing to the initiation of the Commission's jurisdiction over the building on 12 March 2009. That same day, on 12 March 2009, Siloam obtained a permit to undertake interior demolition. Mr. Boyle asserted that no viable offers for the church building have been made. He noted that the Archdiocese was unable to market the property. Mr. Boyle stated that Colliers was retained in January 2010 to sell the property. He reported that it received 60 inquiries about the property, but no viable offers. He stated that there is a saturation of churches in move-in condition on the real estate market in Philadelphia. He stated that the location is also inhibiting a sale. He stated that there are churches on the market in better neighborhoods and in better condition. He remarked that those opposing the demolition continue to claim that there is a buyer for the church. However, in the 18 months since the designation, no viable buyer has come forward. He concluded that Siloam studied the reuse of the church in good faith for four years. It marketed the property in good faith. Nonetheless, no buyer or reuse has emerged. He requested that the Commission reject requests to table this application for further study. He claimed that it had been studied extensively. Any additional delay will further handicap the owner. He stated that Siloam has met the hardship test. Mr. Boyle stated that the criticism made at the Committee on Financial Hardship meeting that Siloam should not have purchased the property because it cannot maintain it is unfair. He reminded the Commission that the church was not designated when Siloam purchased it. He stated that Siloam would not have purchased it if it had been designated at the time. Designation was thrust upon Siloam. Mr. Boyle stated that one in the opposition had claimed that Siloam had made a great real estate deal when it purchased the property. He noted that the opponent provided a mathematical argument to bolster his claim. He claimed that the math was flawed. Siloam has a $400,000 plus mortgage for the property. The calculations did not take into account the many costs of purchasing and holding the property. He stated that Siloam ended up with this property because no one else wanted it. Mr. Boyle also noted that much was made of the distinction between stabilization and reuse costs at the Architectural Committee meeting. He stated that the stabilization costs are not pertinent. The building would not be usable if it were merely stabilized. He stated that it would cost at least $6 million to reuse the building. He asserted that no one would invest $6 million in the building because it would not provide sufficient returns. He stated that the realtors testified that, even if the rehabilitation cost was set artificially low at $3 million, the resulting building would never provide an adequate rate of return. No use would provide the square-foot return to support a $3 million rehabilitation. Mr. Boyle responded to suggestions by the opposition that Siloam spend the demolition money on stabilization or rehabilitation instead. He stated that Siloam has a complete demolition contract for $164,000. He contended that that amount would not fund any significant stabilization or rehabilitation. He stated that the $164,000 includes clearing the rubble from the site. He noted the outstanding Unsafe violations on the church and objected to an opponent's claim that Siloam had attempted "suicide by L&I." He stated that the founders of Siloam are members of religious orders. They love churches. They have operated in good faith and complied with every step of the process, even though they object to the designation, which is distracting them from their mission. He stated that, if the church could be saved, Siloam would save it. Mr. Boyle objected to the claim that the hardship was self imposed. He stated that the facts do not support that claim. He noted that Siloam executed the demolition contract on 20 February 2009, before it had any knowledge of the impending nomination. He stated that the interior demolition was undertaken legally as part of that effort. Mr. Boyle objected to the claim by the opponents that the art dealer, who considered purchasing the building, lost interest in the building once she visited the interior of the church and saw the demolition. Mr. Boyle stated that she was still interested in and attempted to purchase the church in August 2009, many months after she inspected the interior of the church. He asked how she could have been discouraged by the demolition, as the opponents claim, when she was attempting to purchase it several months later. Mr. Boyle asserted that the art dealer's cap on rehabilitation costs, which would have been included as a contingency in the sales agreement, not the interior demolition, caused the deal to be abandoned. He stated that the interior demolition is a red herring. Any sophisticated buyer would see beyond the minor interior demolition work and understand the true costs of adaptively reusing this building. Mr. Boyle also called into question the Sam Harris report provided by John Gallery of the Preservation Alliance. He stated that it was submitted one day before the Committee on Historic Designation meeting, even though the material on which it is based, the CDC and Bevan Lawson engineering reports have been available for more than one year. He called the submission of the report one more effort in a long line of last-minute efforts to distract the Commission and derail this application. He contended that Siloam has operated in good faith throughout this prolonged process. He asked the Commissioners to be realists, review the facts, and approve the application.

Mr. Lukach explained that Siloam owns the property. He stated that Siloam was founded in 1995 by a Catholic nun and priest to provide services to people with HIV-AIDS. He stated that Siloam rented and moved into the rectory on an adjacent property in 1996, after the Archdiocese closed the complex. The last services were held in the church in 1994. At that time, the priest was saying mass in the rectory because the church was in such poor condition. Mr.

Lukach explained that the location suited Siloam because the area had a very high concentration of HIV-AIDS. While renting, Siloam reported maintenance problems with the buildings to the Archdiocese, but it was not responsive. He explained that the Archdiocese was interested in selling the site as land to either the Phillies, which contemplated a stadium in the area, or Roman Catholic High School. After the Phillies committed to a stadium in South Philadelphia, the Archdiocese offered the group of properties to Siloam. Siloam only wanted the rectory, but the Archdiocese was only interested in selling the properties as a package, all or nothing. Siloam faced a quandary. It did not want to move, but it did not need or want all of the property, even though it had plans for considerable growth. In 2006, the Siloam board decided to purchase the group of properties. He explained that Siloam contracted with the CDC to study the properties and analyze their reuse potentials. He stated that Siloam was astonished when it received the CDC report, which estimated that it would cost more than $5 million to rehabilitate the church and more than $1 million to renovate the convent. At the time, Siloam's annual budget was $600,000 to $700,000. Siloam engaged Partners for Sacred Places to provide expertise related to fund raising and reusing the church. Siloam attended four full-day seminars at Partners. Mr. Lukach reported that he did not have a pool of people like a congregation from which to fundraise. All of the users of Siloam's services are low- and moderate-income people. Most live below the poverty line. He explained that the Nonprofit Finance Fund provided a grant for $10,000 to undertake strategic planning. In the spring of 2008, while the economy was still relatively strong, architect Stuart Rosenberg showed the church to several developers, who considered rehabilitating it for condominiums, a restaurant, and a health center. After evaluating the building with tax credits and other subsidies, all of the developers decided that there was no feasible adaptive reuse for the building. No one was willing to invest the $6 million it would take to reuse it. Every developer rejected the property, determining that it would not provide a reasonable rate of return. At that time, as the economy worsened, Siloam decided that demolishing the church was its only option. It signed a demolition contract before a nomination was submitted to the Commission. Mr. Lukach reported that the designation had had a significant negative impact on Siloam. He stated that he had spent 1,000 hours of his own time trying to find solutions. He stated that Siloam had hired engineers, architects, and real estate agents to try to find solutions. He stated that Siloam is suffering; it has cut salaries and has two people working without any pay. He stated that Siloam would sell the building if it could. He noted that Siloam sold the storefront to the west of the church to help with its expenses. He concluded, asserting that no one is interesting in buying this church. He also observed that the opponents of the demolition, who offered their services during the designation hearings, have not contacted Siloam or lived up to their many promises. He stated that no one is willing to invest the money it would take to reuse this building. He asked the Commission to consider his application for demolition predicated on financial hardship.

