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COUNCIL OF THE CITY OF PHILADELPHIA

4

PUBLIC HEARING

5

COMMITTEE ON RULES

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7

Room 696, City Hall
Philadelphia, Pennsylvania
Tuesday, March 23, 2004
10:00 a.m.

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10 BILL 040024 - an ordinance amending Section
11 14-1200 of The Philadelphia Code entitled,
12 "Pending Public Acquisition Districts.
13 BILL 040092 - an ordinance to amend the
14 Philadelphia zoning maps...
15 BILL 040138 - An ordinance approving the
16 first amendment of the redevelopment
17 proposal for the Wister III Urban Renewal
18 Area...

15

PRESENT:

16

17 COUNCIL PRESIDENT VERNA, Chair
18 COUNCILMAN DARRELL CLARKE
19 COUNCILMAN DAVID COHEN
20 COUNCILMAN FRANK DICICCO
21 COUNCILMAN JACK KELLY
22 COUNCILMAN JAMES KENNEY
23 COUNCILMAN RICHARD MARIANO
24 COUNCILWOMAN DONNA REED MILLER
25 COUNCILMAN MICHAEL NUTTER
COUNCILMAN BRIAN O'NEILL

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V A R A L L O Incorporated
Litigation Support Services
Eleven Penn Center
1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
215.561.2220 215.567.2670

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1 03/23/04 - RULES - BILL 04092

2 COUNCIL PRESIDENT VERNA: Good
3 morning, everyone. This is the public hearing
4 on the Committee on Rules.

5 I would ask Mr. McPherson to please
6 read the title of Bill No. 040092.

7 MR. MCPHERSON: Bill No. 040092, an
8 ordinance to amend the Philadelphia zoning
9 maps by changing the zoning designations of
10 certain areas of land located in the vicinity
11 of Fountain Street and the Manayunk Canal.

12 COUNCIL PRESIDENT VERNA: Good
13 morning. Kindly identify yourself for the
14 record and proceed with your testimony.

15 MR. CHAPMAN: Good morning, Madam
16 President, and Members of the Rules Committee.
17 My name is Thomas Chapman. I am the Director
18 of the Development Planning Division for the
19 City Planning Commission, and I'm here today
20 to testify on Bill No. 040092. This bill was
21 introduced by Councilman Nutter on February
22 5th of this year.

23 Bill 040092 rezones a certain parcel
24 of land in the vicinity of Fountain Street and
25 the Manayunk Canal from the existing G-2

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2 General Industrial to Class Recreational. A
3 companion bill, Bill No. 030689, also concerns
4 this same property. The purpose of the two
5 bills is to exchange a piece of land owned by
6 Fountain Street Partners that's adjacent to
7 the Manayunk Canal for a City-owned property
8 located at 116 Fountain Street. Once
9 exchanged, the new City-owned parcel would be
10 rezoned from G-2 General Industrial to
11 Recreational and put under the jurisdiction of
12 the Fairmount Park Commission. The City's
13 property will be incorporated into the
14 Manayunk towpath and the privately owned
15 parcel will be used for industrial purposes.
16 The property that is to be acquired by the
17 City is approximately a thousand square feet,
18 while the property being conveyed is
19 approximately 292 square feet.

20 The Fairmount Park Commission
21 approved the land exchange on April 9th, 2003,
22 and the Council Committee on Public Property
23 and Public Works approved Bill No. 030689 on
24 November 18th, 2003.

25 This rezoning proposal was

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2 recommended for approval by the Planning
3 Commission at its meeting of December 9th,
4 2003.

5 I just note that this rezoning had
6 been scheduled to be considered by the Rules
7 Committee at its last scheduled hearing in
8 December, but due to the lack of a quorum that
9 day, the bill was not able to move forward.

10 COUNCIL PRESIDENT Verna: Thank you.

11 From your testimony, can we assume
12 that this is merely a swap?

13 MR. Chapman: Yes, it is. Two small
14 pieces of ground.

15 COUNCIL PRESIDENT Verna: Thank you.

16 Are there any questions from Members
17 of the Committee?

18 The Chair recognizes Councilman
19 Clarke.

20 COUNCILMAN Clarke: Thank you, Madam
21 Chair.

22 Good morning. You said this land
23 was being acquired by the Fountain Street
24 Partners?

25 MR. Chapman: Yes.

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2 COUNCILMAN CLARKE: What type of
3 development or business entity is that?

