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COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON PUBLIC PROPERTY and PUBLIC WORKS

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Room 400, City Hall
Philadelphia, Pennsylvania
Monday, March 22, 2010, 9:35 a.m.

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BILL 090785 - Sale of City real estate for 50%
of its fair market value for purpose of
creating retail and commercial jobs...

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BILL 100094 - Authorizing PAID to purchase
approximately 20 acres on Summerdale Avenue...

10

11

BILL 100101 - Council approval of redevelopment
proposals and contracts submitted under
provisions of the Urban Redevelopment Law...

12

13

BILL 100130 - Authorizing Public Property to
deliver to PAID a deed conveying fee simple
title to parcel at 5326 Pulaski Avenue...

14

15

BILL 100132 - Extending term of sublease for
mailroom operations at 1628 JFK Boulevard...

16

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COMMITTEE MEMBERS PRESENT:
Darrell C. Clarke, Chair Joan L. Krajewski
James F. Kenney, Vice Chair Donna Reed Miller
W. Wilson Goode, Jr. Frank Rizzo
William K. Greenlee

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1 3.22.10 PUBLIC PROPERTY - BILL 100094

2 COUNCILMAN CLARKE: Good
3 morning. This is the Committee on Public
4 Property and Public Works hearing. It
5 will now come to order.

6 Mr. Carter, please read the
7 title of the first bill.

8 THE CLERK: Bill No. 100094, an
9 ordinance authorizing the Philadelphia
10 Authority for Industrial Development
11 (PAID) to purchase approximately twenty
12 acres on Summerdale Avenue between
13 Foulkrod Street and Godfrey Avenue, under
14 and subject to the Philadelphia
15 Industrial and Commercial Development
16 Agreement among the City, PAID, and the
17 Philadelphia Industrial Development
18 Corporation.

19 COUNCILMAN CLARKE: Thank you.

20 For the record, we have
21 established a quorum: Councilman Rizzo,
22 Councilman Greenlee, and Councilwoman
23 Miller.

24 Thank you.

25 May I please have the first

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2 witness.

3 (Witness comes forward.)

4 MR. DALFO: Good morning,

5 Mr. Chairman and members of the

6 committee. My name is Thomas Dalfo, and

7 I represent the Philadelphia Industrial

8 Development Corporation and the

9 Philadelphia Authority for Industrial

10 Development. I am here to testify in

11 support of Bill No. 100094.

12 This bill authorizes the

13 Philadelphia Authority for Industrial

14 Development (PAID) to purchase an

15 approximately twenty-acre property

16 located at 5000 Summerdale Avenue, in

17 Northeast Philadelphia, for a

18 consideration not to exceed \$2,800,000.

19 After acquisition by PAID, PIDC

20 will market the property to private

21 companies for industrial development.

22 This site is an attractive location for

23 modern industrial development. At twenty

24 acres, this site is large. It has good

25 access to Roosevelt Boulevard, and it is

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2 easily accessible to residents of a
3 number of neighborhoods throughout the
4 City. Sites which possess these
5 characteristics are virtually nonexistent
6 in the City.

7 Based on an extensive survey of
8 industrial districts that the Planning
9 Commission, the Commerce Department, and
10 PIDC completed in 2009, there are
11 approximately a dozen large, cleared
12 industrially-zoned sites in the entire
13 city.

14 Only a fraction of these sites
15 also possess the quality of access to
16 highways and potential employees as the
17 Summerdale Avenue site does. This lack
18 of marketable industrial properties
19 greatly limits Philadelphia's ability to
20 attract and retain industrial companies
21 and the employment opportunities they
22 represent.

23 The purchase price is based on
24 a recent appraisal of the property by an
25 independent appraiser. The current owner

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2 of the property, Cardone Industries, has
3 agreed to sell the site to PAID. The
4 cost of this acquisition will be paid
5 from the Industrial and Commercial
6 Revolving Fund.

7 I ask that the committee
8 consider this bill favorably and that the
9 rules of Council be suspended to permit
10 first reading at the next regularly
11 scheduled meeting of Council.

12 Thank you for the opportunity
13 to testify bill. I will be happy to
14 answer any questions you may have
15 regarding this ordinance.

16 COUNCILMAN CLARKE: Thank you.

17 Let the record reflect that
18 Councilman Kenney has also joined the
19 committee.

20 Real quick. The acquisition
21 dollars, where are the dollars coming
22 from for this acquisition?

23 MR. DALFO: They're coming from
24 the Industrial and Commercial Resolving
25 Fund that was established in the

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2 mid-1970s by the City that's administered
3 by PIDC and PAID on behalf of the City.

4 COUNCILMAN CLARKE: How much
5 money do you have in there?

6 MR. DALFO: In the Industrial
7 and Commercial Fund?

8 COUNCILMAN CLARKE: In the
9 Resolving Fund.

10 MR. DALFO: I guess the latest
11 estimate is 13 or \$14 million, total.

12 COUNCILMAN CLARKE: And is
13 there an established return on the
14 investment? I mean, do we --

15 MR. DALFO: Um --

16 COUNCILMAN CLARKE: I mean, is
17 there some criteria associated with the
18 creation of jobs or the amount of revenue
19 that we should get on the sale of the
20 property? Or is it just...

21 MR. DALFO: The fund doesn't
22 operate quite like a private equity
23 investment fund. Its chief purpose is to
24 acquire industrial land and commercial
25 land for the City to be available for

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2 private development.

3 There are job goal targets
4 established for properties. The goal is
5 to try to create approximately around 15
6 jobs per acre, sort of a net usable land.
7 So on a site like this, ideally, it would
8 be up around 300 jobs total for the site.

9 But they're goals, and it sort
10 of depends on what the type of site --
11 what type of activities is most suitable
12 for the site.

13 There aren't specific financial
14 goals other than to try to make sure the
15 fund is self-sustaining, and it has been
16 for about the past thirty years or so.

17 COUNCILMAN CLARKE: All right.
18 One of the concerns I've had -- and, you
19 know, I've talked to Mr. Deegan and
20 members of PIDC earlier, and, you know,
21 I'll actually have some conversations
22 with Public Property about this whole
23 land disposition and the acquisition
24 strategy, that there are no established
25 goals.

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2 And I guess, you know, from my
3 perspective, I really don't know exactly
4 what to tell people who may call and
5 inquire about the things that could be
6 available from the City of
7 Philadelphia -- or from PIDC in this
8 case -- in terms of being in a position
9 to develop a business.

10 Is it -- now, this is the first
11 I've heard that there's -- 15 jobs per
12 acre is the threshold.

13 MR. DALFO: That's the goal
14 that's established.

15 COUNCILMAN CLARKE: Yeah. And
16 we'll do it at another time because we
17 have budget hearing later on, but at some
18 point, you know, I really would like to
19 have a detailed conversation.

20 As we market our opportunities
21 in the City of Philadelphia, it's really
22 not clear. It's kind of somebody calling
23 or sending an e-mail, and then you kind
24 of sit down and you don't know going in,
25 and there are a lot of good things

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2 apparently that are available, but people
3 don't know it, frankly speaking, and we
4 could probably get more people involved
5 or engaged in the ability to deal with
6 the City of Philadelphia or some of its
7 quasi-agencies in terms of creating
8 business opportunities.

9 But we'll talk about that
10 later.

11 MR. DALFO: Okay. If there are
12 questions about this land that PAID has
13 available, if you want, I would suggest
14 that they reach out to our website, where
15 we have all of our industrial properties
16 listed and the asking prices and the
17 details on it.

18 What we try to do is mirror
19 what a private real-estate investment
20 company would have in terms of the
21 information available about sort of
22 developable parcels.

23 COUNCILMAN CLARKE: All right.

24 MR. DALFO: A number of our
25 parcels are a bit challenged because of

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2 their physical condition, so that

3 compromises that a little bit,

4 Mr. Chairman.

5 COUNCILMAN CLARKE: All right.

6 We'll get into it, okay?

7 Councilman Rizzo.

8 COUNCILMAN RIZZO: Could you

9 please tell me how long Cardone has had

10 this property and what was on it before?

11 MR. DALFO: Cardone has been in

12 the property, I think, in the area of

13 around 13 or 14 years.

14 It was originally the warehouse

15 piece for the old Sears distribution

16 facility on the Boulevard, the front

17 portion of which was acquired by

18 Pennsylvania Real Estate Investment Trust

19 and developed as, I think they call it,

20 the Tower Center on the Boulevard.

21 So this was a warehouse for

22 Sears.

23 COUNCILMAN RIZZO: When we do a

24 deal like this, this twenty acres is

25 environmental cleaned and checked, and we

1 3.22.10 PUBLIC PROPERTY - BILL 100094

2 aren't inheriting any environmental
3 issues at that location?

4 MR. DALFO: Part of what we're
5 doing under an agreement of sale that
6 we've entered into with Cardone is doing
7 an environmental study of the property.
8 We completed a Phase to determine whether
9 or not we need to do any testing. Some
10 testing is being done to determine its
11 environmental condition very
12 specifically.

13 And we'll make those points of
14 a negotiation with Cardone.

15 COUNCILMAN RIZZO: Just a
16 curiosity question. And I guess you
17 can't speak for Cardone, but it's just
18 something that I'm curious about.

19 Why would Cardone do this deal
20 with PAID and PIDC and not do it
21 themselves?

22 MR. DALFO: I don't think they
23 want to be in the real-estate sales and
24 development business.

25 There was a company that had

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2 come to them previously -- or an
3 organization that had come to them
4 previously wanting to buy the property;
5 that transaction fell through. That's
6 when we became aware of it, and we
7 reached out to Cardone and said we would
8 be interested in pursuing an acquisition
9 of this property.

10 COUNCILMAN RIZZO: Okay.

11 MR. DALFO: I can't speak to --

12 COUNCILMAN RIZZO: I understand
13 that, but it's just sometimes strange to
14 me that if it's as valuable as you say
15 that's that they would do this kind of a
16 deal rather than not market it
17 themselves. It's just a curiosity
18 question.

19 Thank you.

20 MR. DALFO: Sure.

21 COUNCILMAN CLARKE: One last
22 question on this from me; I don't know if
23 other members have questions.

24 In terms of the -- because this
25 is a quasi-agency, in terms of the

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2 disposition of this land to a private
3 developer, are there any criteria
4 established in terms of job creation for
5 MBE/WBE/DBE? I know we had this earlier
6 conversation.

7 PIDC actually said that they do
8 well in that, but there's really no
9 established goals and -- documented
10 established goals.

