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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING AND HEARING
BEFORE THE COUNCIL COMMITTEE ON
PUBLIC PROPERTY AND PUBLIC WORKS

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Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, 6/4/02
10:31 a.m.
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BILL 020312 - an ordinance authorizing the
Commissioner of Public Property to execute and
deliver to the Philadelphia Authority for Industrial
Development ("PAID"), without consideration, a deed
conveying fee simple title to two certain tracts of
City-owned land with the buildings and improvement
telephone situate in the vicinity of the 19th Street
and Allegheny Avenue...

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Bill No. 020347 - an ordinance authorizing the
Commissioner of Public Property to execute and
deliver to the Philadelphia Authority for Industrial
Development ("PAID"), without consideration, a deed
conveying fee simple title to two certain tracts of
City-owned land with the buildings and improvements
thereon, situate in the vicinity of American Street
and Montgomery Avenue...

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COUNCILMEMBERS PRESENT:

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James F. Kenney, Chair
Jannie L. Blackwell, Vice Chair
Blondell Reynolds Brown
Darrell L. Clarke
Donna Reed Miller
Michael A. Nutter

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Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

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COUNCILMAN KENNEY: Good morning,
ladies and gentlemen. The Committee on Public
Property and Public Works is now in session to
hear testimony on two bills.

The first bill is 020312, which is
Bill No. 020312 an ordinance authorizing the
Commissioner of Public Property to execute and
deliver to the Philadelphia Authority for
Industrial Development ("PAID"), without
consideration, a deed conveying fee simple title
to two certain tracts of City-owned land with the
buildings and improvements thereon situate in the
vicinity of the 19th Street and Allegheny Avenue,
subject generally to the terms and conditions of
the Philadelphia Industrial and Commercial
Development Agreement between the City, the PAID,
and the Philadelphia Industrial Development
Corporation; and further authorizing PAID,
notwithstanding any contrary requirements of the
Philadelphia Industrial and Commercial
Development Agreement to convey such land for a
nominal consideration; all under certain terms

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2 and conditions.

3 (Witnesses come forward.)

4 COUNCILMAN KENNEY: Good morning.

5 Please Identify yourself for the record and

6 proceed.

7 MR. DEEGAN: Paul J. Deegan, I

8 represent PIDC and the Philadelphia Authority.

9 This bill authorizes the City to
10 convey two parcels containing 5.4 acres of vacant
11 land in the vicinity of 19th Street and Allegheny
12 Avenue to PAID. After acquisition by PAID, this
13 property will be sold to Philadelphia Stainless,
14 Incorporated, now located at 2015 West Allegheny
15 Avenue, an existing manufacturer and distributor
16 of metal products. The company intends to
17 construct a new 7500 square foot building and
18 create approximately 35 new jobs. The total
19 project cost of this construction will be
20 \$3.75 million.

21 The bill also authorizes PAID to
22 negotiate a sale to Philadelphia Stainless at a
23 price below the fair market value. We believe
24 that the retention of the company in this area,
25 the total investment in the project, and the new

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2 job creation on the site will justify the
3 financial assistance we can provide by reduced
4 land costs. After our proceeds after we
5 negotiate a price, the net proceeds from the sale
6 of the land will go to the City's General Fund.

7 I ask that the Committee consider
8 bill favorably and that the rules of Council be
9 suspended to permit First Reading at the next
10 regularly scheduled meeting at City Council.

11 Thank you. And I'd be happy to
12 answer any questions you may have.

13 COUNCILMAN KENNEY: Mr. Deegan, this
14 is City-owned property we're selling to a private
15 entity?

16 MR. DEEGAN: Yes, it is. Yes.

17 COUNCILMAN KENNEY: Any questions
18 for this witness?

19 Councilmember Miller.

20 COUNCILWOMAN MILLER: Good morning.

21 MR. DEEGAN: Good morning.

22 COUNCILWOMAN MILLER: Good morning,
23 Mr. Chair. Good morning, Mr. Deegan and the
24 other gentleman.

25 MR. DEEGAN: Good morning,

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2 Councilwoman.

3 COUNCILWOMAN MILLER: I'm really bad
4 with names.

5 I just want to do make a statement
6 and just say that this parcel is located in the
7 8th Council District. It's a part of our
8 Keystone Zone. It's in our Keystone Zone
9 designation. And it's been an eyesore and
10 blighted for many, many, many, many years. So
11 we're really pleased that this is finally going
12 to be developed and we're excited about the new
13 job creation and we just strongly support this
14 particular project. And thank you for your
15 testimony.