4 MR. CHAPMAN: I don't believe that I
5 have that information with me, Councilman. I
6 can get that for you, though.

7 COUNCILMAN CLARKE: I'm just
8 interested in what type of business it is, how
9 many employees they have. Does this create an
10 environment where there will be additional
11 employees? Just what benefit would it be to
12 the City, other than just a traditional swap
13 of land? Can you find that out for me and
14 give it to the Chair?

15 MR. CHAPMAN: Yes.

16 COUNCILMAN CLARKE: Thank you.

17 COUNCIL PRESIDENT VERNA: Actually,
18 the rezoning only applies to an area of land
19 which is probably about a thousand square
20 feet. I assume that because it's such a small
21 parcel of land, it's not developable. Would
22 they be able to develop anything?

23 MR. CHAPMAN: It's adjacent to a
24 property that they already own. It just gives
25 them additional land and it's incorporated

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2 into -- if my memory serves me -- I believe
3 it's just going to become like an extension.

4 COUNCILMAN CLARKE: So no expansion
5 of the existing business or anything like
6 that?

7 MR. CHAPMAN: Right.

8 COUNCILMAN CLARKE: Thank you.

9 COUNCIL PRESIDENT VERNA: Are there
10 any other questions?

11 The Chair recognizes Councilman
12 Kelly.

13 COUNCILMAN KELLY: Mr. Chapman, you
14 mentioned something about industrial use.

15 MR. CHAPMAN: The ground is zoned
16 G-2 Industrial.

17 COUNCILMAN KELLY: It is?

18 MR. CHAPMAN: Yes.

19 COUNCILMAN KELLY: That would just
20 be an extension, in other words?

21 MR. CHAPMAN: It's an addition to
22 their property.

23 COUNCIL PRESIDENT VERNA: Any other
24 questions from Members of the Committee?

25 (No response.)

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2 COUNCIL PRESIDENT VERNA: Do we have
3 anyone else to testify on Bill 040092?

4 (No response.)

5 COUNCIL PRESIDENT VERNA: Seeing no
6 one, I would ask Mr. McPherson to please read
7 the title of Bill No. 040024.

8 MR. MCPHERSON: Bill No. 040024, an
9 ordinance amending Section 14-1200 of The
10 Philadelphia Code entitled, "Pending Public
11 Acquisition Districts."

12 MR. CHAPMAN: Good morning, Madam
13 President, and Members of the Committee. Once
14 again, for the City Planning Commission, my
15 name is Thomas Chapman. This bill, Bill
16 040024 was introduced by Councilman DiCicco on
17 January 22nd of this year.

18 This bill establishes a Pending
19 Public Acquisition District for the area
20 bounded by North 13th Street, Race Street,
21 North Broad Street and Arch Street. After
22 considerable discussion, the Planning
23 Commission at its meeting of March 16th, 2004
24 decided not to recommend this bill be
25 approved.

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2 At the time of the Planning
3 Commission's consideration of the bill, a
4 provision of the bill that requires a
5 statement of intent to develop or condemn had
6 not been filed with the Chief Clerk's Office
7 or sent to the Planning Commission, as is
8 required under the provisions of the
9 ordinance. Members of the Commission have had
10 concerns with this legislation, and these
11 concerns were heightened in light of the fact
12 that this provision of the Code had not been
13 complied with.

14 Secondly, members of the Commission
15 are concerned that this action in establishing
16 this district could be construed as a taking
17 and wondered if the establishment of these
18 districts are even necessary since the City
19 does have the power to eminent domain.

20 This concludes my testimony. I'd be
21 happy to answer any questions of the
22 Committee.

23 COUNCIL PRESIDENT VERNA: Thank you.

24 Are we correct in assuming that this
25 site is the most probable choice for a

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2 location of any expansion of the Pennsylvania
3 Convention Center?