Mr. Bumb asked the applicants if the church building stands on its own tax parcel or if it stands on a larger parcel that includes the other buildings in the complex. Mr. Lukach stated that the church parcel is subdivided from the other parcels. Mr. Boyle explained that the church lot may need to undergo a zoning review to ensure that it has the proper setbacks, ingress and egress, and other characteristics. Mr. Farnham stated that, although there is one mortgage for the complex, it is made up of four tax parcels. Each parcel, the church, rectory, convent, and basketball court, has its own Board of Revision of Taxes tax account. The church sits on the 1123-33 Spring Garden Street tax parcel, which is the only tax parcel the Commission designated. The Commission's designations and regulation are based on Board of Revision of Taxes parcels. Therefore, in the eyes of the Commission, other properties are separate from this property.

Mr. Bumb asked the applicants if they were claiming that the property has negative value. Mr. Boyle stated that it does have negative value. There is no economically viable reuse for the building. He added that beyond the economic viability, there are other constraints. Siloam does not want to create a liability next door to its facility. Mr. Bumb asked if Siloam would invest the $150,000 or more to demolish the building and clear the site for a passive use like a park or parking. Mr. Boyle stated that Siloam's resources are stretched thin, but it would seek to demolish the building under the contract it has for $164,000 and then generally clean up the site, removing weeds and trash. Mr. Bumb noted that the park or parking may not provide a return on the investment, thereby continuing to provide a financial drain on the organization. Mr. Boyle agreed.

Ms. Schlotterbeck noted that the Committee on Financial Hardship's original motion at its 8 September 2010 meeting was to recommend tabling the application for six months to allow Siloam to work with the Preservation Alliance to find a reuse for the building. She also noted that that motion had failed. She asked the applicants if they would be willing to accept a six-month postponement to allow time to work with the Preservation Alliance and others to find a solution to save this building. Mr. Lukach stated that he would accept a tabling, but he contended that it would be futile. He stated that he has tried to sell the building, but no one wants it because there is no viable economic reuse for it. Mr. Boyle stated that he would work with anyone, but it would be an exercise in futility. He again explained that this church has been marketed for years, first by the Archdiocese and then by Siloam. He observed that his real estate expert will testify that no amount of additional time will lead to a sale of this building. He contended that the church might be saleable if it was located near Drexel or the University of Pennsylvania, but it is not saleable at this location. There is no economically viable use for this building. He stated that his client is being adversely impacted every month he is forced to carry this unusable building. He stated that the 18 months since the designation prevented the demolition has hurt his client. Any additional postponement will further hurt his client.

Mr. Sherman stated that the direct financial impact of the retention of this church should be demonstrated. He asked Mr. Boyle to address the carrying costs including the liability. Mr. Boyle stated that the liability is significant, but he cannot put a dollar amount on it. He stated that he was involved with the designation of Our Lady of Mercy, which partially collapsed into Broad Street after it was designated. He also noted that the steeple of St. Augustine's in Old City, a designated church, collapsed onto the Ben Franklin Bridge. He stated that the dangerous conditions at Siloam's church building create tremendous liability. He noted that Siloam's liability insurance is in jeopardy because of the open violation and the safety risks it represents. He stated that the pigeon infestation has created a public health risk. He noted that the annual utility bills are not overwhelming, but the safety, security, and liability concerns are.

Mr. Schaaf observed that the Department of Licenses & Inspections has not declared the building Imminently Dangerous, only Unsafe. Mr. Lukach stated that the building was declared Unsafe in July 2009. Mr. Boyle contended that the ordinance requires that the owner demonstrate that a building cannot be feasibly adaptively reused to prove hardship. He stated that the building is in an Unsafe condition, but the Unsafe declaration is not the basis of their application. The demonstration that the building cannot be feasibly reused is the basis. He stated that his client has acted in good faith and has presented the necessary reports and studies to prove that it cannot be feasibly reused. No additional studies or reports will prove otherwise. He asked the Commission to follow the standard set forth in the ordinance.

Mr. Bumb asked Mr. Boyle if he was "stifling" the site, making it impossible to sell. Mr. Boyle stated that he must consider the impact a reuse of the church would have on the remainder of his client's site. Mr. Sherman stated that the reuse of the site would be up to a buyer, not Siloam. Mr. Boyle stated that he must find a viable buyer. Siloam cannot merely give the church to someone and hope that the recipient reuses the church appropriately. Siloam must protect its interests in its remaining property. Mr. Boyle stated that all of this is immaterial. The conservative cost estimates indicate that the church will cost more than $6 million to adaptively reuse, which is not economically feasible. There is no feasible reuse and there is no buyer.

Mr. Wilds cautioned the Commission and the applicants to bear in mind the hardship test defined in the preservation ordinance. The test is not whether this particular owner or any particular owner has or does not have the resources to rehabilitate the building. The test is whether the property with the historic building can be feasibly adaptive reused by someone, perhaps not this owner. Is the reuse of the building, regardless of the owner, economically viable? Mr. Wilds contended that the applicants have made a very strong case. He noted that both the Architectural Committee and the Committee on Financial Hardship, of which he is a member, conducted extensive reviews of the application and both concluded that the church could not be feasibly adaptively reused. The hardship test in the ordinance has been met. He again asserted that the Commission must determine whether or not the building is viable; that is the test. He stated that he believes that the applicant has met that burden and shown that the building cannot be feasibly reused. He stated that he would regret the loss of this building, which is a "wonderful landmark," but the applicants have shown very clearly that the building cannot be feasibly reused.

Mr. Mattioni stated that he had not heard the applicants yet say that there is no potential feasible reuse for this property. He stated that he has struggled to understand the application. Mr. Wilds stated that, if the Bill Gates Foundation gave unlimited funds, then this building could be saved. However, the test is whether there is a reasonable, economically viable reuse for the building. Mr. Mattioni stated that he struggled to read and understand the documents. He concluded that he did not "fully appreciate" that there was a true effort to find a reuse for the property. Mr. Boyle responded that Mr. Mattioni raised a fair question and explained that their case will become clear as it is presented. He directed Mr. Mattioni and the Commission to Tab 15 in the application. That documentation demonstrates that Siloam worked with architect Stuart Rosenberg during 2007 and 2008 to market the property to developers. Mr. Rosenberg worked with several developers to identify feasible adaptive reuses for the church, but, in the end, all determined that any redevelopment was not economically viable. Mr. Boyle stated that Siloam's realtors would testify about the efforts to market this property as well as the market conditions for religious structures throughout Philadelphia.