11 MR. DALFO: PIDC has its goals
12 that have been established for
13 contracting.

14 COUNCILMAN CLARKE: Right.

15 MR. DALFO: So any type of
16 contracting we would do related to this
17 property, which is likely to be focused
18 on the due diligence investigation and
19 then allow us to market the property.

20 In terms of the requirements to
21 the actual purchaser of the property, if
22 they're securing any financing from us
23 that have goals associated with it, then
24 I think that those pass through. So if
25 someone has financing that comes from the

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2 City that has a requirement, then they
3 would have to follow the goals
4 established by that.

5 COUNCILMAN CLARKE: But if they
6 don't get financing from the City, then
7 there's just --

8 MR. DALFO: No.

9 COUNCILMAN CLARKE: You do you
10 whatever?

11 MR. DALFO: Correct.

12 COUNCILMAN CLARKE: All right.
13 Okay.

14 Councilman Kenney.

15 COUNCILMAN KENNEY: Thank you
16 very much.

17 What's the -- are there any tax
18 arrearages on this property?

19 MR. DALFO: We haven't found
20 any, but before we go to settlement,
21 we'll require a certification
22 statement --

23 COUNCILMAN KENNEY: So you have
24 to do a title search --

25 MR. DALFO: -- from Cardone --

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2 COUNCILMAN KENNEY: You'll do a
3 title search and figure out what, if
4 anything, is owed?

5 MR. DALFO: We would, we will.
6 We won't close with someone if they owe
7 the City taxes; as a condition, they need
8 to be in compliance wit that.

9 COUNCILMAN KENNEY: If, in
10 fact, they do owe the City taxes,
11 actually, we would be paying ourselves
12 back; is that --

13 MR. DALFO: Yeah. It would
14 sort of be coming from one pocket to the
15 other, yes.

16 COUNCILMAN KENNEY: Okay. Is
17 there any proposed use for the twenty
18 acres?

19 MR. DALFO: At this point, no,
20 we don't have a specific use in mind.
21 Our sense is that it would work well as a
22 distribution facility given its location
23 and its characteristics.

24 COUNCILMAN KENNEY: What's the
25 zoning now?

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2 MR. DALFO: It's zoned G-2.

3 COUNCILMAN KENNEY: Okay.

4 Thanks.

5 COUNCILMAN CLARKE: Councilman

6 Rizzo -- oh, I'm sorry. Councilwoman

7 Miller and then Councilman Rizzo.

8 COUNCILWOMAN MILLER: How long

9 has this building or land been vacant?

10 MR. DALFO: I don't know when

11 the warehouse came down. I think it's

12 bee, I would say, ten or twelve years.

13 It's probably been down since before

14 Cardone bought the property, I think.

15 COUNCILWOMAN MILLER: Since

16 before Cardone purchased the property?

17 MR. DALFO: Yeah.

18 COUNCILWOMAN MILLER: Okay.

19 And how long have they owned it?

20 MR. DALFO: My recollection is

21 they've owned it for about that time 12,

22 13 years.

23 COUNCILWOMAN MILLER: So

24 what -- if no one has been interested in

25 purchasing it from him, why do you think

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2 they'll purchase it from you?

3 MR. DALFO: They haven't --

4 Cardone has not marketed it.

5 COUNCILWOMAN MILLER: He has

6 not marketed it?

7 MR. DALFO: No. It had not

8 been on the market.

9 COUNCILWOMAN MILLER: Okay. So

10 these are the building -- or is it vacant

11 land?

12 MR. DALFO: It's vacant land.

13 COUNCILWOMAN MILLER: Near the

14 old Sears complex? I'm just trying to

15 visualize it. I go up there, to Home

16 Depot.

17 MR. DALFO: Mm-hmm.

18 COUNCILWOMAN MILLER: So is it

19 on the left, or is it in the back?

20 MR. DALFO: It would be to the

21 rear of the Home Depot and to the right.

22 So if you're looking at where the Home

23 Depot is, it's sort of to the rear and to

24 the right, with frontage on Summerdale

25 Avenue.

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2 COUNCILWOMAN MILLER: Okay.

3 MR. DALFO: And it's about a --
4 it's a twenty-acre, roughly rectangular
5 parcel.

6 COUNCILWOMAN MILLER: Okay.

7 Thank you.

8 COUNCILMAN CLARKE: Councilman
9 Rizzo.

10 COUNCILMAN RIZZO: Not to
11 exceed 2.8 million. Do you know the deal
12 that Cardone when it fell apart, what
13 they were going to be paid for the
14 property?

15 MR. DALFO: What they had the
16 property under agreement for? I don't
17 know what the -- the value of that.

18 COUNCILMAN RIZZO: Why is the
19 language "not to exceed"?

20 MR. DALFO: Because there
21 are -- there could be credits against
22 that. And so, the 2.8 million is the
23 negotiated number with Cardone.

24 And if there is environmental
25 conditions, as you had asked before, in

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2 our agreement, they would be a deduct
3 from the price. If there's demolition
4 required to the property, then those
5 would be a deduct from the price as well.

6 And if there's any sort of
7 limitation or lack of capacity of
8 surrounding infrastructure that needs to
9 be upgraded or extended, those would also
10 be a deduct from the price.

11 So 2.8 million is the absolute
12 sealing. And then, if there are
13 conditions that compromise that value,
14 they would come out.

15 COUNCILMAN RIZZO: There's no
16 intelligence when this property was on
17 the market? There's no one -- I mean,
18 how would it not be known what they were
19 asking for this property?

20 And my final question is:
21 Based on your professional evaluation of
22 the twenty acres, what eventually do you
23 think you'll receive once it's all
24 disposed of? What will be the
25 projection? Hopefully more than 2.8

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2 million, or even less just to bring
3 business in.

4 MR. DALFO: In would be in that
5 area of around \$2.8 million. It's an
6 attractive site, from our opinion; we
7 don't think it's going to need a lot of
8 infrastructure. We'll complete our due
9 diligence to determine that.

10 And the market value for an
11 attractive site like that is in the area
12 of \$2.8 million. So ideally, we'll get
13 our cost back and then some, but --

14 COUNCILMAN RIZZO: The jobs and
15 the taxes?

16 MR. DALFO: Yeah, yeah. And
17 that would be the -- if the transaction
18 doesn't return the dollars that were
19 required to purchase it, then we would
20 look at sort of the other goals of the
21 job creation and tax revenue that the
22 activity would generate.

23 COUNCILMAN RIZZO: Thanks,
24 Mr. Chairman.

25 COUNCILMAN CLARKE: Thank you.

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2 Who's the Councilperson for
3 this site?

4 MR. DALFO: It's Councilwoman
5 Tasco's.

6 COUNCILMAN CLARKE: All right.
7 I mean, I knew the answer; I just wanted
8 to make sure you knew the answer.

9 MR. DALFO: Yeah.

10 COUNCILMAN CLARKE: Have you
11 had conversations with her about this?

12 MR. DALFO: We have.

13 COUNCILMAN CLARKE: So she's
14 aware of it?

15 MR. DALFO: Mm-hmm.

16 COUNCILMAN CLARKE: Okay.
17 Cardone. I recall earlier we had some
18 conversations about them. It's one of
19 the larger industrial businesses still in
20 the City of Philadelphia. Are they doing
21 --

22 MR. DALFO: My understanding
23 is, it's the largest manufacturer in the
24 City.

25 COUNCILMAN CLARKE: Are they

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2 doing well?

3 MR. DALFO: I think relative to
4 the overall economic climate, yes.

5 COUNCILMAN CLARKE: I mean,
6 considering.

7 MR. DALFO: Yes.

8 COUNCILMAN CLARKE: I mean, I
9 know we were concerned about losing them
10 at one point.

11 Okay, great.

12 Any other questions for this
13 witness from members of the committee?

14 (No response.)

15 COUNCILMAN CLARKE: There being
16 none, thank you very much.

17 MR. DALFO: Thank you.

18 COUNCILMAN CLARKE: Oh, one
19 last question: The sales price, will
20 that be established? The minimum sale
21 price, will that be established by the
22 purchase price?

23 MR. DALFO: The \$2.8 million
24 represents a maximum that they pay.

25 COUNCILMAN CLARKE: I

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2 understand that.

3 MR. DALFO: Any --

4 COUNCILMAN CLARKE: But when
5 you sell it --

6 MR. DALFO: Ideally, it will.
7 We'll look to return that, but it would
8 depend if a certain project comes in that
9 has, you know, strong job creation or tax
10 revenue generation, then --

11 COUNCILMAN CLARKE: You will
12 weigh that in terms of your sale?

13 MR. DALFO: Yeah.

14 COUNCILMAN CLARKE: Okay. All
15 right. That's, again, a part of the
16 conversation I want to have later with
17 Public Property.

18 All right. Thank you. Thank
19 you, sir.

20 MR. DALFO: Thank you.

21 COUNCILMAN CLARKE: Anyone else
22 to testify on this bill?

23 (No response.)

24 COUNCILMAN CLARKE: There being
25 none, Mr. Carter, please read the title

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2 of the next bill.

3 THE CLERK: Bill No. 100130, an
4 ordinance authorizing the Commissioner of
5 Public Property to execute and deliver to
6 the Philadelphia Authority for Industrial
7 Development a deed conveying for nominal
8 consideration fee simple title to the
9 parcel measuring approximately 58,402
10 square feet, which is located at 5326
11 Pulaski Avenue, at the southwesterly side
12 of Penn Street and Pulaski Avenue, with
13 the buildings and improvements thereon,
14 for further conveyance at nominal
15 consideration.

16 (Witness comes forward.)

17 COUNCILMAN CLARKE: Good
18 morning.

19 MR. HERZINS: Good morning,
20 Chairman Clarke and members of the
21 Committee on Public Property and Public
22 Works. My name is John Herzins and I am
23 the Deputy Commissioner of Public
24 Property, here today to testify in
25 support of Bill No. 100130.

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2 This bill will authorize us to
3 convey a deed for a property located at
4 5326 Pulaski Avenue, at the southwesterly
5 side of Penn Street and Pulaski Avenue,
6 to PAID for further conveyance at nominal
7 consideration.

8 This property, along with the
9 neighboring property, will be redeveloped
10 by the Philadelphia Housing Authority
11 into low-rise public housing. The new
12 development will replace the high-rise
13 public-housing project.

14 The Department supports this
15 measure; and, accordingly, I respectfully
16 ask that City Council approve Bill No.
17 100130. I am requesting a suspension of
18 the rules so as to allow for first
19 reading at the next session of Council.

20 Thank you. I will be happy to
21 answer any questions that you may have.
22 And we also have people here to talk more
23 about the project.