4 MR. CHAPMAN: It's certainly a
5 logical location where the expansion could
6 take place, yes.

7 COUNCIL PRESIDENT Verna: Well, we
8 haven't heard any concrete plans about the
9 expansion or how it will be financed.

10 MR. CHAPMAN: Right.

11 COUNCIL PRESIDENT Verna: If this
12 bill were to pass, how long would property
13 owners in this area be constrained from
14 developing or improving their properties?

15 MR. CHAPMAN: Madam President, that
16 would be for a period of two years.

17 COUNCIL PRESIDENT Verna: And the
18 ordinance does say that there would have to be
19 a statement of intent to develop or condemn
20 the properties within this area?

21 MR. CHAPMAN: That's correct.

22 COUNCIL PRESIDENT Verna: And the
23 statement has not been filed with the Chief
24 Clerk's Office?

25 MR. CHAPMAN: To the best of my

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2 knowledge. At the time the Planning
3 Commission considered this bill, it had not
4 been filed and it has not been filed with our
5 offices, at least as of this morning, anyhow.

6 COUNCIL PRESIDENT VERNA: Thank you.

7 Any questions from Members of the
8 Committee?

9 Councilman Clarke.

10 COUNCILMAN CLARKE: Thank you.

11 Mr. Chapman, I actually have some
12 acquisition questions. I don't know if Mr.
13 Wetzel may want to join you at the table.

14 First, let me say I understand the
15 intent of this particular bill, but as
16 indicated earlier, I did have some concerns
17 and I talked to the sponsor about some of
18 those concerns. What I want to talk to you
19 about right now is this whole process of
20 traditional acquisition. When we do
21 appraisals, are we required to have the
22 authorization of the property owner?

23 MR. WETZEL: Do I need to identify
24 myself first?

25 COUNCILMAN CLARKE: Absolutely.

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2 MR. WETZEL: Herbert Wetzel,
3 Executive Director of the Redevelopment
4 Authority. When we do appraisals, do we need
5 permission of the owner? No.

6 COUNCILMAN CLARKE: So is the
7 appraisal process triggered by anything in
8 government officially, like an introduction of
9 authorization by Council authorizing the
10 Redevelopment Authority?

11 MR. WETZEL: Absolutely.

12 COUNCILMAN CLARKE: Can the
13 Redevelopment Authority or any government
14 entity do an appraisal without an official
15 action by Council?

16 MR. WETZEL: Absolutely.

17 COUNCILMAN CLARKE: So potentially
18 the Redevelopment Authority could go out in
19 this particular district or any other district
20 that we may have some interest in the
21 foreseeable future and do an appraisal of that
22 particular land without Council action?

23 I'm assuming your staff -- you're
24 the director -- are authorized to go out and
25 do an appraisal on a land?

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2 MR. WETZEL: Yes. We have actually
3 twice performed appraisals on the land, I
4 think, that's described in this ordinance on
5 behalf of the Convention Center. I think we
6 did it in '99 and I think we did it in 2002,
7 an update of the appraisals of the value of
8 that real estate.

9 COUNCILMAN CLARKE: In that process
10 in the past, have you ever had a situation
11 where there was an appraisal done and
12 somewhere along the line the City attempted to
13 acquire the land and there was an objection by
14 the property owner saying that the price
15 should be much higher, and you use your
16 original appraisal to substantiate your claims
17 in court, assuming that it went to court? You
18 basically locked in a price based on your
19 earlier appraisal two years down the line
20 without any measurable improvements, the City
21 or government attempts to acquire, then this
22 property owner, you know, opposes that taking
23 based on the price. Your argument is that
24 we've done an appraisal. We believe that this
25 is what the price was, not some wildly

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2 speculatively number that the current property
3 owner is saying at this particular time?

4 MR. WETZEL: Actually, the last
5 appraisal that's done is as of the date of the
6 declaration of taking. So if an appraisal was
7 done to do an estimate for land acquisition
8 and an ordinance was passed two years later,
9 the declaration of taking gets filed, it's the
10 value of the land as of the date of the
11 declaration, not of the ordinance. You have
12 to bring the appraiser back out again.

13 COUNCILMAN CLARKE: The most recent?

14 MR. WETZEL: Yes. I'm sure the
15 concern there is that the values in that
16 particular area that's part of this particular
17 ordinance have gone up substantially since the
18 first cut of the numbers was done in 1998 or
19 '99.