Mr. Boyle introduced James Scott and Michael Barmash, realtors at Colliers International. Mr. Scott stated that he runs a group within Colliers that specializes in real estate for non-profits. He stated that his group is currently handling all real estate transactions for the Archdiocese of Philadelphia and the Episcopal Diocese. He stated that he has sold many churches, schools, and church complexes. He stated that his group has done more work of this type than all of the other brokerage firms in the city combined. He stated that it is extremely rare for churches and schools to be converted to housing, senior housing, health care, or other new uses. Typically, churches are reused as churches and schools as schools. Typically, new religious organizations reuse religious buildings. He reported that the pool of organizations that reuse churches in Philadelphia is shrinking. Those organizations are suffering from smaller congregations, small donations, and changing demographics. Many religious organizations are closing in Philadelphia. Church complexes are closing at an alarming rate. Mr. Scott discussed the factors that make one church desirable for resale, but not another. He stated that his clients purchase the churches that are the least costly to repair and renovate. Religious organizations cannot afford high rehabilitation costs. He reported that 20 new churches have come on the market since the beginning of the year. He stated that this trend will continue. He reported that two synagogues recently appeared on the market. He is also aware of several AME churches that are struggling and may be placed on the market soon. In a good economy, it takes two to three years to sell a church in good condition. For this church, he and his team have approached all religious organizations looking for property. He stated that most non-profits can afford to purchase churches, but cannot afford to rehabilitate or even maintain them. He stated that, when looking to purchase a church building, congregations even reject churches that have nominal rehabilitation costs. The supply greatly exceeds the demand. He noted St. Clements on Cobbs Creek Parkway, a magnificent complex, an entire square block with a church and school in move-in condition. It took 2-½ years to sell the property despite all of its advantages. The developer who purchased the property later failed because he could not create an economically viable project. The pieces of the complex were sold off individually for less than the developer had paid for the entire property.

Mr. Scott stated that his team did the mathematics to determine whether there was a feasible alternative use for the church. He assumed an acquisition cost of $400,000, a return of 10%, and a rehabilitation cost of $3 million, less than half the estimate, and ignored all other costs. He stated that the property would need to produce $31 per square foot to support that project with those assumptions. The developer would need 20% or $700,000 down to obtain financing. He claimed that there is no project that would produce that income and support these numbers. He stated that no developer would ever consider this project. Mr. Wilds asked Mr. Scott if this building could be sold. Mr. Scott replied that no one would make the investment that this building would require. He stated that the building cannot be successfully marketed. Mr. Wilds asked Mr. Scott to comment on the latest failed attempt to sell the building; a restaurateur proposed to reuse the church as a bar with music, but was unable to obtain financing. Mr. Barmash fielded the question. He reported that he has worked as a realtor for Colliers for more than 30 years. He stated that the restaurateur who sought to reuse the church operates several successful venues in the city and has very good credit. He reported that he was very optimistic about converting the church to a music venue and made an offer of $275,000 for the property. After consulting with his lender, he pulled out of the deal because the project was not feasible.

Mr. Mattioni asked the applicants if they had considered giving the property to someone who could reuse it. Mr. Boyle stated that the non-profit has a fiduciary responsibility and could not simply give away an asset. Mr. Boyle contended that the property has no value with the church, but has value without the church. He also claimed that it would be irresponsible to give it away and risk having a decrepit, potentially dangerous, structure adjacent to Siloam's remaining facilities. Mr. Mattioni stated that Mr. Boyle perceives the church as a liability. Siloam could eliminate the liability if it gave the church to another party. Mr. Boyle disagreed, claiming that Siloam would still have a liability even if it were adjacent to a dangerous church building that it did not own. Mr. Mattioni stated that he is not suggesting that it give the lot away blithely, but that it could give it away with conditions. Mr. Mattioni asked Mr. Boyle if the value of the lot on which the church stands would exceed the demolition costs. Mr. Boyle stated that the demolition would cost $164,000. He stated that, if Siloam gave the church away, it would handicap its use of the remainder of the site. Mr. Boyle then asserted that the acquisition cost for the church is irrelevant because it would cost any owner at least $6 million to rehabilitate the building. No use would provide a reasonable rate of return on that investment. He noted that his expert witness just testified that no project works, even when the renovation costs are set artificially low at $3 million.

Mr. Schaaf asked if Siloam has the funds to demolish the building. Mr. Boyle stated that the funds are potentially available, but Siloam must obtain approval to use money from a grant that technically expired one year ago. Mr. Lukach explained that the state money is "in limbo." The Commonwealth is awaiting the outcome of this hearing before it decides whether the grant money is still available. Mr. Boyle stated that Siloam could work with its mortgage holder for the funding as well.

Mr. Sherman pointed out that the appraisal submitted by the applicant states that the property with the church building on it has a value of $0. Mr. Boyle agreed, and stated that the land would have a positive value without the church. In other words, the designation has reduced the value of the property to $0. Mr. Sherman asked Mr. Boyle what the value of the vacant land would be. Mr. Boyle stated that he did not have a precise dollar value. Mr. Lukach stated that the lot without the church has not been appraised. He noted that the opponents have claimed that it would be worth $500,000 to $750,000. Mr. Boyle pointed out that the corner lot with building was sold for $184,000. Mr. Sherman reported that the lot size is about 9,500 square feet. Mr. Boyle stated that the land has value; the property does not have value with the designated church on it. Mr. Scott, the realtor, stated that land in this area has a value of $45 to $52 per square foot, depending on street frontage and zoning. He contended that the land has value; the property does not with the designated church on it. He referred to the land as a "buried asset"; the land has no value as long as the designation compels the retention of the church building. Mr. Scott added that, if he could move this building to Queen Village, it would have value. Someone would find a way to rehabilitate it for condominiums that would cost $650,000 in Queen Village. It has no value in this location. He stated that he has consulted with developers doing condominium rehabilitations and there is no market for this building in its location. He cautioned the Commission to be careful when drawing conclusions about church rehabilitations in other parts of the city. The market in this section of the city will not support that type of development. He concluded that Siloam has always pushed him to find a buyer, but there is none to be found.

Mr. Sherman asked the applicants about their plans for the site if the demolition is approved. Mr. Boyle stated that they had no concrete plans for the site.

Ms. Schlotterbeck noted that the Commission designated the church in May 2009. She asked why the overview with this application states that the Commission directed the applicant to file a hardship application. She asked why the Commission would designate a building while arranging for its demolition. She questioned the wisdom of the practice. She suggested that Siloam's money would have been better spent on the property than on consultants to document its hardship case. She concluded, stating that the Commission should not designate buildings that have no adaptive reuse. Mr. Wilds agreed that the Commission should not designate buildings that have no adaptive reuse. He stated that, at the time of the designation, he was convinced by Siloam that there was no adaptive reuse for the building. He stated that he advocated against designation. Mr. Wilds observed that the designation merely prolonged the inevitable for 18 months, wasting the Commission's and the applicant's time and money. He objected to the call from some for the Commission to delay the decision another six months. He posited that the Commission would find itself in the same situation in six months if it delays the decision today. Mr. Farnham apologized to Ms. Schlotterbeck if the overview was not clear. He stated that the Commission did not direct Siloam to file the hardship application during the designation hearing. Instead, the Commission informed Siloam that a permit application would provide a better forum for the review of a hardship claim. The Commission did not want to prejudge a hardship claim during the designation hearing; it did not have the hardship documentation. At the designation hearing, the Commission informed Siloam of its right to file a hardship application if the church was designated; it did not direct Siloam to file the application.