24 COUNCILMAN CLARKE: Thank you.
25 Well, why don't we bring them up.

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2 (Witnesses come forward.)

3 COUNCILMAN CLARKE: And

4 Mr. John is going to dazzle us with his
5 presentation.

6 (Laughter.)

7 Good morning.

8 MR. ARCHIE: Good morning,
9 Chairman Clarke and members of the
10 Committee on Public Property and Public
11 Works. My name is Bob Archie, and I'm a
12 partner in the law firm of Duane Morris,
13 and I'm here as counsel to the
14 Philadelphia Authority, also known as
15 PHA. I'm here to testify on behalf of
16 PHA, in support of Bill No. 100130.

17 This bill provides for City
18 Council to authorize the Commissioner of
19 Public Property to execute and deliver to
20 the Philadelphia Authority for Industrial
21 Development a deed conveying, for nominal
22 consideration, fee simple title for the
23 parcel measuring approximately 58,402
24 square feet, which is located at 5326
25 Pulaski Avenue, at the southwesterly side

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2 of Penn Street and Pulaski Avenue, with
3 the buildings and improvements thereon,
4 for further conveyance at nominal
5 consideration.

6 The factual background as to
7 why PHA is in support of the approval of
8 this bill is that 5326 Pulaski Avenue is
9 located approximately to the rear of 301
10 West Queen Lane, which is owned by PHA.
11 The 301 West Queen Lane site consists of
12 a 16-story high-rise apartment building
13 built in 1961, with 120 apartment units.

14 This high-rise building --
15 apartment building has suffered from
16 years of deferred maintenance and poorly-
17 designed units that are undersized for
18 today's living standards and amenities.
19 The major systems are antiquated and
20 would be too costly to bring up to
21 current standards.

22 Therefore, PHA proposes to
23 demolish this high-rise building and
24 build approximately 50 to 60 new,
25 affordable rental units. The new units

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2 will consist of high-energy, efficient
3 townhouses, duplexes, and quadplexes that
4 will utilize the latest green technology
5 such as global thermal heating and
6 cooling, solar domestic hot water, solar
7 electric, and rain-water harvesting.

8 In addition to the creation of
9 new housing units, new streetscapes and
10 infrastructure improvements will be
11 provided as a part of this new
12 development, including off-street parking
13 spaces in the rear, new curbs, sidewalks,
14 one new street, driveways, new trees, and
15 new lighting as well.

16 The transfer to PHA of the
17 Recreational Department-owned, which is
18 the subject matter of the bill, which is
19 the owned parcel, the Recreation-owned
20 parcel, which sits directly behind the
21 high-rise is critical to the proposed
22 development.

23 The estimated cost to the new
24 development is approximately \$24 million,
25 and financing will include the use of

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2 low-income housing tax credits from the
3 Pennsylvania Housing Finance Agency and
4 the use of PHA's annual capital dollars
5 from the federal government.

6 I want to thank you for your
7 time and consideration of our client's
8 support of Bill No. 100130.

9 And I also have Mr. Johns here
10 to answer any questions that you may have
11 regarding this bill.

12 COUNCILMAN CLARKE: Sorry. We
13 were having a debate as to what district
14 was getting the most money.

15 (Laughter.)

16 The whole notion is that
17 somehow, the Fifth District is the only
18 one that gets tax-credit deals is clearly
19 not the case.

20 (Laughter.)

21 Thank you. Thank you for your
22 presentation.

23 What's the timeline on this?
24 Do you already have the tax credits in
25 hand?

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2 MR. JOHNS: No, we don't. We
3 would be applying next year.

4 COUNCILMAN CLARKE: You'll be
5 applying next year, right?

6 MR. JOHNS: Right.

7 (Indiscernible; parties talking
8 over each other.)

9 COUNCILMAN CLARKE: All right.
10 And you have been quite successful, so I
11 would anticipate the groundbreaking very
12 soon.

13 MR. ARCHIE: I think PHA is the
14 largest user of low-income housing tax
15 credits in the Commonwealth of
16 Pennsylvania.

17 COUNCILMAN CLARKE: Okay.
18 Councilwoman Miller.

19 COUNCILWOMAN MILLER: What's
20 the process? So if we transfer this
21 today, when does relocation start to be a
22 consideration?

23 MR. JOHNS: It would be this
24 year. We start to consider the
25 relocation this year, in anticipation of

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2 some of the new tax-credit application
3 next year start. So we'd like to start
4 that process as early as possible.

5 COUNCILWOMAN MILLER: Okay.

6 Well, you know, this is a project that we
7 have been talking about for several
8 years, and I'm glad it's finally coming
9 to fruition. I think it's going to be
10 good for the neighborhood.

11 People have heard about it,
12 and, you know, they all support it.
13 There are a few people that have other
14 questions -- suggested other uses, like
15 making a ice-skating rink out of the
16 playground, and that's the most recent
17 that I've heard.

18 But this is certainly something
19 that we all support, and I'm just glad
20 this morning that we're going to get 24
21 million.

22 Councilman Clarke, you know, I
23 sit on Rules, I know when funding comes
24 in. And he's up here badgering me over
25 24 million when I've seen hundreds of

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2 millions of dollars go into the Fifth
3 Council District. So we're just glad
4 that this is finally on its road to being
5 successful.

6 And, again, I want to thank you
7 guys. I think you've been very
8 cooperative.

9 MR. JOHNS: Thank you.

10 MR. ARCHIE: I have to make a
11 full disclosure: I live in Councilwoman
12 Reed's Councilmatic District.

13 COUNCILMAN CLARKE: Yeah. We
14 know, we know.

15 (Laughter.)

16 COUNCILWOMAN MILLER: And this
17 will be really good for the neighborhood.
18 I spoke the other day to Senator Specter,
19 who doesn't live far from this
20 development; you know that. And so,
21 we're all looking forward to seeing
22 something positive happening here.

23 And then we'll work with the
24 City and PHA to see what we can do in the
25 surrounding community.

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2 MR. JOHNS: Right, exactly,
3 right.

4 COUNCILWOMAN MILLER: Thank
5 you.

6 COUNCILMAN CLARKE: Thank you,
7 Councilwoman.

8 Councilman Greenlee.

9 COUNCILMAN GREENLEE: Yeah,
10 thank you, Mr. Chairman.

11 Just as a councilman at-large,
12 I'm just glad to see development in all
13 Council districts -- although,
14 Councilwoman Miller, I do live in the
15 5th, so I'm not complaining about it.

16 Just a quick question, and
17 Councilwoman Miller alluded to it. This
18 was a Recreation site?

19 COUNCILWOMAN MILLER: A
20 playground.

21 COUNCILMAN GREENLEE: This was
22 a former playground, okay.

23 COUNCILWOMAN MILLER: The
24 actual -- it's actually more of a
25 playground than center. The center is

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2 just very, very small. It's actually a
3 part of the PHA high-rise.

4 COUNCILMAN GREENLEE: Okay.

5 COUNCILWOMAN MILLER: And it's
6 mainly a basketball court and a play
7 area.

8 And we're also -- in the
9 planning, we're also thinking about other
10 places to put some type of recreational
11 use.

12 COUNCILMAN GREENLEE: Okay,
13 great, great.

14 And just one another question.
15 As far as the applicants, I know when you
16 were here about a week ago, I think it
17 was a development in southwest Philly.
18 Is it the same way; is it going to be a
19 separate list of applicants?

20 MR. JOHNS: Yes.

21 COUNCILMAN GREENLEE: Or --

22 MR. JOHNS: Yes.

23 COUNCILMAN GREENLEE: It's
24 similar to that? I forget the name of
25 it, but --

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2 MR. JOHNS: Yeah. It would be
3 a site-based waiting list.

4 COUNCILMAN GREENLEE: A
5 site-based waiting list, okay.

6 COUNCILWOMAN MILLER: I
7 think -- one other thing I want to add
8 regarding recreation. There's a Boys and
9 Girls Club within, like, maybe a block if
10 you go in one direction; two blocks if
11 you go in another. So there's still
12 certainly a basketball court and other
13 activities that can happen there.

14 COUNCILMAN GREENLEE: Thank
15 you.

16 COUNCILMAN CLARKE: Thank you,
17 Councilman.

18 Let the record reflect that
19 Councilwoman Joan Krajewski has joined
20 the committee.

21 Are there any questions of
22 these witnesses by members of the
23 committee?

24 (No further questions.)

25 COUNCILMAN CLARKE: Thank you.

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2 MR. ARCHIE: Thank you very
3 much.

4 COUNCILMAN CLARKE: Is there
5 anyone else here to testify on this bill?

6 (No response.)

7 COUNCILMAN CLARKE: There being
8 none, Mr. Carter, please read the title
9 of the next bill.

10 THE CLERK: Bill No. 100132, an
11 ordinance authorizing the Commissioner of
12 Public Property, on behalf of the City of
13 Philadelphia, to extend the term of a
14 sublease agreement between the
15 Philadelphia Municipal Authority as
16 landlord and the City of Philadelphia as
17 tenant for mailroom operations space at
18 1628 JFK Boulevard, under certain terms
19 and conditions.

20 COUNCILMAN CLARKE: Mr. Herzins.

21 MR. HERZINS: Good morning,
22 Chairman Clarke and other members of the
23 Committee on Public Property and Public
24 Works. My name is John Herzins, and I'm
25 the Deputy Commissioner of Public

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2 Property, here today representing the
3 Department to testify in support of Bill
4 No. 100132.

5 This bill will permit the City
6 to extend the term of sublease up to an
7 additional ten years for certain space
8 currently utilized as a City Revenue
9 Department mailroom operation center
10 located at 1628 JFK Boulevard, also known
11 as Eight Penn Center.

12 The Department supports this
13 measure; and, accordingly, I respectfully
14 ask that Council approve Bill No. 100132.
15 I am requesting a suspension of the rules
16 so as to allow for first reading at the
17 next session of Council.

18 Thank you. I will be happy to
19 answer any questions you may have.

20 COUNCILMAN CLARKE: Thank you,
21 Mr. Herzins.

22 Mr. Herzins, real quick, what's
23 the square footage of the space we
24 occupy?

25 MR. HERZINS: Approximately

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2 9,700.

3 COUNCILMAN CLARKE: So it's a
4 relatively small space. Okay, thank you.

5 Any questions of this witness
6 by members of the committee?

7 (No further questions.)

8 COUNCILMAN CLARKE: Anyone else
9 here to testify on this bill?

10 (No response.)

11 COUNCILMAN CLARKE: Thank you
12 very much. I think you're testifying on
13 the next bill? Duane? Oh, whatever.
14 Okay. Well, let me not manage you guys'
15 activities.