20 COUNCILMAN CLARKE: Okay. I just
21 wondered.

22 COUNCIL PRESIDENT VERNA: The Chair
23 recognizes Councilwoman Miller.

24 COUNCILWOMAN MILLER: Thank you,
25 Madam Chair.

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2 How does this bill save the City
3 money?

4 COUNCILMAN DICICCO: Madam
5 President, it might be an appropriate time for
6 me to engage in this conversation, since I'm a
7 member of the Convention Center Authority
8 Board.

9 I think the best way to explain that
10 might be by way of an example, Councilwoman
11 Miller. During the past year, year and a half
12 an individual purchased a former vacant
13 industrial building for the purpose of
14 converting it into condos, which is what we've
15 seen for the last several years. And it's a
16 good thing. But what's happened as a result
17 of that, the value of that property has
18 increased dramatically. So in the best case
19 scenario, if the funding for the expansion
20 were made available, whether it's the City and
21 the State cooperating or the State takes over
22 completely, that's not the issue. We're all
23 hoping that we get the Convention Center
24 expanded. But the value of that property has
25 increased dramatically. I don't know the

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2 exact value on it today.

3 Just imagine when the development is
4 complete, if all 60 units or so were occupied,
5 in addition to paying the owner of the
6 property for the fair market value, we now
7 have to relocate 50, 60, 70 tenants -- they'd
8 actually be homeowners because it's going to
9 be condos. Which certainly adds to the
10 expense. Now, that's only one instance.

11 If my recollection is correct -- and
12 my colleague, Councilman Nutter, is here, who,
13 as you know, is the Chairman of that Board --
14 I think for every month that we do not take
15 action, the value of those properties in the
16 area that is being identified for the
17 expansion -- and, yes, Madam President, that
18 is the likely area. We don't see any other
19 way in which to go but west of the existing
20 Convention Center to Broad Street and north to
21 Race so that the expansion would cover the
22 area from Arch to Race, from 13th to Broad.
23 If we don't do anything, as we haven't been
24 able to do for a while because of this
25 technical issue on the intent and the

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2 statements and things that we were waiting
3 for, the value of that land increases
4 cumulatively in that area I just described by
5 \$2 million a month. Every month it's going up
6 by \$2 million. And that's without any
7 improvements to existing properties.

8 What the intent of the Board was by
9 way of the statement of intent is to say to
10 the property owner, we're not suggesting that
11 you can't do any improvements that are
12 necessary to maintain the property in a safe
13 manner and those improvements that would be
14 necessary for the continuation of the
15 business, assuming there's a business
16 operating in there. What we're suggesting is
17 that you don't begin to do conversions and
18 other things that would dramatically increase
19 the value of the individual property or
20 properties, which ultimately the taxpayers
21 will have to pay for.

22 So for me, when we had these
23 discussions a few months ago -- we meaning the
24 Board at the Convention Center -- my concern
25 was, A, to save the taxpayers money,

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2 obviously; but also to have some sort of a, I
3 guess, smooth, seamless kind of transition, if
4 it's possible, for the existing property
5 owners and those businesses that are located
6 there working along with PIDC, the Commerce
7 Department, and other agencies because we
8 don't want those companies to leave the City
9 of Philadelphia. That's the last thing we
10 want them to do. But it will give us two
11 years to work on that relocation process with
12 them, maybe find other locations throughout
13 the City in which we can help them relocate to
14 keep the jobs, maybe even enhance the jobs.
15 So we needed this time.

16 Although I do not have the
17 statement, I got a call into the Convention
18 Center Authority. It has not been delivered
19 yet, which leads me to some questions for the
20 Planning Commission. But just to answer your
21 question as briefly as I could, it is
22 necessary now. It will cost us money. It's
23 costing us money as we speak by not taking any
24 action. At the end of the day, whether it's
25 the State that eventually pays for the entire

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2 expansion or there's a split between the City
3 and State, it's the taxpayers that are going
4 to be paying.