16 COUNCILMAN KENNEY: Thank you very
17 much.

18 MR. DEEGAN: Thank you, Councilwoman.

19 COUNCILMAN KENNEY: Mr. Sipos, please
20 identify yourself.

21 COUNCILMAN KENNEY: Mr. Chairman,
22 members of the Committee. My name is Kenneth A.
23 Sipos. I'm representing the Department of Public
24 Property. This bill will permit the property to
25 be sold for the purpose of constructing a new

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2 building by an existing manufacturer and
3 distributor of metal products and the creation of
4 approximately 35 new jobs. The Department
5 supports measure, and accordingly, I respectfully
6 ask that the Committee consider this bill
7 favorably.

8 Thank you. I'll be happy to answer
9 any questions you may have.

10 COUNCILMAN KENNEY: Thank you very
11 much.

12 Any questions of Mr. Sipos?

13 (No response.)

14 COUNCILMAN KENNEY: Seeing none,
15 anyone else here to testify on this bill?

16 (No response.)

17 COUNCILMAN KENNEY: Seeing none,
18 we'll now move to Bill No. 020347, an ordinance
19 authorizing the Commissioner of Public Property
20 to execute and deliver to the Philadelphia
21 Authority for Industrial Development ("PAID"),
22 without consideration, a deed conveying fee
23 simple title to two certain tracts of City-owned
24 land with the buildings and improvements thereon,
25 situate in the vicinity of American Street and

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2 Montgomery Avenue, subject generally to the terms
3 and conditions of the Philadelphia Industrial and
4 Commercial Development Agreement between the
5 City, the PAID, and the Philadelphia Industrial
6 Development Corporation; and further authorizing
7 PAID, notwithstanding any contrary requirements
8 of the Philadelphia Industrial and Commercial
9 Development Agreement, to convey such land for a
10 nominal consideration, under certain terms and
11 conditions.

12 Please, identify yourself for the
13 record and proceed.

14 MR. DEEGAN: Good morning, Mr.
15 Chairman.

16 COUNCILMAN KENNEY: Good morning.

17 MR. DEEGAN: My name is Paul Deegan.
18 I represent the Philadelphia Industrial
19 Development Corporation and the Philadelphia
20 Authority for Industrial Development. And I'm
21 here today to testify in support of this bill.

22 This bill authorizes the City to
23 convey a 1.5-acre parcel of vacant land at the
24 intersection of American Street and Montgomery
25 Avenue to PAID. After acquisition from the City

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2 by PAID, the property will be sold to White Oak
3 Ice Company. They're an existing company now
4 located in Bucks County. This company intends to
5 construct a new 15,000 square foot building for
6 the storage and distribution of ice. The
7 facility will create eight new jobs immediately
8 and eight additional jobs within three years.

9 The bill also authorizes PAID to
10 negotiate a sale of White Oak at a price below
11 fair market value.

12 As with the first case, we believe
13 that attracting a move-in company from Bucks
14 County to the American Street corridor and the
15 company's willingness to invest in the project
16 and the new job creation will justify the
17 financial assistance of a reduced land cost.

18 These are very similar bills, I
19 think, both 19 and Allegheny and American and
20 Montgomery. It's the same concept. It's vacant
21 land acquired by the City either through
22 sheriff's sale or condemnation, a company we're
23 trying to retain in the area or attract to area
24 and one of the financing tools we're using is
25 reducing the land price. And both sites, as

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2 Councilwoman Miller reminded me, I forgot to
3 mention, both sites are in the Keystone
4 Opportunity Zone.

5 So we ask that the Committee consider
6 the Bill favorably and that Rules of Council be
7 suspended to permit First Reading at the next
8 regularly scheduled meeting of Council.

9 And thank you for the opportunity to
10 testify. And I would be happy to answer any
11 questions you may have.

12 COUNCILMAN KENNEY: Mr. Deegan, just
13 one question relative to the first bill which
14 we've sold the 5.4 for \$3.75 million, which is a
15 pretty good price for vacant land in that
16 particular area.

17 MR. DEEGAN: Yes.

18 COUNCILMAN KENNEY: On the second
19 bill no number. Is there any reason why we
20 haven't --

21 MR. DEEGAN: I think the 3.75 million
22 in the first case is based on the total cost of
23 construction of the --

24 COUNCILMAN KENNEY: Oh, I'm sorry.
25 Okay.

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2 MR. DEEGAN: We'll be reducing the
3 price.