16 Mr. Carter, please read the
17 title of the next bill.

18 THE CLERK: Bill No. 090785, an
19 ordinance authorizing the sale of City
20 real estate for cash consideration of
21 fifty percent (50%) of its fair market
22 value for the purpose of creating retail
23 and commercial jobs, provided a
24 first-priority lien on the property is
25 retained equal to the difference between

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2 the fair market value and the cash
3 consideration, extinguishable based on
4 fulfillment of retail and commercial
5 job-creation requirements, under certain
6 terms and conditions.

7 (Witness comes forward.)

8 COUNCILMAN CLARKE: Good
9 morning.

10 MR. BUMB: Good morning. Good
11 morning, Chairman Clarke and members of
12 the Committee on Public Property and
13 Public Works. My name is Duane Bumb, and
14 I am the Senior Deputy Director of
15 Commerce. I'm here today to testify on
16 Bill No. 090785.

17 This bill would authorize sale
18 of the City property for 50 percent of
19 fair market value, where the sale will
20 result in the creation of new retail and
21 commercial jobs. Offering incentives to
22 businesses in exchange for job creation
23 and business growth are strategies the
24 Administration fully embraces.

25 There are several programs in

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2 place that leverage tools the City
3 controls to encourage investment. The
4 ten-year property tax abatement, for
5 example, for new construction and
6 rehabilitation is a significant tool for
7 businesses that build on or redevelop
8 property; and under current rules, it can
9 be applied in any location throughout the
10 City.

11 Many of the tax-credit or
12 discounted-loan incentives offered by the
13 City have clawback provisions to ensure
14 that the level of job creation promised
15 is maintained for the prescribed period
16 of time. When owned by or on behalf of
17 City, land valuation is another tool the
18 City can use to help ensure economic
19 growth.

20 On the City's behalf, the
21 Philadelphia Industrial Development
22 Corporation, or PIDC, often mitigates
23 adverse soil or site conditions on a
24 property it sells by discounting the sale
25 in proportion to the funding needed to

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2 properly redevelop the site.

3 In addition, the Department of
4 Commerce work with Public Property and
5 has, on several occasions, agreed to
6 reduce the sale price of property where
7 to businesses where adverse site
8 conditions or when permanent jobs are
9 created.

10 For example, as part of the
11 sale of the Famous Cookie factory parcel
12 on the American Street industrial
13 corridor, the price was reduced by 50
14 percent based on the Commerce Director's
15 recommendation that a number of jobs were
16 being created.

17 The Administration support the
18 intent of Bill 090785 and views its
19 implementation as consistent with our
20 existing efforts to stimulate job growth.
21 However, we would recommend that the
22 legislation be amended to address a few
23 concerns we have with implementation of
24 the current bill.

25 First, we suggest that the

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2 first-lien position now required by the
3 bill be changed to a second-lien
4 position. In our experience, if the City
5 or PAID are in first position, the
6 grantees will likely not be able to get
7 any private financing; we often take a
8 subordinate position on our loans with
9 the bank or private lender in first
10 position.

11 Also, creating specific
12 standards for the number of jobs created
13 relative to the value of the property and
14 the process by which the City verifies
15 and monitors the creation of these jobs
16 should be clearly defined.

17 Since we would want to add land
18 valuation as one of the tools used to
19 provide financial assistance to growing
20 businesses, we would propose using the
21 criteria that has been established for
22 PIDC's existing loan programs with
23 respect to reporting requirements.

24 We would recommend that PAID
25 not be the lienholder because, in case of

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2 foreclosure, the property should revert
3 back to the City ownership and not to
4 PAID ownership.

5 And, finally, we would
6 recommend including industrial jobs among
7 the retail and commercial jobs when
8 considering a reduction of land sale
9 price based on job creation. Industrial
10 jobs continue to offer living wages to a
11 portion of our workforce that does not
12 typically have post-secondary educations.

13 Thank you for your
14 consideration of these comments. My
15 colleagues and I would be happy to answer
16 questions that the members of the
17 committee.

18 I might also add -- I actually
19 prepared some proposed amendment, if
20 that's helpful to you.

21 COUNCILMAN CLARKE: Sure.
22 Thank you, Mr. Bumb. Thank you for your
23 testimony.

24 I actually agree with pretty
25 much all of your recommendations in terms

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2 of amendments.

3 And I must say that I actually
4 held a hearing because I needed to get
5 that type of suggestions from the
6 Administration 'cause, as you know, we've
7 been talking about this for some time.
8 So sometimes, when Councilmembers need to
9 get answers, we hold public hearings for
10 the purpose of getting the answers 'cause
11 we know you guys will always come
12 prepared.

13 What I actually would like to
14 do, now that we have some template in
15 terms of what fixes we need to do or what
16 recommendations we need to do to
17 implement this bill, what I'd rather do
18 than propose the amendments today is to
19 sit down with you all and establish some
20 guidelines such as you've recommended.

21 But I would also like to have a
22 broader discussion about not just
23 publicly-owned properties but properties
24 that are in some level of government
25 ownership to establish certain criteria

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2 for all of the various things that we've
3 talked about today.

4 But in particular, I understand
5 Mr. Herzins thanked me -- he actually got
6 a -- apparently, we have approximately
7 60, 65 properties in our inventory that
8 are of substantial size, and I'd like to
9 be in the position where we can market
10 these properties in a very aggressive
11 way, with some clear designed levels of
12 incentives that a potential purchaser or
13 a developer could look at and make the
14 decision as to whether or not to buy or
15 move into the City of Philadelphia.

16 So I'm going to hold that bill;
17 and hopefully, we'll have some subsequent
18 conversations; and when we come back in
19 the committee, we will approve the
20 appropriate amendments to make sure we
21 move ahead on this in an aggressive way.

22 Any questions by members of the
23 committee for this witness?

24 (No questions.)

25

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2 COUNCILMAN CLARKE: Anyone else
3 to testify on this bill?

4 (No response.)

5 COUNCILMAN CLARKE: Mr. Bumb,
6 thank you very much.

7 Mr. Carter, please read the
8 title of the next bill.

9 THE CLERK: Bill No. 100101, an
10 ordinance amending Title 16 of the
11 Philadelphia Code, entitled "Public
12 Property," by setting forth certain
13 requirements for Council's approval of
14 redevelopment proposals and redevelopment
15 contracts submitted to Council for
16 approval under the provisions of the
17 Urban Redevelopment Law.

18 (Witnesses come forward.)

19 COUNCILMAN CLARKE: Thank you.
20 Good morning.

21 MS. GILLEN: Good morning.

22 COUNCILMAN CLARKE: Please
23 proceed.

24 MS. GILLEN: Good morning,
25 Chairman Clarke and members of the

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2 Committee on Public Property and Public

3 Works. I'm Terry Gillen, the Executive

4 Director of the Redevelopment Authority.

5 And with me is Mike Koonce, the Deputy

6 Directory of the Redevelopment Authority.

7 Bill No. 100101 provides that

8 Council will not approve redevelopment

9 proposals and contracts under the Urban

10 Redevelopment Law unless the Council

11 resolution or ordinance providing

12 approval includes a certification from

13 the Redevelopment Authority's counsel

14 that the redevelopment contract itself

15 contains certain revisions on changes in

16 terms of the redevelopment contract.

17 Specifically, the redevelopment contract

18 would have to specify that Council

19 approval by resolution or ordinance would

20 be needed if any of the following occurs.

21 1. Assignment or transfer to a
22 new redeveloper of the contract.

23 2. Change in the purchase
24 price of the property being conveyed.

25 3. Change the preliminary plan

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2 or disposition supplement.

3 4. Certain changes in the
4 ownership of the redeveloper.

5 The challenge we face here is
6 balancing the needs of Councilmembers to
7 have a say in the development activities
8 in their districts with the desire by all
9 of us to encourage and promote housing
10 development and economic development. We
11 think that this bill begins to address
12 those competing needs but may not strike
13 the right balance.

14 The Administration's concern is
15 that this bill, if implemented, might
16 have the unintended effect of
17 discouraging or at least delaying
18 development.

19 In Philadelphia, as we know,
20 there are too many obstacles for
21 business, especially small business, to
22 locate and expand here. The
23 Administration is working to eliminate as
24 many obstacles as we can and encourage
25 business growth that will hopefully

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2 provide jobs. For example, we are
3 committed to reducing business taxes and
4 improving the permit process at L&I.

5 The Administration is concerned
6 that this bill moves in the opposite
7 direction by creating adding a layer of
8 approval that currently does not exist,
9 thus potentially making it more difficult
10 for properties to be developed in a
11 timely fashion.

12 As an additional reason for the
13 Administration's concern is that there
14 are several times during the year when
15 City Council does not hold regular
16 meetings; thus, if a project requires
17 City Council approval in June, for
18 example, the project may be delayed due
19 to the needs for Council approval.

20 We believe there may be a way
21 to tweak this initiative and do it so
22 that the bill does not discourage
23 development. For example, perhaps City
24 Council may not need to approve a
25 decision to assign an affordable housing

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2 project to a related entity.

3 Also, Council may not need to
4 approve a decision to allow amendments to
5 a plan that does not change the use of
6 the project but that merely may have an
7 impact on the number of properties being
8 sold.

9 Perhaps Council would consider
10 working with us to amend the legislation
11 by allowing a change in the site's
12 proposed usage or allowing the
13 introduction of a new developer for a
14 particular housing project, without the
15 need to return to Council for approval.

16 We appreciate the opportunity
17 to speak to you today about these
18 matters, and I'd be happy to answer any
19 questions that you may have.

20 COUNCILMAN CLARKE: Thank you.

21 Councilman Jones.

22 COUNCILMAN JONES: Good
23 morning.

24 COUNCILMAN CLARKE: Oh, I'm
25 sorry, Councilman. I'm sorry, one

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2 second.

3 COUNCILMAN JONES: That's all
4 right. Committee people go first.

5 COUNCILMAN CLARKE: I've got to
6 go to members of the committee first. I
7 want to make sure I keep my committee
8 chairmanship.

9 (Laughter.)

10 Councilwoman Miller.

11 COUNCILWOMAN MILLER: Hi, good
12 morning. How are you?

13 MS. GILLEN: Good morning. I'm
14 well, thank you. How are you?

15 COUNCILWOMAN MILLER: Great.

16 Miss Gillen, I have a question
17 about your testimony. In one, two,
18 three -- in the fourth paragraph, where
19 you start talking about how there is a
20 challenge to face the needs of
21 Councilmembers in development activities
22 in their district.