5 COUNCILWOMAN MILLER: The statement
6 of intent is what you just mentioned that
7 you're waiting for?

8 COUNCILMAN DICICCO: Yes.

9 COUNCILWOMAN MILLER: So there will
10 be one?

11 COUNCILMAN DICICCO: And there is a
12 two-year sunset provision that I think was
13 pointed out in testimony. So if for some
14 reason expansion doesn't occur, it will be all
15 over. It's not for perpetuity.

16 We had a conversation with an
17 attorney who represents the Authority last
18 week about some the questions on the legality
19 of this. My understanding, if I can recall
20 correctly, was that in Lake Tahoe in Nevada,
21 the United States Supreme Court upheld a
22 decision by that municipality to do something
23 very similar to what we're doing, and it's 20
24 years that they still haven't developed that
25 land. But the Supreme Court said it was okay

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2 for the municipality to have this intent.
3 They have an intent to develop it and,
4 therefore, any improvements and things that
5 we're talking about similar to the Convention
6 Center, that the individual property owners
7 didn't have any rights. But we're not going
8 that far out, obviously. We're going two
9 years.

10 If we were able to convince the
11 State Legislator in Harrisburg today and the
12 Administration in Harrisburg to front, if you
13 will, the \$185 million that we anticipate it's
14 going to cost to do the taking and everything
15 else, we probably wouldn't even be discussing
16 this conversation. I think you would approve
17 it immediately. That is a problem that we're
18 facing. There's no question about it. We
19 need this to send a signal to Harrisburg that
20 we're serious about it. And when I say, we,
21 not only the City, but more particularly the
22 Board, the Convention Center Authority Board,
23 that we're serious about Convention Center
24 expansion. It's kind of one of those things
25 of what comes first. So we're very

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2 aggressive. We've sent letters up to the
3 State House Representatives. We sent them to
4 the Senate. We sent them to the Governor
5 urging them to move forward on this expansion
6 because every day that we wait and not make a
7 decision, the value of those properties
8 continue to increase dramatically.

9 COUNCILWOMAN MILLER: So who is
10 actually responsible for doing the statement
11 of intent to develop or condemn?

12 COUNCILMAN DICICCO: Well, I think
13 that the Planning Commission wanted it to come
14 from us and I think maybe legally -- I'll
15 yield to my colleague, Councilman Nutter.

16 COUNCILWOMAN MILLER: Us, meaning
17 the Convention Center Board?

18 COUNCILMAN DICICCO: Yes. I think
19 that's where the letter needs to come from.
20 We supported it in our board meeting last
21 week. It was unanimously supported by the
22 Board that a letter of intent be sent over for
23 the purpose of this bill.

24 COUNCILWOMAN MILLER: Thank you.

25 COUNCILMAN CLARKE: Again, I want to

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2 reiterate that I understand the intent of the
3 bill. I just have some fundamental concerns
4 about property rights. Potentially there
5 could be a loss of revenue for a property
6 owner in the two years for the two-year
7 sunshine provision that an individual could
8 convert a property and could potentially make
9 a substantial amount of money and increase the
10 value of their property over that two-year
11 period. And as things sometimes happen, if
12 the State and the City can't come to an
13 agreement on the expansion of the Convention
14 Center and we decide not to do that, I guess
15 my question would be, who makes that
16 individual whole?

17 The other question I have is what
18 the difference is between a declaration of
19 taking and this particular legislation?

20 It sounds to me that, in
21 understanding that we've done declarations of
22 taking before and opted not to proceed on the
23 ultimate taking, we've kind of locked
24 ourselves into a number.

25 As you said earlier, once you file a

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2 declaration of taking, you lock yourself into
3 a number and that's the number that you use
4 during your negotiations. What is the
5 difference in -- or I guess I should ask the
6 question, why don't we file a declaration of
7 taking, lock ourselves into a number, which is
8 the current number for today, and over this
9 two-year period negotiate or do whatever we
10 need to do while we're waiting for any
11 potential funding for the expansion of the
12 facility? And if two years out or three years
13 out we opt not to proceed, we essentially will
14 find ourselves, I believe, possibly in court,
15 similar to what I think we will ultimately be
16 in court if we pass this bill.

17 I'm just not seeing the difference
18 in the pending acquisition bill versus a
19 traditional Redevelopment Authority taking.
20 It sounds like the same thing.