Ms. Schlotterbeck stated that it appears that Siloam purchased the site with the intention of demolishing all of the buildings. She suggested that the convent would be demolished next. Mr. Boyle adamantly disagreed. He stated that the record shows that Siloam engaged the Community Design Collaborative, Partners for Sacred Places, and the Nonprofit Finance Fund from 2006, when it purchased the property, to 2008 to try to find ways of adaptively reusing the buildings. Siloam did not decide to demolish the church until late 2008. Siloam had a demolition process for the church in motion when the Commission designated it. Since designation, Siloam has tried to sell the property, but has found no buyers. He stated that Siloam has presented significant documentation and evidence. Siloam cannot do anything else to convince the Commission that the church cannot be redeveloped. Ms. Schlotterbeck stated that she is not questioning Siloam; she is questioning the wisdom of the Commission's decision to designate. Ms. Schlotterbeck stated that Siloam has done an excellent job of proving the hardship. She stated that she does not believe that six more months of exploration and marketing will make a difference. Mr. Boyle agreed.

Ms. Leonard asked if the Commission would retain jurisdiction over the site after the building is demolished. Mr. Farnham stated that a property owner always has the right to petition for a rescission, but the Commission would retain jurisdiction over the site unless and until it decided to relinquish its jurisdiction through the rescission process.

Mr. Frondorf, the construction cost consultant, stated that it would cost at least $6.3 million to rehabilitate this building. He stated that this was not an estimate for a "deluxe" rehabilitation, but was a minimum number for a generic adaptive reuse. He also noted that, although construction costs are currently down, as is reflected in this estimate, they may rise soon, pushing the estimate up. He also explained that this estimate does not take into account any soft costs or unanticipated deterioration.

Ms. Hawkins asked Mr. Frondorf if he based estimate on Mr. Lawson's engineering reports. Mr. Frondorf stated that he did not. His report is based on the cost estimates made by the Community Design Collaborative in 2007. Ms. Hawkins asked him if he had visited the site before undertaking his estimates. He explained that he had seen the site and looked at photographs, but had not inspected it. He stated that his cost estimates are updates of the estimates prepared by the CDC. Ms. Hawkins asked him if he has walked through it subsequently. Mr. Frondorf stated that he has subsequently inspected the building and was surprised by the terrible condition of the building. He stated that, as an architect, he is able to look beyond the debris on the floor and see the true costs of rehabilitation. He stated that it will take every penny of the $6.3 million for a very basic rehabilitation. Mr. Schaaf asked Mr. Frondorf if he had undertaken a cost estimate for mothballing the building for future use. Mr. Schaaf stated that the economic conditions are bad now, but they may be better in five or 10 years. He asked if the applicants had studied mothballing this building for several years until the economy and neighborhood change. He reported that the Planning Commission is currently planning for 2035. He stated that he believes, in his optimistic view, that the West Poplar and Callowhill neighborhoods will be very vibrant in 2035. By 2035, the city is expected to have between 100,000 and 300,000 new residents. Ridge Avenue in this neighborhood will be like Main Street Manayunk is today. The Reading Viaduct will be like the Highline Park in Manhattan. Mr. Schaaf asked if the Commission was ready to allow the demolition of the oldest building on Spring Garden Street, which is associated with two American saints, Katherine Drexel and John Neumann. He asked if the Commission was ready to allow the demolition of a building that has such a “profound complexity and engaged history.” He suggested mothballing the building, which would be a “real prize” for the newly redeveloped commercial corridor in 2035. He asked Mr. Frondorf to provide an estimate to mothball the building. Mr. Frondorf replied that his charge was narrow; he did not undertake an estimate for mothballing the building. He said, however, that an estimate to mothball was embedded in his larger rehabilitation estimate. He stated that one could eliminate the finish work, sprinklers, HVAC, electrical work, and other features, leaving a mothballing estimate, which was approximately $1.5 million. He noted that he provided this number at the Committee on Financial Hardship meeting. He stated that there may be other temporary measures, but they would not be good investments. He concluded that there is no specification or plan for stabilization, but, if there were, the estimate would be in the $1.5 million price range. Mr. Boyle stated that it would not be feasible or viable to mothball this building. It would not be a good investment. Siloam would not do it. No one would do it; it would not be prudent. He stated that the Commission cannot force Siloam to wait five or 10 years to have a viable use for this building. He stated that the City might be able to defer deriving any use from this building for 10 years if it owned it, but a private property owner cannot. The Commission cannot deprive Siloam of all value of this property for 10 years with the hope that there may be some viable use at the end of that period. Mr. Schaaf responded that “That’s the hope that planners have for this city.” Mr. Boyle stated that Mr. Schaaf was not being realistic. A $1.5 million investment with no promise of any return is not realistic. Ms. Schlotterbeck asked if there was a possibility of a Save America’s Treasures grant or other grant to mothball this property. Mr. Boyle responded that this property was not a good candidate for a grant like that because it was is such poor condition. Siloam discussed grant opportunities with the Community Design Collaborative, Partners for Sacred Places, and others. This church could not compete for grant money with other, more important properties in better condition in the city. Mr. Boyle also noted that the Archdiocese of Philadelphia is currently spending $20 million in maintenance and repairs of the Cathedral of SS. Peter & Paul. No one will invest that amount of money in this church.

Mr. Boyle introduced his structural engineer, Bevan Lawson. Mr. Lawson stated that he has renovated churches, one in Manayunk for condominiums and one in Fishtown for a day care center. He explained that in both cases the churches passed from the congregation to the developer directly and were in move-in condition when sold. This church is not in move-in condition. He reported that he was hired by Siloam to describe the condition and to propose a plan to stabilize it. To answer Mr. Schaaf’s question, a stabilization plan was prepared. He explained that his greatest concern about the church is the towers. He is concerned about deterioration in the bases of the spires. To stabilize the building, the spires should be removed. He stated that there is no way to cover the spires with a tarp, as some have advocated. He stated that his reports coincide with the CDC report prepared in 2007; they come to the same conclusions. He criticized the Sam Harris report presented by the Preservation Alliance. He noted that Mr. Harris has never visited the site. He also noted that Mr. Harris agreed with him in many regards. He also noted that Mr. Harris ignores the deterioration that occurred when the Archdiocese owned the property. He pointed out that the Harris report contends that the property should be inspected by an independent engineer. Mr. Lawson noted that he is just such an engineer. Mr. Lawson remarked that any rehabilitation of the building will require that the building is brought up to the building code including meeting wind loads. He commented that it is easy for those like Sam Harris, who have no accountability, to dismiss his report. He stated, however, if there is a problem such as a collapse, that he, not Mr. Harris, will be held responsible. Mr. Lawson complained that those opposing the demolition have impugned him, claiming that he has an “ulterior motive” and is “disingenuous.” He stated that he and Mr. Lukach are not conspiring to demolish the church. He claimed that that is merely “paranoid delusions.” He stated he is a preservationist at heart.