23 You've been here two years?

24 MS. GILLEN: Yes, ma'am.

25 COUNCILWOMAN MILLER: Okay.

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2 Have we -- have you experienced any
3 delays in development caused by
4 Councilmembers?

5 MS. GILLEN: No.

6 COUNCILWOMAN MILLER: Okay. So
7 where does that come from then?

8 MS. GILLEN: Well, we want to
9 make sure that this bill doesn't change
10 that by putting in new requirements;
11 that's the only issue that I'm raising.

12 COUNCILWOMAN MILLER: Okay.
13 I've been here 17 years, and it's been my
14 experience that if things are held up,
15 it's held up not because of the
16 Councilmember but because of funding,
17 because of financing, because of the
18 Administration, not Councilmembers.

19 MS. GILLEN: Mm-hmm.

20 COUNCILWOMAN MILLER: So I
21 think you guys may have some work to do
22 on your end. That will then remove this
23 particular challenge.

24 And I think it is important --
25 in terms of just bringing something back

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2 to Council, I don't know that we take
3 that much time to approve or disapprove
4 something. We have bills. I don't know
5 that -- that our recess in June really
6 hampers development.

7 And so, I just have some --
8 I'll let Councilman Jones go, but I
9 certainly don't see Council as being the
10 group that causes the delay in
11 development. And I'm glad to hear you
12 say that you have not experienced delays
13 caused by City Council.

14 City Council has to be involved
15 in their district, they need to be
16 involved in their district. I mean, many
17 times we work for years to get a proposal
18 to the table and ready to be funded. And
19 I, for one, as a District Councilperson,
20 am not going to give up my authority to
21 be involved.

22 MS. GILLEN: Sure.

23 COUNCILWOMAN MILLER: I know,
24 with every administration, it's
25 different. But I have not -- I don't

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2 know that we've ever hampered any
3 development in our districts.

4 Thank you.

5 COUNCILMAN CLARKE: Thank you,
6 Councilwoman Miller.

7 I just want to follow up real
8 briefly on Councilwoman Miller's issue
9 with respect to the timing of the
10 (indiscernible) that are put out either
11 by PHFA or OHCD or any of the other
12 funding entities.

13 And the reality is that the
14 traditional timeframes on our requests
15 for proposals or opportunities for
16 funding are traditionally earlier in the
17 year or in the fall, both times which we
18 are in session. So in my -- I don't even
19 want to say how long I've been here. I
20 can't ever recall a project being held up
21 because Council was on recess.

22 And even in the event that
23 there was some opportunities that there
24 was some concerns about, I've witnessed
25 the fact that if the Administration and

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2 the member of Council have indicated to
3 the funding source that upon the
4 reconvening of Council session in
5 September, then such ordinance or
6 resolution would be introduced and
7 passed, that traditionally is sufficient
8 for any -- particularly for PHFA 'cause
9 we have had a longstanding relationship
10 with them.

11 Councilman Jones.

12 COUNCILMAN JONES: Thank you,
13 Mr. Chairman. Good morning.

14 What is the mission of the
15 Redevelopment Authority, generally?

16 MS. GILLEN: To use financing
17 and land tools to renovate the City of
18 Philadelphia, particularly Philadelphia's
19 neighborhoods.

20 COUNCILMAN JONES: And in so
21 doing, land acquisition is a integral
22 part of development, obviously, site
23 control and things like that. Is it also
24 a part of your job to market those
25 opportunities to private-sector

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2 individuals that want to invest their
3 capital into the City of Philadelphia?

4 MS. GILLEN: Yeah. Certainly
5 to encourage private investment, yes.

6 COUNCILMAN JONES: So when we
7 ask as a body what our inventory is and
8 what it is worth, would that be a helpful
9 tool to know so that we can market it to
10 private-sector individuals?

11 MS. GILLEN: Sure.

12 COUNCILMAN JONES: Do we have
13 that information today?

14 MS. GILLEN: A list of all
15 property that the City owns?

16 COUNCILMAN JONES: Yes.

17 MS. GILLEN: Yes, we do.

18 COUNCILMAN JONES: And what it
19 is worth?

20 MS. GILLEN: Mm, I am sure we
21 know it. I don't know it off the top of
22 my head, but I can get you that number.

23 COUNCILMAN JONES: We have
24 asked this same question at least since
25 I've been here, and I can go back into

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2 the records where we talked about you
3 working on a system that would give us
4 that information.

5 I think my colleague Donna Reed
6 Miller is accurate when she talks about
7 the role of the District Councilperson,
8 because often, people, whether they live
9 in the City of Philadelphia, don't live
10 in the City of Philadelphia, come to the
11 District Councilperson to seek out
12 investment opportunities to do your
13 mission.

14 MS. GILLEN: Right.

15 COUNCILMAN JONES: And when we
16 can't tell them what a property is going
17 for or what it could possibly yield or
18 what our inventory is worth, we're not
19 the problem.

20 MS. GILLEN: Right.

21 COUNCILMAN JONES: The system
22 that needs to be fixed is the problem.

23 MS. GILLEN: Right.

24 COUNCILMAN JONES: So we've
25 asked for that for the last two years.

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2 Do you have any idea when that
3 is going to be completed or when we can
4 expect an inventory of the value of the
5 asset that we have so that we can, in
6 these tough budgetary times, be able to
7 market it and help you do that?

8 MS. GILLEN: Sure. I can get
9 it for you today.

10 COUNCILMAN JONES: You can get
11 the values of the properties today?

12 MS. GILLEN: Sure.

13 COUNCILMAN JONES: Okay. Well,
14 I'm --

15 MS. GILLEN: I mean, let me
16 just sort of say where -- 'cause I know
17 we've had a conversation about this about
18 a year ago.

19 Just so folks know, the three
20 major entities, right, that I think we're
21 talking -- I want to make sure we're
22 talking about the same thing.

23 So of the three major City
24 entities that hold land, the first is my
25 agency, the Redevelopment Authority. So

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2 last year, last June, in fact, in June of
3 '09, we put our entire list of properties
4 owned by the Redevelopment Authority up
5 on our website. So any -- and that's a
6 dynamic list; it changes regularly.

7 So anybody can go to the RDA
8 website. We're the first agency to do it
9 in the City, in the history of the City,
10 to put a list up on our website. Anybody
11 can go to that, and if they're interested
12 in acquiring a parcel, it tells them who
13 to talk to and that sort of thing.

14 COUNCILMAN JONES: But it tells
15 them the value of that parcel?

16 MS. GILLEN: Mm, it does not;
17 they'd have to call and ask.

18 COUNCILMAN JONES: Okay.

19 MS. GILLEN: So we -- PHDC is
20 the second entity, the Philadelphia
21 Housing and Development Corp.

22 COUNCILMAN JONES: Mm-hmm.

23 MS. GILLEN: They've had a list
24 for years, but you had to pay to get it.
25 And so, we've changed that; we've changed

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2 that policy so that now we all have
3 access to that list. And we're working
4 with them to get that up on their
5 website.

6 And then the third list, of
7 course, is the largest, which is the City
8 Public Property, the Department of Public
9 Property, which is the City of
10 Philadelphia. You know, they actually
11 have a list that they've now put
12 together.

13 Their list is less dynamic. I
14 mean, they've got resource constraints.
15 So one of the things that we're working
16 with them on is how can we get their list
17 regularly updated.

18 And then the real place we want
19 to go, I think, with all this, is to get
20 all three of those lists together, posted
21 in one spot.

22 COUNCILMAN JONES: Mm-hmm.

23 MS. GILLEN: That's what we
24 don't do right now, but we're working to
25 try to get there.

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2 COUNCILMAN JONES: Well --

3 MS. GILLEN: Just wanted you to
4 know all of that.

5 COUNCILMAN JONES: Well, I'm
6 excited to hear that, finally, we're
7 going to know what -- and you will break
8 that down by district? That would be
9 helpful to us.

10 MS. GILLEN: Yeah, we can do
11 that with the Redevelopment Authority's
12 list.

13 COUNCILMAN JONES: Okay.

14 MS. GILLEN: I'll check on the
15 other two and see how -- it shouldn't be
16 that hard, but, you know, it's mostly
17 done by zip code. So breaking it down by
18 Council District may take a little more
19 time, just so you know. But we can do
20 it.

21 COUNCILMAN JONES: Just out of
22 interest and curiosity, how many deals
23 did we do last year and the year before?
24 How many developments have we, as a --
25 did your agency actually deliver?

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2 MS. GILLEN: Well, it depends
3 on what you mean by "development," I
4 guess. So I can give you some numbers.

5 COUNCILMAN JONES: You can give
6 me commercial versus housing development
7 and a sense of total value of what that's
8 worth?

9 MS. GILLEN: Mm-hmm. We did
10 about \$3 million in property sales.

11 We... Mm, I'm trying to think
12 of... I'm trying to think of what -- the
13 other thing we do is affordable housing
14 lending. So in 2009, we did 475 units of
15 affordable housing lending.

16 We did 142 PHIloans.

17 COUNCILMAN JONES: 142...?

18 MS. GILLEN: PHIloans. That's
19 the PHIloan Program, which is also done
20 by the Redevelopment Authority.

21 So I can get you all of this if
22 you want it in a report.

23 COUNCILMAN JONES: I just,
24 um --

25 MS. GILLEN: I'm not sure what

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2 you mean by "project."

3 COUNCILMAN JONES: So if you
4 did 475 units, how many developments is
5 that? I mean, just in my district, how
6 many developments did you do in the 4th
7 Councilmatic District last year or the
8 year before?

9 MS. GILLEN: I can get you the
10 number; I know that we summarize that and
11 we have it.

12 COUNCILMAN JONES: And none
13 come to mind?

14 MS. GILLEN: Does a number come
15 to mind? No.

16 COUNCILMAN JONES: Do any come
17 to mind?

18 MS. GILLEN: No, but I know we
19 that did a couple because when we did the
20 summary list, there were several in every
21 district except for the 10th. So I know
22 there were some, but I just have to let
23 you know what they were.

24 COUNCILMAN JONES: Well, I
25 don't know about other Councilmembers,

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2 but that's the kind of useful
3 information, and it leads to this
4 question:

5 Historically, before you
6 conveyed or worked with the developer,
7 it's my understanding your agency would
8 meet with the District Councilperson
9 to -- it wasn't necessarily a sign-off
10 but to get a tacit approval of are these
11 people -- is this developer compatible to
12 this neighborhood? did you feel that this
13 is a benefit?

14 And is that written in the --
15 in your standard operating procedures, or
16 was that like a courtesy policy-something
17 that you did?