21 COUNCILMAN DICICCO: I would leave
22 that response to someone who's more versed in
23 it than I am, possibly Herb Wetzel.

24 But as to the first part of your
25 question, yes, you're right. Somebody could

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2 claim that they have been harmed financially
3 because we have put certain restrictions on
4 what they can do with that property. But
5 other than that one building that we're
6 talking about where the gentleman came in -- I
7 think he had an idea. He knew. We had been
8 talking about expansion. And he's a business
9 guy who ran in, bought a property, paid
10 probably very little for it compared to what
11 he'd have to pay today, started making
12 conversions -- I don't even know if he's even
13 near completion, but he certainly has the
14 argument now that "Now I have undertaken this
15 project and I am now in the process of
16 converting this building into condos, and each
17 condo will have a value of \$500,000 or
18 three-quarters of a million dollars,
19 therefore, you have to reimburse me." He's
20 going to probably walk away with about a
21 \$20 million profit. And if we leave that out
22 there as a potential for other property
23 owners, we're not going to be able to probably
24 afford to do it and we won't get a Convention
25 Center expansion.

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2 I think we have a fiduciary
3 responsibility to the taxpayers, understanding
4 that we do want to do the Convention Center.
5 We all want to see this expansion happen and
6 we have to act appropriately and I think now
7 is the time to act. But to allow someone --
8 it could be anyone in this room for that
9 matter -- to go out there and make a deal on a
10 property today and then go in and say, "Well,
11 I'm going to do a conversion --

12 COUNCILMAN CLARKE: But, Councilman,
13 isn't that his right? Isn't this America?

14 COUNCILMAN DICICCO: It's his right,
15 but is it right to allow that to happen
16 knowing that we will eventually take that land
17 for the purpose of expanding the Convention
18 Center?

19 COUNCILMAN CLARKE: Well, that's my
20 question. Why don't we just simply file a
21 declaration of taking, triggering a number on
22 an appraisal?

23 COUNCILMAN DICICCO: We don't have
24 the money, obviously, to do that.

25 COUNCILMAN CLARKE: We're, like,

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2 kind of going half way with this. If we fully
3 intend on taking it, let's just file the
4 declaration. We don't have any money right
5 now. We've got nine million declarations of
6 taking. We had a hearing yesterday, but we
7 don't have the money. We do it all the time.

8 COUNCILMAN DICICCO: Again, I think
9 I know the answer, but I would yield to either
10 Councilman Nutter or to Mr. Wetzel.

11 COUNCIL PRESIDENT VERNA: Mr.
12 Wetzel.

13 MR. WETZEL: When the Redevelopment
14 Authority brings an ordinance before Council
15 such as the one that's here today, the funding
16 is in place. So estimated acquisition costs,
17 relocation costs, et cetera have been
18 determined and a budget has been put together
19 with contingencies. And so we do not bring an
20 ordinance that isn't funded to be carried out.
21 Now, whether we carry it out fully or
22 partially or not at all after the ordinance is
23 passed is a different story. But the funding
24 is in place. We do not ask for the Authority
25 to acquire without the money being in place.

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2 I think that's a little bit different here.

3 I think the tough question is, does
4 this ordinance -- not for the Redevelopment
5 Authority -- but does this actually -- I'm
6 assuming some property owners there might
7 construe this to be an act of condemnation, in
8 essence, or as you're saying, argue that "You
9 have damaged me. You've damaged my right to
10 improve this particular property, and how am I
11 going to be compensated for that?" Or
12 literally might file a de facto claim that
13 there is a de facto condemnation that has
14 happened as a result of that. And that
15 doesn't suggest this isn't a good thing.

16 I can tell you the Councilman is
17 right. The first numbers we did for the
18 Convention Center in '98 was about
19 \$63 million. The next time we updated it
20 around three years it was \$92 million. And I
21 think we all know the number is well over
22 \$100 million at this point in time in terms of
23 the value of the real estate there. But the
24 fundamental difference is that the ordinances
25 we bring are funded and, therefore, the

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2 resources are there to file a declaration of
3 taking and move forward.