Ms. Schlotterbeck asked the applicants why 18 months lapsed between the designation and the hardship application. Mr. Boyle explained that it took time to gather the evidence necessary to prove the hardship. He noted that they needed to demonstrate that they had made a good faith effort to market the property and investigate alternate uses. He stated that they have marketed the property and explored other uses during the intervening months. Ms. Schlotterbeck asked why they did not appear before the Commission with their hardship application in June 2009, one month after the designation. Mr. Boyle replied that the Historical Commission would have rejected their application with the claim that they had not diligently investigated the matter if they had they appeared one month after the designation. Ms. Schlotterbeck asked if the staff had been in contact with Siloam during the intervening months. Mr. Farnham stated that he has had regular communication with Siloam since the designation as the hardship application was being prepared. He also stated that the Commission clearly indicated to Siloam at the time of designation that, if it intended to submit a hardship application, it must make a good faith effort to sell and find alternative uses for the property. During the time that elapsed between the designation and hardship application, Siloam was preparing the hardship application. The marketing of the property was especially time consuming.

Ms. Schlotterbeck stated that non-profits are holding onto real estate as safety lines in these difficult economic times. She suggested that that was not an appropriate strategy in this case. The building should not be demolished. She suggested delaying the demolition for another six months to allow Siloam to work with the Preservation Alliance to find solutions. Mr. Boyle stated that Siloam and the Archdiocese before have been seeking solutions for this property for many years; six months will not make a difference. He questioned the contention that the Preservation Alliance, neighbors, or civic groups will make the effort. They all pledged to assist at the designation hearings, but did nothing over the intervening 18 months. He asserted that another six months would not lead to an adaptive reuse. He observed that his client has spent thousands of dollars preparing the expert reports required by the Commission. They all demonstrate that there is no feasible adaptive reuse. His client cannot spend any more money futilely pursuing a non-existent buyer or use. Mr. Boyle noted that there are members of the community who are passionate about saving this church, but he remarked that they have not provided any evidence to refute his client’s claims. He concluded that everyone who has considered purchasing the church has abandoned those plans because it is simply not feasible to adaptively reuse it. Ms. Schlotterbeck stated that the $164,000amount quoted in the contract with Tamco Construction to demolish the building seems too low. She opined that the actual demolition cost would be more like $500,000. Mr. Boyle stated that his client confirmed the amount of the contract with Tamco after the Committee on Financial Hardship meeting two days earlier. He stated that it is a bona fide contract. Ms. Schlotterbeck asked Mr. Farnham what would happen if the Commission ruled that Siloam had to demolish the building, but then it was unable to demolish it owing to a lack of funds. Mr. Farnham answered that the Commission cannot order Siloam to demolish the building. It only has the authority to approve or deny the demolition. If the Commission approves the demolition, Siloam may demolish the building, but is not required to demolish it. Mr. Sherman asked about the scheduling of the demolition, if approved. Mr. Boyle stated that his client intends to demolish it as soon as the demolition is approved. Mr. Lukach stated that he would act quickly because of the threat to safety.

Mr. Reuter stated that Siloam appealed the designation to the Board of License & Inspection Review and the Court of Common Pleas. He also stated that the Law Department jointly agreed with Siloam to continue those appeals to allow for the submission of a hardship application because the primary issue was the feasibility of reuse, not the historical significance. He stated that the Commission’s involvement with this building would be better decided in the hardship arena than the designation arena. Ms. Schlotterbeck asked whether the building is or is not considered designated by the Commission. Mr. Reuter stated that the building is designated. The appeal of the designation does not stay the designation itself.

Mr. Boyle summarized his case. The sale of the property is impracticable. Commercial rental will not provide a reasonable rate of return. Other uses have been foreclosed. Mr. Boyle also reminded the Commission that its Rules & Regulations allow it to consider other factors when reviewing a hardship application from a non-profit such as Siloam. For example, the Rules & Regulations specifically note that the economics of a building on a larger campus are different from those in other settings. It also notes that the economics of a church is different from those of other types of buildings.

Andrew Palewski, who nominated the property for designation, read a presentation that included Powerpoint slides.

> My name is Andy Palewski. I wrote the nomination for the Church of the Assumption which was added to the Philadelphia Register of Historic Places just last year. For 15 years I have owned and operated an architectural preservation business that specializes in the repair and restoration of historic landmarks.
>
> I live and work in West Poplar—one of the two neighborhoods surrounding this church. I am here today to speak for the people of West Poplar and Callowhill, who want this historic landmark to remain a part of their landscape. The civic associations of these two neighborhoods—the West Poplar Neighborhood Advisory Committee and the Callowhill Neighborhood Association—have each submitted letters to this Commission opposing Siloam's hardship application and opposing the demolition of this church.
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> The goal of this presentation is to express four key points that I would like this Commission to consider in deciding the fate of the Church of the Assumption:
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> 1. To date, the Church of the Assumption has cost the current owner, Siloam, very little and does not by itself represent a financial hardship.
> 2. The extensive property currently owned by Siloam represents a major source of potential revenue that contradicts a claim of financial hardship.
> 3. The demolition of the church would require funds that Siloam does not have.
> 4. The church has not been adequately marketed and Siloam has created obstacles preventing a sale from materializing.
>
> Here is an overview of what Siloam acquired from the Archdiocese in 2006, what it paid for its investment, and what that investment is now worth.
>
> In 2006, Siloam purchased four separate buildings and three parking lots from the Archdiocese for $800,000. But only half of this came from Siloam's coffers. The rest was covered by taxpayers in the form of a $400,000 DCED grant from the state of Pennsylvania. In 2009 Siloam sold the store at 1137 Spring Garden Street for $186,000.
>
> So at the end of all of this, Siloam got three buildings and three parking lots—30,000 square feet of interior space and 9,500 square feet of open land for $214,000.
>
> What is all of this worth today? I asked Alex Generalis—a real estate broker and developer—who knows this neighborhood better than anyone. Mr. Generalis testified at the Hardship Committee meeting on Wednesday. According to him, Siloam's complex

would bring in $2 to $2.5 million on the open market today. $2 to $2-1/2 million for a total investment of $214,000. That's a gain of 10 times Siloam's initial investment.

How much of this multi-million dollar property does Siloam actually use for its operations? About 25 percent of the total real estate that they possess. 75 percent is vacant and unused space and one third of that is the church. The rest—a convent and two parking lots—worth $1.2 million—just sit there. None of these parcels are listed for sale in spite of their potential value.

This is the former convent—a residential structure with over 14,000 square feet of interior space. Since Siloam acquired this property in 2006, it has sat vacant and unutilized, despite the fact that it was occupied with residents only a few years ago. But instead of continuing to rent this building out—in a neighborhood with an increasing demand for residential units—Siloam lets it sit idle.

This is what the inside of the convent looks like. This was designed and built as a multi-dwelling structure. It is a building that's ripe for redevelopment, and one that Generalis says would bring in $800,000 to $1,000,000 right now on the open market.