18 MS. GILLEN: Let me make a of
19 couple points.

20 On the question of how many
21 projects we did in your district, I know
22 that we sent you a letter in January, so
23 I'll dig out that letter, because we sent
24 a letter to every Councilmember because I
25 know that several Councilmembers called

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2 me in response to that letter about some
3 of the projects.

4 And we did send you a letter
5 about all of the projects that were done
6 in your district.

7 COUNCILMAN JONES: Was this
8 after the fact that they were done or --
9 I'm -- this leads to my question.

10 MS. GILLEN: It was to answer
11 your questions of how many projects were
12 done in the last year. It was really
13 partly how many projects were done since
14 Mayor Nutter took over the chairmanship
15 of the Redevelopment Authority, so it was
16 really covering about 18 months.

17 COUNCILMAN JONES: So my
18 question was --

19 MS. GILLEN: But on your
20 question -- the other question, which was
21 the process, I would say that when I got
22 to the Redevelopment Authority, none of
23 the procedures were written down. And,
24 in fact, one of the things that I've been
25 trying to do since getting there is

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2 writing some of this down, because there
3 were many things that were done, and
4 people said to me, "Well, this is the way
5 we always did it."

6 And we actually now have a
7 written rule book of policies and
8 procedures.

9 COUNCILMAN JONES: So in that
10 written rules, policies, guidelines, is
11 it written anywhere that you meet, before
12 you convey property to developers that do
13 the development, with the District
14 Council people?

15 MS. GILLEN: Sometimes we meet
16 and sometimes we just notify, depending
17 on the nature of the project, so...

18 COUNCILMAN JONES: Well, at
19 least for me -- and I can't speak for
20 other members; I can speak for me -- it
21 is crucial that you meet with me before
22 you do that, because we have, believe it
23 or not, boots on the ground and have a
24 better sense of the community and their
25 response to particular projects as they,

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2 you know, start.

3 MS. GILLEN: Right.

4 COUNCILMAN JONES: And it's
5 better for us to be able to at least be
6 notified about that.

7 MS. GILLEN: Right.

8 COUNCILMAN JONES: So that we
9 can gauge accurate information to the
10 communities in which these developments
11 are.

12 MS. GILLEN: Right.

13 COUNCILMAN JONES: What comes
14 to mind is the apartment buildings across
15 from the \$80 million development of -- in
16 West Park that was owned by your
17 organization. After the fact, you told
18 me that you sold them to a nice enough
19 guy. I have no interest in him other
20 than the fact that I want him to do a
21 good job in maintaining the direction
22 that that neighborhood is going. But
23 that person had not met with not one
24 community organization, not one religious
25 organization, not one elected official

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2 until after the deal was done.

3 And that kind of reversal in
4 policy for your agency is deeply
5 concerning to me, because it does not
6 allow us to play our proper role and, I
7 believe, legitimate role to be a liaison
8 ombudsman to the community, and it
9 totally takes us out of the process.

10 So whether it was mandated by
11 law or just in practice, I think it's
12 important and one that should be
13 maintained, because at the end of the
14 day, they look at all of us as
15 government, the community. And if one
16 hand doesn't know what the other hand is
17 doing, it just reinforces a negative
18 opinion of all of us.

19 So sometimes, in attempting to
20 do a good thing, we wind up doing
21 something that is detrimental to the
22 community.

23 And I don't know if that can be
24 written in your policy, but I strongly
25 suggest that it does, because at the end

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2 of the day, after the directors are gone,
3 we live with the community who have to
4 suffer from bad maintenance often.

5 And in the case of that
6 facility that was owned by you, that was
7 a major, major trafficking area for drugs
8 in the area owned by us.

9 MS. GILLEN: Right.

10 COUNCILMAN JONES: It was
11 beginning to be developed -- and I don't
12 know the status of it today -- as a place
13 where individuals actually staked out
14 their victims from the mall across the
15 street.

16 So communicating with us --
17 11-year-old, 12-year-old kids knew it,
18 but you won't know it unless you talk to
19 us. And so, I think that that is a
20 valuable way to gain information about
21 the direction of the community.

22 MS. GILLEN: And I agree with
23 you, Councilman.

24 I will say that when I came in,
25 in '08, that was one of the reasons we

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2 made the decision to sell that property,
3 because, in fact, the Redevelopment
4 Authority had done a horrible job of
5 managing it, and we determined that we
6 ought not to really be in the property
7 management business; that's not what we
8 do. You didn't hear me say we're in the
9 property management business when you
10 asked.

11 I do want to clarify, what we
12 did in that case was an RFP. And when we
13 selected the person who had put forth the
14 best project in the RFP, that was when we
15 came to you.

16 I want you to understand we had
17 not done the deal at that point. And, in
18 fact, we came to you and said we want you
19 to you meet with the developer; that's
20 when we took 'em out to meet with Lucinda
21 Hudson and some of the folks in the
22 community and had him meet with --
23 because, in fact, we would not have gone
24 ahead with the sale had he been
25 problematic for you or for the community.

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2 COUNCILMAN JONES: Thank you.

3 MS. GILLEN: So I just want to
4 clarify that legally, we had not done
5 that.

6 COUNCILMAN JONES: Well, let me
7 refresh your memory even further.

8 MS. GILLEN: Okay.

9 COUNCILMAN JONES: I was the
10 one who came to you guys and talked about
11 the fact that there were a lot of
12 complaints. I mentioned to you in
13 specifics about the need to sell it
14 because of some of the mold problem --

15 MS. GILLEN: Agreed.

16 COUNCILMAN JONES: -- that we
17 had.

18 MS. GILLEN: Agreed.

19 COUNCILMAN JONES: So it wasn't
20 you coming to me originally.

21 MS. GILLEN: Right.

22 COUNCILMAN JONES: But you got
23 back to me.

24 MS. GILLEN: That's correct.

25 COUNCILMAN JONES: You got back

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2 to me after the fact.

3 But my point is, if we
4 communicate better from the start and we
5 don't have these gaps -- and there may
6 have been other people willing to pay
7 more had we known that the process had
8 moved along, because what we also do is
9 that we will never -- and I never want
10 to -- make a decision for you. That is
11 what we pay you to do.

12 MS. GILLEN: Right.

13 COUNCILMAN JONES: But I always
14 want to add to the discussion, I always
15 want to add to competition. There may be
16 local concerns that are from Philadelphia
17 that may have wanted to take part in that
18 but did not know because we were out of
19 the loop and. That's where that
20 communication, once again, comes in.

21 And if we know of the parcels
22 to market, people who come -- once again,
23 in my conversation, where I began, most
24 people don't know of you. They know of
25 us and they may expect us to know and be

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2 able to reach out to you.

3 MS. GILLEN: Right.

4 COUNCILMAN JONES: So that's
5 why that is important to me as a District
6 Council person, and I think I sensed it
7 from my colleague Donna Reed Miller.

8 COUNCILMAN CLARKE: Thank you,
9 Councilman.

10 Councilwoman Miller.

11 COUNCILWOMAN MILLER: I just
12 want to ask a few questions in terms of
13 some of your answers to Councilman Jones.

14 If you have a set of new
15 policies and ways that you run the RDA, I
16 would appreciate getting a copy of that
17 so that we can understand what page
18 you're on so we can figure this whole
19 thing out.

20 I have a question, but instead
21 of asking it as a question, I'll just
22 ask -- I'll just make a statement.

23 City Council members are going
24 to be involved in the revitalization
25 efforts of their districts. Put 'em all

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2 together as ten districts that makes up
3 the City.

4 The Administration is involved
5 in the revitalization of the City of
6 Philadelphia. And certainly, in the
7 various departments, they're involved in
8 what happens in our Council Districts.

9 Whether you like it or not, we
10 must be informed, we have to be informed;
11 we're doing our job. Councilman Jones
12 should have been informed.

13 How do you think we feel when
14 we pick up the newspaper and see that a
15 property is being advertised for
16 sheriff's sale if we had no prior
17 knowledge?

18 And I'm not talking about any
19 one particular property. But I talk to
20 Councilmembers and I hear what they say.
21 We're going to be involved. I'm going to
22 be involved in the 8th District. You
23 know, I've been involved for 17 years.

24 We've been out here, pounding
25 these pavements, meeting with community

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2 people, getting the constituent calls
3 about the blight, et cetera, and we're
4 just going to be involved; that's one of
5 my roles.

6 Your role is to lead the RDA;
7 that's fine. But we got to work
8 together. I don't want to come to work
9 and not know what's going on in my
10 district 'cause nobody at the RDA level
11 decided to tell me.

12 MS. GILLEN: Well, we had
13 spoken to you about the Germantown Y; is
14 that the --

15 COUNCILWOMAN MILLER: You've
16 spoken to me about lots of things. In
17 fact, we have a meeting set for tomorrow
18 or Wednesday -- I can't remember which
19 day it is, I have to look at my schedule
20 -- to talk about a number of tings.

21 MS. GILLEN: Right.

22 COUNCILWOMAN MILLER: So it's
23 not just about the Y.

24 MS. GILLEN: Oh, okay.

25 COUNCILWOMAN MILLER: So don't

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2 go there, okay?

3 However, we have to talk. I'm
4 not going anywhere, and I don't think you
5 are. We have to work together, we got to
6 figure out how to do this.

7 MS. GILLEN: I agree.

8 COUNCILWOMAN MILLER: Thank
9 you.

10 COUNCILMAN CLARKE: Thank you,
11 Councilwoman.

12 Councilman Green.

13 COUNCILMAN GREEN: Thank you,
14 Mr. Chairman.

15 At the beginning of my term, I
16 introduced a resolution that was looking
17 at the economic-development agencies and
18 the alphabet soup and the different
19 responsibilities of them and how they
20 coordinate and interact -- the RDA, the
21 PIDC, the different housing agencies, et
22 cetera.

23 And one of the major concerns I
24 had was the lack of accountability to
25 this body for the properties that we turn

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2 over to these agencies. It seems like we
3 don't either exercise our oversight
4 authority properly, or perhaps we should
5 not transfer properties until there is
6 already a deal with respect to them that
7 the City Council or the District Council
8 people approve of them.

9 And I'm just wondering if you
10 have any thoughts about how we, as a
11 body, should be holding the Redevelopment
12 Authority accountable to us, as a body,
13 for results, so that the feeling that a
14 lot of people have that properties are
15 transferred and go into a black hole can
16 be alleviated.

17 MS. GILLEN: Well, I do think
18 that partly what we're doing, which is to
19 try and provide more transparency and
20 better data, is a first start.

21 I mean, again, when I -- the
22 first question I got when I went to the
23 Redevelopment Authority was people saying
24 to me, Why don't you list your properties
25 up on your website?