4 COUNCILMAN CLARKE: Is that a
5 requirement by any agency in a government that
6 has acquisition powers that the funding be in
7 place, or is it just the Redevelopment
8 Authority?

9 MR. WETZEL: As an independent
10 authority with no taxing powers, we have to
11 have the funding in place. We have to
12 demonstrate to the court that the funding is
13 in place.

14 My understanding is governmental
15 entities that have the power to tax do not
16 have the same requirement before the court.

17 COUNCILMAN CLARKE: So if the School
18 District decided that they wanted to condemn
19 property, they don't necessarily have to have
20 the funding in place?

21 MR. WETZEL: Right. But it would
22 not be a smart thing to do, but once you start
23 down the road, you're obligated to make
24 payments to people. If people accept your
25 offers, you have to have the cash. If they

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2 dispute your offers and go to the Board of
3 Review in court and win, you have to have the
4 cash to pay them.

5 COUNCILMAN CLARKE: Are there any
6 other entities in government, to your
7 knowledge, that have the ability to condemn
8 land?

9 MR. WETZEL: Councilman, does the
10 Convention Center Authority have condemnation
11 powers?

12 COUNCILMAN NUTTER: Yes.

13 COUNCILMAN CLARKE: Are they
14 required to have funding in place?

15 MR. WETZEL: I do not know the
16 legislation that was used to create them.

17 COUNCILMAN DICICCO: I'm not
18 familiar. I do know that we do have
19 condemnation powers. I'm not familiar with
20 whether we have to have the money or not.

21 COUNCILMAN NUTTER: The Authority at
22 this time is not exercising any condemnation
23 power. And actually, we haven't decided
24 whether the Authority would be the condemning
25 entity or whether, apparently as was done back

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2 in the late '80s, which was done under
3 contract to the Redevelopment Authority.

4 If I could just share two pieces of
5 information. At the moment, even if this bill
6 were to pass, there would be no formal
7 condemnation proceeding or a taking in place.
8 I think we all know in this side of the
9 government that virtually anyone can file suit
10 about anything at any time they want, and they
11 often do. The underlying legislation, though,
12 that we passed last year to create this
13 concept does direct the Zoning Board to not
14 grant variances in an area that's been deemed
15 a Pending Public Acquisition District unless
16 it would result in an unconstitutional taking.
17 That is left at the discretion of the Zoning
18 Board.

19 Second, if a person applied for a
20 permit to change the use of the property and
21 they were denied, they have the same rights as
22 anyone else when they go over to L&I and try
23 to get a permit, which is to appeal, and go
24 through the regular appellate process.

25 I can absolutely appreciate the

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2 concern back and forth about the property
3 owners' rights issue. We're also, though,
4 left and, I think, compelled to deal with the
5 public's interests issue. What we are trying
6 to prevent is people inappropriately or
7 unnecessarily, in my language, ripping off the
8 general public to go into an area that they
9 have reason to believe, based on a legitimate
10 entity that is legitimately pursuing funding
11 and has expended millions of dollars in
12 planning and drawings and contracts, to go in
13 an area that you would have to be pretty much
14 living under a rock not to know that the
15 Pennsylvania Convention Center Authority is
16 looking to expand.

17 If someone wants to continue using
18 their building the way they have been using
19 it, they have that right even under this
20 legislation. What we're seeking to do is cut
21 down on the entrepreneurial spirit that at
22 least one entity has already demonstrated, and
23 I think we have reason to think that others
24 may in an effort to unnecessarily or
25 inappropriately profit from a big pay day when

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2 they know that a governmental entity is coming
3 into an area.

4 We can't do anything about what
5 happened last summer. But it is certainly
6 curious that shortly after things, at least
7 publicly, seemed like they were turning around
8 over at the Center last summer, that these
9 individuals decided to convert a long-vacant
10 building from industrial use to residential
11 use, which will cause us to now spend, instead
12 of about \$2 million to acquire that property,
13 estimates are somewhere between 10 and
14 \$12 million to acquire the same property, plus
15 face the relocation costs of people living in
16 the building who were not living there before.

17 So I'm certainly not anti-property
18 owners' rights, but I think on this one I'm
19 pro-taxpayer in making sure that the public is
20 not paying more than they should.