In addition to this, Siloam owns three parking lots. One they use—the other two just sit there. This is 4,300 square feet of unused space. This is a neighborhood where you can't even get a parking space on the street during the weekday, but these two fenced and paved lots, on a busy commercial corridor, remain idle. They're not for rent or for sale by Siloam. Put these lots on the market today and Siloam will have another $300,000 to $430,000, according to Generalis.

The fact that none of this valuable real estate has been rented or sold by Siloam defeats their entire argument for financial hardship. These are assets that can be easily liquidated and turned into cash right now. If they are so desperate, why don't we see a for sale sign on any of these parcels?

Siloam is no stranger to the concept of selling off real estate. They sold the store last year to pay bills, and the revenue generated from that sale is a drop in the bucket compared to the substantial returns they'd get from selling the convent, the parking lots, or both.

Last Wednesday, Jim Scott, Vice President of Colliers L&A, stated that except for the church, no other part of Siloam's property has been offered for sale. For an organization claiming to be so broke, this would seem to defy logic. But being financially strapped is exactly where this organization needs to be right now. Siloam wants a demolition permit to be issued by this Commission on the basis of financial hardship. The last thing that they would want to do right now is ruin their chances of demonstrating hardship by cashing in on over a million dollars worth of un-needed real estate.

So, for now, Siloam will point to the church as the cause of the organization's financial woes, and they'll point to demolition as the answer to that problem. So let's look at the effect that the demolition of this structure would have on Siloam's financial situation:

Siloam has submitted to this Commission receipts for their overhead costs associated with the church building. In 2009, $8,600 for insurance, $884 for water, and $325 for electricity. That's 1-1/2 percent of what this organization takes in annually. And in order to avoid spending this 1-1/2 percent of the organization's annual revenue, Siloam will have to spend one million dollars according to the Community Design Collaborative to demolish the church. That's more than100 times their annual overhead for this building.

Let's pretend that Siloam does have one million dollars sitting in the bank to pay for the demolition of the church. What will they gain by tearing down this building? They'll invest one million dollars to remove the church from a lot that is worth, at most $750,000 in the current market, according Alex Generalis. That would put the organization $250,000 in the hole, even if someone was standing by ready to purchase the empty lot. But what is more likely to happen, is that the lot will sit there, quite possibly for years, until banks ease up and financing becomes available for a buyer to develop a piece of commercial real estate like this. Under these current conditions, Siloam would be better off giving this building away.

But they're not giving it away. Despite the fact that their own appraiser has valued the property at zero, Siloam has the building listed for sale at $575,000. A church worth zero being marketed for well over half a million—it's no wonder they haven't sold it.

If the lot sits there for years, the next concern is what Siloam plans to do with the parcel after the demolition. At the Designation Committee meeting last year, the organization suggested that it might put a garden there. Amy Hooper, president of the Callowhill Neighborhood Association, is not so optimistic. Amy is sitting here next to me today. In her recent letter to the Hardship Committee, Ms. Hooper articulated the community's concerns about the prospect of Siloam demolishing this building.

She said "We are particularly concerned about the aftermath of the [proposed] demolition. Siloam has not provided any proposals to the community for the future use of the parcel. We are inclined to believe, given the financial straits of Siloam and their lack of plans for the property, that our community is going to inherit a barren lot filled with weeds and trash—a health risk and an eyesore for the people of our neighborhood."

Last Monday I walked over to 12th and Spring Garden to take another look at Siloam's property. Every building that they own is in a state of disrepair—peeling paint, missing windows, gutters clogged and coming apart, trees growing out of foundation walls.

I walked around the property. Fences are falling down, four-foot high weeds line the parking lots. Trash is heaped up and strewn about. When I mentioned these conditions on Wednesday at the Hardship Committee meeting, Lori Curtis, an employee of Siloam, stood up and said that they really do try hard to keep a handle on these things. And I have no doubt that they do try. But when you look at the big picture, this organization does not have the money, or the man power, or the resources to effectively manage or maintain anything that they own—Siloam has bitten off way more than they can chew with this property.

Of all of the parcels that Siloam acquired from the Archdiocese in 2006, there is only one that is well-maintained and cared for, and this is the one building that they no longer own. It is the store that they sold just last year. This building has been revitalized and given a new life and this is exactly what needs to happen with this church.

Siloam contends that the church can't be sold. Last year they said nobody wanted it. Then Ellen Schicktanz emerged—a Philadelphia art dealer who wanted to buy the church to expand her art gallery. Mrs. Schicktanz expressed her desire to buy the church from the owner prior to the designation of the site on May 11, 2009.

Having seen these images taken by the Community Design Collaborative in 2007, Mrs. Schicktanz was drawn to the beautiful interior details that were, for the most part, still intact. Finally, after two and a half months of broken and rescheduled appointments on the part of Siloam, Mrs. Schicktanz and her husband Bill toured the building. But by this time, the interior was anything but intact.

I'd like to read an excerpt from Alan Jaffe's article that came out on Plan Philly's website two weeks ago. This is a quote from Ellen's husband, Bill:

"Ellen was genuinely interested in the church, but when Lukach brought them inside, they were in the process of the demolition of the interior. Detailed plaster ornamentation on the columns had been removed, pieces of marble and wood flooring had been taken up and stacked. It was apparently a salvage job. Everything had been taken apart. If Lukach had been genuinely interested in selling the building, it would have made sense that he wouldn't do interior demolition until potential buyers had looked at it."

Ellen Schicktanz, in the meantime, has begun working on a new art gallery in another building—a former church located at 3rd and Cecil B. Moore Avenue.

After Schicktanz, Siloam sat on the church for the better half of a year until this past March when a for-sale sign went up on the building, shown here in this image. They commissioned Colliers to sell the property, but after just six months and no sales agreement in place, Siloam is already here applying for financial hardship. Ironically, at the meeting of the Architectural Committee just two weeks ago, Jim Scott of Colliers, stated that it typically takes two to three years to sell a property like this, suggesting that Siloam still has 18 to 30 months to go before they can consider the sale of this building impracticable.

So back to my four key points:

1. The church has cost Siloam a very negligible amount of money and is not the cause of Siloam's financial condition. Overhead amounting to 1-1/2 percent of their annual revenue does not constitute a financial hardship. When they spent $140,000 to remove asbestos and bird fouling they didn't dip into their own funds. We, the taxpayers, paid for all of it.
2. ¾ of Siloam's real estate has never even been used by the organization. The convent—a massive residential structure—and two paved parking lots have neither been leased nor sold. This is 1.2 million dollars worth of prime commercial and residential property waiting to be converted to cash. How can Siloam honestly say that there is a hardship with this real estate gold mine sitting right in their back yard?
3. Siloam has not shown us that they have the money to demolish this building. They got 300,000 from DCED, half of which they've already spent, and the other half they're required to return. Even if they could keep the money, the State History Code precludes demolition as a legal use of the funds. The demolition estimate they've presented—$164,000—is absolutely unrealistic for a building of this magnitude. The CDC study said it would cost a million. A competent outfit might do it for $750,000 or $500,000. But $164,000 will amount to nothing more than a caved in ruin with a mountain of rubble on top.