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2 COUNCILMAN GREEN: I believe
3 that was one of the first questions that
4 was asked in the first budget season.
5 That's correct.

6 MS. GILLEN: Well, part of the
7 answer was, we didn't have a website. So
8 it's very hard to be open and transparent
9 if you don't have good mechanisms.

10 COUNCILMAN GREEN: Right.

11 MS. GILLEN: And so, first, we
12 got a website, and then we spent
13 literally a year going through the list
14 of properties and doublechecking it
15 against records to try to make sure that
16 the list was accurate.

17 And so, it literally took us a
18 year to get to the point where we could
19 just give you that information.

20 COUNCILMAN GREEN: That's
21 right. It was in response to a question
22 from my office, where we asked you to
23 please list every single property owned
24 by the RDA, and you had to literally go
25 through paper records to determine that.

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2 MS. GILLEN: Correct.

3 COUNCILMAN GREEN: As a part of
4 that process, you discovered that
5 properties that were transferred years
6 ago were not -- were still on the tax
7 rolls as City-owned or owned by the RDA,
8 even though they had been transferred and
9 developed.

10 MS. GILLEN: Yes. There were
11 bad records in many ways; yeah, that's
12 correct.

13 COUNCILMAN GREEN: Okay. Could
14 you please provide the Chair a list of
15 all of those properties that you
16 discovered and tell us whether or not the
17 Administration plans to go back ten
18 years, which is what we're permitted
19 under the law, to collect taxes from the
20 people who have transferred those
21 properties, who did not receive tax bills
22 on all of the parcels that were
23 transferred to them.

24 MS. GILLEN: I'm sorry. What's
25 the subject or --

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2 COUNCILMAN GREEN: We
3 transferred properties to people. And
4 say it was a group of properties and I
5 got this from you.

6 MS. GILLEN: You mean from the
7 City to private people?

8 COUNCILMAN GREEN: From the
9 City to private hands, right.

10 MS. GILLEN: Okay.

11 COUNCILMAN GREEN: And, say,
12 the deed listed one address, even though
13 there were ten addresses.

14 MS. GILLEN: Oh, oh, oh, oh.

15 COUNCILMAN GREEN: So the tax
16 bill was sent only for one address, not
17 for ten addresses, and this is a problem
18 that existed for a long time.

19 I'd like to know what the
20 City's plans are for going back and
21 collecting taxes from the transferees for
22 the last ten years and how much revenue
23 that would bring.

24 And I guess I'd suggest that it
25 would make sense to get bills out to

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2 these people during the amnesty period so
3 that they're incentivized to pay it
4 quickly, sort of as one think that you
5 could help us with.

6 MS. GILLEN: Okay.

7 COUNCILMAN GREEN: The other
8 thing is, I have a few ideas about maybe
9 how we can create accountability, and we
10 can talk about them over time. I'll talk
11 to the chairman of Public Property about
12 it.

13 Things like -- what would you
14 think of conditional transfers that
15 require you to come back to the District
16 Council person with thirty days' notice
17 or ten days' notice prior to transferring
18 a property in order for that transfer to
19 be a valid transfer?

20 Not reauthorization, but
21 notice, so people in the districts know
22 what is happening.

23 MS. GILLEN: Yeah, we're happy
24 to talk about all of that. I mean,
25 it's -- I think there's a spectrum -- I

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2 think the problem is that we don't have
3 enough tools, and the tools aren't
4 nuanced to deal with the different
5 conditions in the City and the different
6 types of property.

7 So you've been, for example,
8 very active and, I think, a strong
9 advocate, as is Councilman Kenney, of the
10 idea of using real-estate brokers to sell
11 land, right?

12 Well, brokers want a different
13 thing, right? What real-estate brokers
14 want is, they want a very simple,
15 straightforward process that looks a lot
16 like the rest of the process. And so,
17 when we did a pilot program with
18 real-estate brokers, they didn't want to
19 hear about all of this procedural stuff
20 and how we had to go through, you know,
21 lots of steps, whether it's the RDA
22 board, City Council; they didn't want to
23 hear about any of that.

24 So, on the one end, we have a
25 group of properties that we think maybe

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2 fall into the category of eligible for
3 broker sales and really good properties
4 to sell to brokers that may need one set
5 of oversight.

6 And then I think there are the
7 larger projects -- or the projects that
8 have large development potential that may
9 need zoning change, planning change, or
10 whatever, that clearly need much more of
11 a dialogue and much more input from
12 community groups and all that stuff.

13 The problem is, we've got a
14 system right now that treats everything
15 the same, and I think that's the
16 frustration.

17 And so, we've got to figure out
18 a way either to develop a larger set of
19 tools, which what we've been trying to
20 do, or figure out a new system, and
21 that's really what I think we're all
22 trying to work on.

23 COUNCILMAN GREEN:

24 Mr. Chairman, do you remember the name of
25 the property management system that was

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2 online during this Street administration
3 that was taken down, where you could
4 actually go on and you could search and
5 find properties?

6 This administration -- the
7 previous administration spent about 3, 4
8 --

9 COUNCILMAN CLARKE: You mean
10 publicly-owned properties?

11 COUNCILMAN GREEN: Yeah.

12 COUNCILMAN CLARKE: There were
13 a couple --

14 COUNCILMAN GREEN: It was
15 online. All publicly-owned properties
16 that were in Public Property --

17 COUNCILMAN CLARKE: Yeah.

18 COUNCILMAN GREEN: -- were
19 available online. And that was taken
20 down in 2008.

21 COUNCILMAN CLARKE: Well, I
22 know the NTI had a website, but I don't
23 think they had all of the publicly-owned
24 properties; I know that they had some of
25 the publicly-owned properties.

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2 MS. GILLEN: That's correct.

3 COUNCILMAN CLARKE: There was
4 also a private entity, as Councilman
5 Greenlee reminded me of, Hall Watch.
6 They actually did significant work in
7 making available on the website,
8 properties across the City of
9 Philadelphia.

10 Then there was actually a
11 system that we were supposed to purchase,
12 and I think we spent around \$5 million of
13 NTI dollars to put it in place.

14 COUNCILMAN GREEN: Right.

15 COUNCILMAN CLARKE: And I don't
16 think it ever materialized.

17 MS. GILLEN: That's correct.

18 COUNCILMAN CLARKE: Other than
19 that, I'm not sure.

20 COUNCILMAN GREEN: Okay. Well,
21 I look forward to continuing this
22 discussion.

23 Thank you.

24 COUNCILMAN CLARKE: Thank you.

25 Councilwoman Blackwell.

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2 COUNCILWOMAN BLACKWELL: Thank
3 you.

4 It's not narrowly related, but
5 in general, I just wanted to ask the
6 director if we're clear on legislation
7 coming to Council before it goes to the
8 board so we don't have so much confusion
9 in our communities.

10 MS. GILLEN: Absolutely, yes.
11 I know that you raised that when we met a
12 few weeks ago.

13 COUNCILWOMAN BLACKWELL: Yes,
14 yes.

15 MS. GILLEN: And we are now.

16 COUNCILWOMAN BLACKWELL: And
17 the other thing is, I wanted to contact
18 you -- I could have waited till after the
19 hearing for this, to see if we couldn't,
20 before we have our formal hearing, work
21 some Council people on specific issues,
22 and maybe we can meet in the Caucus Room
23 or something to get their specific
24 property issues resolved.

25 MS. GILLEN: Absolutely, sure.

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2 COUNCILWOMAN BLACKWELL: Okay.

3 Thank you.

4 Thank you, Mr. Chairman.

5 COUNCILMAN CLARKE: Thank you,
6 Councilwoman.

7 Any other questions?

8 (No further questions.)

9 COUNCILMAN CLARKE: Hold on a
10 second, please.

11 Okay, I held my questions for a
12 reason. I just want to briefly go
13 over -- and I promised myself that I
14 would not allow this to be an adversarial
15 hearing as it relates to my conduct. But
16 briefly, I just want to make a couple of
17 statements.

18 This whole issue about the
19 relationship between Councilmembers,
20 particularly District Councilmembers, and
21 the Redevelopment Authority comes out of,
22 I know in my case, frustration and years
23 of having prior relationships with prior
24 executive directors that were a lot more
25 open and a lot more sharing of

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2 information, the ability to get on the
3 phone and talk to not only the executive
4 director or the staff members and have
5 it -- and I know early on, in your
6 administration, you would not allow that.
7 You have now relaxed that, and I don't
8 know why. But, you know, it is what it
9 is.

10 And our inability to, frankly
11 speaking, as it was referenced earlier,
12 to know what in the world is going on in
13 our Council District, because at the end
14 of the day, we all got elected. I
15 understand you got appointed, but we got
16 elected.

17 And at the end of the day, the
18 people live in those neighborhoods, if
19 something happens in those neighborhoods,
20 they're not going to look at you, and,
21 frankly speaking, they might not even
22 look at the at-large Councilperson;
23 they're going to look at the District
24 Council.

25 MS. GILLEN: Mm-hmm.

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2 COUNCILMAN CLARKE: And say,
3 "You're the guy that let that come in my
4 neighborhood."

5 MS. GILLEN: Absolutely.

6 COUNCILMAN CLARKE: So our
7 inability to have that type of
8 relationship has been very frustrating to
9 me, to the point where I have to call the
10 Mayor because he's the chairman of the
11 board.

12 MS. GILLEN: Mm-hmm.

13 COUNCILMAN CLARKE: And I
14 shouldn't have to bother the Mayor about
15 every little thing, but that's just the
16 way it worked out.

17 When you came in, you
18 essentially defaulted -- I don't know if
19 the majority of all of the developments
20 that had not complied with the
21 redevelopment agreement. That's fine.
22 You know, it's within your right.

23 But the reality, under the
24 existing regs, you essentially have an
25 unfettered ability to do whatever with

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2 those properties as it relates to the
3 executive director of the board, without
4 Councilmembers ever knowing how, when, or
5 what the ultimate outcome.

6 That didn't bother me before.
7 And, in all honesty, I didn't know that
8 until it was referenced to me. But it
9 bothers me now.

10 MS. GILLEN: Right.

11 COUNCILMAN CLARKE: 'Cause I'm
12 a little concerned about how you do
13 things over there. I'm just being
14 straight up.

15 MS. GILLEN: Right.

16 COUNCILMAN CLARKE: Without
17 being adversarial.

18 MS. GILLEN: Right.

19 COUNCILMAN CLARKE: So it
20 caused us to introduce this ordinance
21 that essentially, as we move ahead -- and
22 hopefully we'll get this NTI thing moving
23 relatively quickly -- all of the
24 redevelopment agreements that are done
25 heretofore will -- I'm sorry, subsequent

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2 to this, will have some ability to have a
3 relationship.