4 COUNCILMAN KENNEY: I misread that.
5 I'm sorry. So both of them are just
6 authorizations to proceed to negotiate a sale.

7 MR. DEEGAN: To negotiate a sale.

8 COUNCILMAN KENNEY: Okay.

9 MR. DEEGAN: And try and give them
10 reduced land costs.

11 I should have put in Bill No. 020347.
12 We estimate this is probably going to be close to
13 a million dollar facility because it's going to
14 be 15,000, probably close to \$100 a square foot
15 because of the refrigerated and freezer space
16 needed for ice storage.

17 COUNCILMAN KENNEY: I'm sorry, I
18 misread the testimony. I thought the sale price
19 was 3.75. I see now you're just going to --
20 we're authorizing the negotiation of the sale.

21 MR. DEEGAN: Right, yes.

22 COUNCILMAN KENNEY: Okay. Thank you.

23 Any questions for Mr. Deegan?

24 (No response.)

25 COUNCILMAN KENNEY: Ken, please.

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2 MR. SIPOS: Mr. Chairman, Members of
3 the Committee, this bill will permit a property
4 to be sold. The Department of Public Property
5 supports the measure, and accordingly, I ask that
6 the Committee consider this bill favorably.

7 Thank you, and I'll be happy to
8 answer any questions.

9 COUNCILMAN KENNEY: Thank you very
10 much.

11 Any questions for this witness?

12 (No response.)

13 COUNCILMAN KENNEY: Anyone else to
14 testify on these bills?

15 (No response.)

16 COUNCILMAN KENNEY: Seeing none,
17 that will conclude the business of the Public
18 Property and Public Works Committee.

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1 6/4/02 - PUBLIC PROPERTY AND PUBLIC WORKS
2 COUNCIL OF THE CITY OF PHILADELPHIA
3
4 PUBLIC MEETING
5
6 COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS

7 - - -

8 Tuesday, June 4, 2002

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10 Public Meeting conducted by the
11 Committee on Public Property and Public Works,
12 held in Room 401, City Hall, Philadelphia,
13 Pennsylvania, on the above date, to consider
14 action on the following:

15 BILLS 02312, 020347

16 - - -

17 PRESENT:

18 JAMES F. KENNEY, Chair
19 JANNIE L. BLACKWELL, Vice Chair
20 BLONDELL REYNOLDS BROWN
21 DARRELL L. CLARKE
22 DONNA REED MILLER
23 MICHAEL A. NUTTER

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2 COUNCILMAN KENNEY: We will no
3 convene a public meeting.

4 The Chair recognizes Councilmember
5 Miller for a motion on Bill No. 020312.

6 COUNCILWOMAN MILLER: Thank you,
7 Mr. Chairman. I move that Bill No. 020312 be
8 reported out of this committee with a favorable
9 recommendation and that the Rules of Council be
10 suspended so as to permit First Reading at our
11 next session.

12 COUNCILMAN KENNEY: Can I get a
13 second?

14 (Duly seconded.)

15 COUNCILMAN KENNEY: It's been moved
16 and seconded.

17 All in favor?

18 (Aye.)

19 COUNCILMAN KENNEY: There are none
20 opposed.

21 Bill No. 020312 will be reported out
22 of this Committee favorably. A request will be
23 made for rule suspension to allow for First
24 Reading at our next Council Session.

25 The Chair recognizes Councilman Rizzo

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2 for a motion on Bill No. 020347

3 COUNCILMAN RIZZO: I move that Bill
4 No. 020347 be reported out of committee with a
5 favorable recommendation, with a recommendation
6 that the Rules of Council be suspended so as to
7 permit First Reading of this bill at our next
8 Session of Council.

9 (Duly seconded.)

10 COUNCILMAN KENNEY: It's been moved
11 and seconded.

12 All in favor?

13 (No response.)

14 COUNCILMAN KENNEY: There are none
15 opposed.

16 Bill No. 020347 reported out of this
17 committee favorably. A request will be made for
18 rule suspension to allow first reading at our
19 next council session.

20 That concludes the business of the
21 Public Property and Public Works Committee.
22 Thank you for your attendance.

23 (Committee proceedings end at 10:44
24 a.m.)

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CERTIFICATE

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia's meeting of the Committee on Public
Property and Public Works of Tuesday, 6/4/02, are
contained fully and accurately in the
stenographic notes taken by me, and that this is
a true and correct transcript of same.

_____,
Josephine Cardillo
Registered Professional Reporter
and Notary Public

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supervision of the certifying reporter.)