4. The church has not been adequately marketed. Jim Scott, Vice President of Colliers L&A said it takes two to three years to sell a building like this. Six months is clearly not enough time. This building was appraised at zero dollars yet it's listed by Colliers at $575,000. 100 or 200 thousand is far more realistic for a building that was completely torn apart on the inside and devalued by its owner.

Thanks very much for your time.

Amy Hooper, the president of Callowhill Neighborhood Association, stated that she is opposed to the demolition. She suggested that the Commission require Siloam to mothball the building. She stated that the Commission has a duty to be forward thinking. She asserted that the church may be reusable in five, 10, or 15 years. She reported that the association covers the area from 8th Street to Broad Street and Spring Garden Street to Vine Street. She stated that her group is concerned about historically significant buildings in the community. The group's goal is to preserve character and nature of the neighborhood. The Baldwin Railroad Yard used to be nearby, to the west of the neighborhood. She stated that she has lived in the neighborhood for 20 years. She asked the Commission not to be short sighted, but to look at all of the options. She suggested that Siloam might demolish the church and then dissolve owing to financial troubles, leaving the neighborhood with a vacant lot. She asked the Commission to preserve the church.

Sara McEneaney stated that she is a board member of Callowhill Neighborhood Association and a co-founder of Reading Viaduct Project. She stated that she opposes the hardship and demolition application. She thanked Mr. Schaaf for his vision of the neighborhood in the distant future and agreed that this church may have a new use in 2035.

David Traub stated that he is an architect and the founder of Save our Sites. He suggested that the Commission suspend consideration of the demolition application for a six-month period to allow for time to market the building. He claimed that the Commission faced a moral issue. If it tabled the matter for six months, it will have done the "right thing." He also suggested that the Commission require Siloam to mothball the building. Siloam should use the money that it would have used for the demolition as well as some other funds to stabilize the building; then it could be mothballed. Mr. Traub noted that the Committee on Financial Hardship had considered but then rejected a motion to table the demolition permit application for six months. He asked the Commission to reject the recommendation from the Committee and instead consider the defeated motion. Mr. Traub then claimed that the Commission and its committees had moved too quickly on this application, not allowing enough time for the public to learn of it. He noted that the committee meetings took place within a period of two weeks. He claimed that the fact that there were not many people in the audience for this review showed that the public was uniformed. Mr. Traub then stated that the Commission should not approve demolitions during recessions. The neighborhood may improve in several years and the church would be an asset at that time. He then reminded the Commission of a church at 22nd and Pine Streets, which is used as a performing arts space. He concluded, asking the Commission to take into account the beauty, historical significance, and the Gothic style of the building. He observed that this is a major historic building that may be completely demolished and cannot be replaced. He stated that this is a test of the credibility, fairness, and authority of Philadelphia Historical Commission.

Matthew Teter, the executive director of Calcutta House, an organization that provides housing and care to men and women living with AIDS, stated that Siloam is a great partner to his organization. It provides critical services and support for his residents. He voiced his support for Siloam's application and claimed that the very survival of the important organization relies on an affirmative decision. He observed that one Commissioner had asserted that this church is important because of its connections to two Saints, John Neumann and Katherine Drexel. He contended that, if those saints were alive today, they would place the health and well being of people above the preservation of a building. Mr. Teter explained that he lives near the church and frequents businesses on the block. He stated that he values Philadelphia for its historic streetscapes, but also knows of the city's social service needs. He asked the Commission to approve the application.

John Gallery of the Preservation Alliance stated that he shares the belief that additional time to search for other options might be of value. He stated that he was unable to say whether an additional six months would make a difference and produce a buyer. He stated that one aspect of the marketing effort did "give [him] pause." He observed that the realtors from Colliers have testified that it takes two or three years to find a buyer when a church has been in good condition, but only six months to determine that there is no buyer for a church in poor condition. He asserted that this is not logical. He also noted that he would like more information about the potential buyers who considered the church. He questioned Mr. Scott, who stated that he has never sold a church that for something other than another religious purpose. However, churches in Philadelphia have been converted for non-religious purposes. He suggested that this property should be marketed for uses other than religious uses. He noted, for example, that both an art dealer and a restaurateur expressed interest in the building. He also claimed that the asking price was too high. He noted that the appraisal states that the property has no value at all with the historically designated church on it. The asking price of $575,000 appears too high. He pointed to a historic church in Queen Village that was recently sold. Mr. Gallery also claimed that Siloam is only considering buyers who have full financing; this is an obstacle. Mr. Gallery also pointed to the interior photographs from 2007 and 2009 and claimed that Siloam deliberately damaged the interior to discourage buyers. He asked the Commission to consider continuing the application to allow for addition analysis and marketing.

Michael Byrne, the director of business development and communication at ActionAIDS, stated that ActionAIDS is the largest HIV-AIDS service organization in Pennsylvania. He supported the Siloam application, saying that the organization does important work and has filled a "spiritual hole" that was created when the Archdiocese left the neighborhood. He reported that Siloam is still providing important services, even in these difficult economic times. He agreed with Matthew Teter, who testified earlier, when he said that Katherine Drexel, who served the poorest of the community, would have favored the people over the building.

John Rosato, a neighborhood resident who has been living with AIDS for 25 years, stated that Siloam provides essential services. He stated that Siloam has provided services to him without judgment, especially after he lost a partner to the disease. He stated that he was raised a Catholic. He asserted that it was the Archdiocese's responsibility to save the church. It did not. It is closing religious buildings throughout the city. He responded to Mr. Schaaf's assertion that the building might have an adaptive reuse in 2035. He contended that people are more important than buildings. He stated that we will all be lucky if we are still living in 2035. He stated that he hopes to live another 25 years, but knows that he will not be able to survive without Siloam's services and spiritual support. He asked the Commission to approve the application.

Dorothy Krotzer, an historic preservationist and wife of the nominator of the church, stated that the neighborhood supports Siloam's mission, but also the preservation of the church. She claimed that Siloam has various options that will allow it to save the church and continue to provide its services. Tearing down the church will not save their organization.

Cathy Maguire, a Sister of Mercy, stated that she has been involved with Siloam from beginning in 1996. She stated that she has been involved in discussions relating to this property since 1999. She stated that she admires historic and artistic structures. She noted that Siloam cares for its property. She stated that she wished that there was a way to save this church, but there is not. She explained that Siloam has studied this problem and has determined that there is no reuse for this building. She said that demolition is the only option. She also stated that Siloam does very important work, providing services to people with HIV-AIDS. She explained that Siloam chose this location because the area had a very high incidence of HIV-AIDS. It is also well served by public transportation. She reported that 80% of Siloam's clients live below the poverty line. She stated that Siloam was compelled to buy the entire property by the Archdiocese in 2006. She observed that it was a calculated risk to purchase the entire property. She stated that Siloam made the best decision it could at the time. The decision to buy the property was not made frivolously. It was made with anxiety and a hope for the future. She stated that they did have plans for the church at the time of the purchase. Siloam was anticipating growth. She stated that she worked with an architect to devise a reuse plan for the church before Siloam purchased the property. She stated that a plan for reuse was developed that would have cost $1.2 million. However, Siloam was unable to purchase the church from the Archdiocese at that time and the deterioration continued. She stated that the organization has been through a struggle to try to save this building, even before it purchased the property. She objected to Mr. Palewski's claim that Siloam squandered taxpayers' money to purchase and then prepare to demolish this building. She stated that Siloam provides enormous benefits to many taxpayers. She concluded, asserting that a six-month delay in an approval would be devastating to Siloam. She asked the Commission to approve the application.