4 I would hope that those
5 defaults that you've issued -- and I
6 understand there are a significant number
7 of 'em, that you craft some regulatory
8 process where Councilmembers will be able
9 to know exactly what's going to happen if
10 you change the developer, if you change
11 the development plan, or if it were
12 nominal and now you want to sell it.

13 It needs to come back to
14 Councilmembers so that, at a minimum,
15 they know what in the world is going on.

16 MS. GILLEN: Right.

17 COUNCILMAN CLARKE: So I would
18 hope that as you think about, you know,
19 the aftermath of this hearing, that you
20 develop some sort of process that puts us
21 in a position where we're at least in the
22 loop to some degree.

23 And I understand you feel that
24 you need to have some level of an ability
25 to move projects quickly. I don't think

1 3.22.10 PUBLIC PROPERTY - BILL 090785

2 any member of Council would like to do
3 that. You know, as quickly as we are, I
4 mean -- that's what we're about.

5 MS. GILLEN: Right.

6 COUNCILMAN CLARKE: I don't
7 understand, frankly speaking, why you
8 have gone from two-times-a-month meetings
9 to one time a month 'cause I think that
10 actually delays your ability to expedite
11 development. But, you know, as I say,
12 you're the executive director; you made
13 that determination.

14 What I would like to do is
15 offer an amendment today that will
16 respond to two of your concerns.

17 One is, in the ordinance, it
18 said that by resolution or ordinance, the
19 conveyance shall happen by members of
20 Council. What I'm prepared to do,
21 assuming that the committee is accepting
22 of this, is to take the ordinance out and
23 do it by resolution. As you know, a
24 resolution only needs one-day notice and
25 a one-day vote.

1 3.22.10 PUBLIC PROPERTY - BILL 090785

2 MS. GILLEN: Right.

3 COUNCILMAN JONES: And if it's
4 controversial enough that we need a
5 hearing, we can always have a hearing on
6 the resolution.

7 The other issue has to do with
8 the change in the price on that
9 particular property if it has to come
10 back to Council. I'm prepared to delete
11 that section because my assumption is
12 that if you change the price, you're
13 going to charge more, so that's a good
14 thing for the City.

15 But in the event that there is
16 a nominal consideration to a developer,
17 and then you want to charge that
18 developer for that consideration, I would
19 like to see that come back 'cause that
20 changes the scope of project in terms of,
21 you know, the ultimate outcome.

22 So I will be offering those two
23 amendments to this bill today.

24 MS. GILLEN: Okay.

25 COUNCILMAN CLARKE: So

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2 hopefully, we can come to some agreement

3 as we move ahead -

4 MS. GILLEN: Sure.

5 COUNCILMAN CLARKE: -- where we

6 can strengthen our relationship, and I

7 mean it in a real way because I'm just

8 not used to doing business like this, as

9 a number of other people are, okay?

10 MS. GILLEN: Right. And I hear

11 you, and I agree with you. And certainly

12 on the defaults, absolutely. We would

13 fully intend to go back to you all of the

14 District Councilmembers and talk to them

15 about the properties.

16 COUNCILMAN CLARKE: Yes, all

17 right. Thank you.

18 Councilman Kenney.

19 COUNCILMAN KENNEY: Like so

20 many things that goes on around here, I

21 really don't always understand why we're

22 in the situation that we're in. It just

23 to me seems commonsensical that there

24 should be at least one person that

25 represents the authority that has

1 3.22.10 PUBLIC PROPERTY - BILL 090785

2 interface with the folks here.

3 I mean, even companies in the
4 City have -- I mean, I see Ed McBride,
5 you know, once or tries a week
6 representing PECO. I see other people
7 that are representing other entities,
8 other governments, other everything.

9 Isn't it easier just to have a
10 person that stops into Councilman
11 Clarke's office or stops into
12 Councilwoman Krajewski's office and says,
13 "Hey, how you doing? Is there anything
14 going on?" Or, "This is going on today"
15 or, "This is going on next week. Here's
16 a heads-up."

17 It seems that it would be just
18 the flow of business and the flow of
19 cooperation. It's much simpler than
20 having the questions that Councilman
21 Jones asked about a project that got, you
22 know, out of the barn before anybody knew
23 about it.

24 I just -- to me, it would seem
25 easier -- not that you should have to

1 3.22.10 PUBLIC PROPERTY - BILL 090785
2 walk around every day and visit Council
3 offices, but there's got to be somebody
4 in your shop that you trust that can
5 interface with the folks here.

6 I mean, again, as Councilman
7 Clarke says, it's not as much an at-large
8 issues as it is obviously a district
9 issue. But I've been around here long
10 enough to know that the common-sense
11 approach really always -- usually works.

12 MS. GILLEN: Sure.

13 COUNCILMAN KENNEY: And just
14 one person. It doesn't have to be you.

15 MS. GILLEN: Sure.

16 COUNCILMAN KENNEY: It can be
17 someone you designate to say this is
18 what's coming or this is what to expect
19 or this is what we'd like you to help us
20 with. It seems that life would be so
21 much easier and one less piece of
22 contention between the Administration and
23 Council.

24 MS. GILLEN: Mm-hmm.

25 COUNCILMAN KENNEY: So is that

1 3.22.10 PUBLIC PROPERTY - BILL 090785

2 possible?

3 MS. GILLEN: Sure, absolutely.

4 COUNCILMAN KENNEY: Okay, all
5 right. Thanks.

6 COUNCILMAN CLARKE: Thanks,
7 Councilman.

8 Any other questions of this
9 witnesses by members of the committee?

10 (No further questions.)

11 COUNCILMAN CLARKE: Anyone else
12 to testify?

13 (No response.)

14 COUNCILMAN CLARKE: There being
15 none, this concludes the hearing on
16 Public Property and Public Works.

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1 3.22.10 PUBLIC PROPERTY (Public Meeting)

2 COUNCILMAN CLARKE: Councilman
3 Kenney, could I please have a motion on
4 Bill No. 100094.

5 COUNCILMAN KENNEY:
6 Mr. Chairman, I move that Bill No. 100094
7 be reported out of this committee with a
8 favorable recommendation and a request
9 made for a rules suspension to allow for
10 first reading at our next Council
11 session.

12 (Motion duly seconded.)

13 COUNCILMAN CLARKE: It's been
14 moved and seconded.

15 All in favor?

16 Those opposed?

17 The ayes have it.

18 Bill No. 100004 is reported out
19 of committee with a favorable
20 recommendation.

21 Councilman Greenlee, can I
22 please have a motion on Bill No. 100130.

23 COUNCILMAN GREENLEE: Thank
24 you, Mr. Chairman.

25 I move that Bill No. 100130 be

1 3.22.10 PUBLIC PROPERTY (Public Meeting)

2 reported out of this committee with a
3 favorable recommendation and that the
4 rules of Council be suspended to allow
5 for first readings at our next session of
6 Council.

7 (Motion duly seconded.)

8 COUNCILMAN CLARKE: It's been
9 moved and seconded.

10 All in favor?

11 Those opposed?

12 The ayes have it.

13 Bill No. 100130 is reported out
14 of committee with a favorable
15 recommendation and with a rules
16 suspension so as to allow for first
17 reading at the next session of Council.

18 Councilman Rizzo, please get a
19 motion on Bill No. 100132.

20 COUNCILMAN RIZZO: I move 02
21 out of committee with a favorable
22 recommendation and ask that the rules of
23 Council be suspended --

24 COUNCILMAN CLARKE: 32, 32.

25 COUNCILMAN RIZZO: 32, I'm

1 3.22.10 PUBLIC PROPERTY (Public Meeting)

2 sorry. And that the rules of Council be
3 suspended and that this be heard at the
4 next session of Council.

5 (Motion duly seconded.)

6 COUNCILMAN CLARKE: It's been
7 moved and seconded.

8 All those in favor?

9 Those opposed?

10 The ayes have it.

11 Bill No. 100132 is reported out
12 of committee with a rules suspension to
13 allow for first reading at the next
14 session of Council.

15 Bill No. 090785 has been held
16 at the request of the sponsor.

17 Councilman Kenney.

18 COUNCILMAN KENNEY:

19 Mr. Chairman, I move that Bill No. 100101
20 be amended --

21 COUNCILMAN CLARKE: Hold on,
22 hold on a second, Councilman. There's a
23 question.

24 (Brief discussion held off the
25 record.)

1 3.22.10 PUBLIC PROPERTY (Public Meeting)

2 COUNCILMAN CLARKE: There's a
3 question about 85, the 50 percent Public
4 Property.

5 What we -- ultimately, the
6 outcome of the conversation was that we
7 will be having conversations with the
8 department, and we will come back at a
9 later date in the committee and amend it
10 after we get some of the specifics in
11 terms of the criteria established, so
12 we're going to hold it right now.

13 Councilman Kenney, can I please
14 get a motion on the amendment to Bill No.
15 100101.

16 COUNCILMAN KENNEY:
17 Mr. Chairman, I move that Bill No. 100101
18 be amended according to your on-the-
19 record comments relative to the changes
20 in the bill.

21 (Motion duly seconded.)

22 COUNCILMAN CLARKE: It's been
23 moved and seconded.

24 All those in favor of the
25 amendment?

1 3.22.10 PUBLIC PROPERTY (Public Meeting)

2 Those opposed?

3 The ayes have it.

4 Councilman Kenney, please.

5 COUNCILMAN KENNEY:

6 Mr. Chairman, I move that Bill No.

7 100101, as amended, be reported out of

8 this committee favorably and that a

9 request be made for a rules suspension to

10 allow for first reading at our next

11 Council session.

12 (Motion duly seconded.)

13 COUNCILMAN CLARKE: It's been

14 moved and seconded.

15 All those in favor?

16 Those opposed?

17 The ayes have it.

18 Bill No. 100101 is reported out

19 of committee, as amended, with a

20 favorable recommendation and with a rules

21 suspension to allow for first reading at

22 the next session of Council.

23 This concludes the meeting on

24 the Public Property and Public Works

25 Committee.

1 3.22.10 PUBLIC PROPERTY (Public Meeting)

2 Thank you all very much.

3 (Proceedings end at 10:58 a.m.)

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I HEREBY CERTIFY that the

proceedings of the City of Philadelphia

Council Committee on Public Property and

Public Works are contained fully and

accurately in the stenographic notes taken by

me on Monday, March 22, 2010, and that this is

a true and correct statement of same.

JOSEPHINE CARDILLO
Registered Professional Reporter

(The foregoing certification of

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