Mr. Boyle asked the Commission to ignore Mr. Palewski's assertions attributed to realtor and developer Alex Generalis about the value of the property. Mr. Generales appeared before the Committee on Financial Hardship, but made no statements about the value of the property. Also, Mr. Generalis has submitted nothing in writing to the Commission. There is nothing to substantiate Mr. Palewski's assertions. Mr. Boyle also asked the Commission to discount Mr. Palewski's exaggerated claims about the demolition costs. Mr. Palewski has said repeatedly that the Community Design Collaborative report estimates the cost of the demolition at $1 million. It does not. The estimate is for slightly more than $400,000, which includes $170,000 of asbestos abatement that has already been undertaken. Mr. Boyle stated again that his client has a complete demolition contract with a reputable firm for $164,000. It includes demolition, removal of debris, and clean fill. He disputed Mr. Palewski's claims about the purchase negotiations with Ms. Schicktanz, the art dealer. He stated that the negotiations are clearly documented in letters submitted to the Commission. Mr. Palewski's retelling of the story is not accurate. Mr. Boyle disputed Mr. Gallery's claims and stated that his client cannot merely give the property to anyone. His client must protect his investment in the rest of the complex. Mr. Boyle again remarked that the appraisal states that the property has no value with the designated church on it, but has value without the church. The designation is robbing Siloam of all value. Mr. Palewski has repeatedly claimed that the real estate was a great windfall for Siloam. He objected to his math regarding the costs and pointed out that Siloam has a mortgage for more than $400,000, a fact that Mr. Palewski completely ignored in summary of Siloam's investments. He concluded that Mr. Palewski's assessment of the situation is inaccurate.

Mr. Farnham disagreed with Mr. Traub's claim that the public was unaware of this review. He stated that the Commission advertised the three public meetings of the Architectural Committee, Committee on Financial Hardship, and Commission as required by law. The meetings were advertised in the newspaper, with posters on the building, and by mailings and emails to the interested parties list. He also noted that there has been an enormous amount of press, traditional and non-traditional, about this building and its designation and potential demolition. He noted that, if the blogs are any indication, there is tremendous interest in this case. Mr. Farnham asserted that Mr. Traub's claim should be dismissed.

Mr. Farnham then spoke about the role of the hardship provision in the historic preservation ordinance. He stated that the provision is in place to ensure that a designation never deprives the designated property of all value. If a designation reduces the value of a property to $0, the Commission must allow the demolition of the historic building. Without the hardship-demolition provision, a designation could be construed as a taking in the constitutional sense. The concern is not an academic one. In the 1990s, the ordinance was deemed unconstitutional and the Commission was in limbo, unsure of its authority, for two years. If a historic building has no feasible adaptive reuse, the Commission must allow its demolition regardless of its historical significance. The hardship provision ensures that the historic preservation ordinance is constitutional. Mr. Farnham advised the Commission to determine whether the applicant applied two overlapping tests to determine whether the property suffers from a financial hardship. First, did the applicant prove that the sale and rental of the property is impracticable? Did the applicant make a good faith effort to sell or rent the property? Second, did the applicant prove that all potential reuses are foreclosed? Do the construction cost estimates, appraisal, and market analyses prove that there are no feasible reuses? Can commercial rental provide a reasonable rate of return? In other words, did the applicant demonstrate that the building cannot be used for any purpose for which it is or can be reasonably adapted? Mr. Farnham cautioned the Commission against accepting the argument that the property should be given away. If you accept the claim that the property has no value with the designated church in place but does have value as vacant land and the conclude that it should be given away to save the church, then you are conceding that the designation has taken the entire value of the property. If you insist that the church should be given away, you are, in effect, validating a takings claim; you are agreeing that the designation has robbed the property of all of its value and are refusing to take the one action that would return some value to the property, approval of the demolition. Mr. Farnham instructed the Commission to carefully avoid a takings claim. He also advised the Commission to consider judiciously the testimony related to the value of Siloam's services, Siloam's ability or inability to fund a rehabilitation, the architectural significance of the church, the role of the church as an icon in the neighborhood, and the church's potential for reuse in 2035. Although these claims and contentions may be true, they do not relate to the legal question before the Commission. Mr. Farnham stated that, ultimately, the Commission has one question before it: can the property be used for any purpose for which it is or may be reasonably adapted. In other words, does the property suffer from an inherent hardship? The Commission must be guided by the historic preservation ordinance and the Rules & Regulations.

> **ACTION:** Mr. Wilds moved to adopt the recommendations of the Architectural Committee and Committee on Financial Hardship and find that the property at 1123-33 Spring Garden Street cannot be used for any purpose for which it is or may be reasonably adapted; that a sale of the property is impracticable; that commercial rental of the property cannot provide a reasonable rate of return; and that other potential uses of the property are foreclosed; and approve its complete demolition, pursuant to Section 14-2007(7)(j) of the Philadelphia Code. Mr. Dilworth seconded the motion, which passed by a vote of 6 to 5. Mses. Leonard and Schlotterbeck and Messrs. Mattioni, Quinn, and Schaaf dissented.

ADJOURNMENT

ACTION: Mr. Wilds moved to adjourn at 1:10 p.m. Mr. Dilworth seconded the motion, which passed unanimously.

STANDARDS AND GUIDELINES CITED IN THE MINUTES

Standard 2: The historic character of a property will be retained and preserved. The removal of distinct materials or alterations of features, spaces, and spatial relationships that characterize a property will be avoided.

Standard 5: Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

Standard 6: Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

Standard 9: New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new works shall be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

Roofs Guideline: Recommended: Identifying, retaining, and preserving roofs–their functional and decorative features–that are important in defining the overall historic character of the building. This includes the roof's shape, such as hipped, gambrel, and mansard; decorative features such as cupolas, cresting, chimneys, and weathervanes; and roof material such as slate, wood, clay, tile, and metal, as well as its size, color, and patterning.

§14-2007(7)(j): No permit shall be issued for the demolition of an historic building, structure, site or object, or of a building, structure, site or object within an historic district which contributes, in the Commission's opinion, unless the Commission finds that issuance of the permit is necessary in the public interest, or unless the Commission finds that the building, structure, site or object cannot be used for any purpose for which it is or may be reasonably adapted. In order to show that [the] building, structure, site or object cannot be used for any purpose for which it is or may be reasonably adapted, the owner must demonstrate that the sale of the property is impracticable, that commercial rental cannot provide a reasonable rate of return and that other potential uses of the property are foreclosed.