21 You know, I think we have a
22 reasonable expectation that the Center will
23 expand. There is a significant amount of
24 activity going on in Harrisburg in conjunction
25 with conversations that take place with the

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2 City about that proposed expansion. So this
3 is merely an effort to cut down on the
4 unnecessary costs of purchasing those
5 properties. We already know without this
6 extra added activity by property owners that
7 we've seen over the last five years a natural
8 growth in value in that area because of other
9 things that we do in the government that have
10 enhanced property values in Center City.
11 We're realizing about a 21 percent increase in
12 the value of property in the designated area.
13 We can't do anything about that. That's the
14 market. To the extent that we can curtail
15 people with malice and aforethought from
16 improving and upgrading and doing things to
17 their property solely for the purpose of
18 benefiting from the public, if we have an
19 opportunity to do that, I think we should try.

20 I certainly apologize for causing
21 any consternation with the Planning Commission
22 or the Members of this Committee for not
23 having the letter over. I think that,
24 obviously, we need to be in compliance with
25 the provision of the Code and certainly no

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2 action should be taken, any final action
3 should be taken on this bill until the
4 appropriate letter is in the possession of the
5 Chief Clerk and all of the Members of the
6 Committee, if not all Members of Council.

7 The only interest here, as
8 expressed by the Authority Board last week, is
9 in containing our costs. We're already
10 looking at about a \$600 million project. It's
11 going to be very difficult to go beyond that.
12 And if there was an action that we reasonably
13 thought we could take to try to contain those
14 costs, I think we do owe the public at least
15 that amount of response.

16 Whenever the taking formal action
17 takes place, certainly people will not like
18 whatever the value is. They won't like what
19 the price is, and some people will end up in
20 court anyway. We know that. That's just what
21 happens in this process. But between now and
22 when funding is in place, again, I would only
23 appeal to the Members who are balancing the
24 taxpayers' right versus the property owners'
25 right that if we have an opportunity to try to

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2 legally and reasonably contain our costs, I
3 think we do owe that to the members of the
4 general public.

5 Thank you, Madam Chair.

6 COUNCIL PRESIDENT Verna: You're
7 welcome.

8 Councilman Clarke.

9 COUNCILMAN CLARKE: In response to
10 that, first, Councilman, I'm not privy to the
11 information that you may be as the Chair of
12 the Board and Councilman DiCicco as a member
13 of the Board. I'm just a regular, old
14 Councilman on the other side the Broad Street.

15 COUNCILMAN NUTTER: Don't even try
16 it.

17 COUNCILMAN CLARKE: I'm not even a
18 District Councilperson. So as a result of
19 that, I'm not as optimistic as you are as it
20 relates to funding for the ultimate expansion.

21 COUNCILMAN NUTTER: I'm the eternal
22 optimist, Councilman.

23 COUNCILMAN CLARKE: I hope that it
24 happens. I'm just not quite there. I've been
25 hearing a lot out of Harrisburg, casino

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2 gaming, school reform, tax reform, expansion;
3 I haven't seen any of it yet.

4 COUNCILMAN NUTTER: There's a lot of
5 conversation.

6 COUNCILMAN CLARKE: I'm from the
7 "show me" City of Philadelphia.

8 COUNCILMAN NUTTER: Show me the
9 money.

10 COUNCILMAN CLARKE: With respect to
11 the taxpayers' interests, I am, in fact,
12 extremely concerned about the taxpayers'
13 interests, which is why I'm a little concerned
14 about us locking ourselves into a process that
15 could potentially create a de facto
16 condemnation. And if we ultimately decide not
17 to expand the Convention Center, I think any
18 property owner would have a substantial case,
19 both on the actual taking and subsequently on
20 any loss of income as a result of our
21 essentially freezing their ability to increase
22 the value of their property.

23 COUNCILMAN NUTTER: I think the
24 Councilman has an appropriate concern. And as
25 Councilman DiCicco raised, apparently many who

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2 actively practice in this area -- you know I'm
3 certainly not a lawyer, but I think -- what is
4 it, Lake Tahoe? The Lake Tahoe case has
5 apparently stunned and surprised a whole bunch
6 of people who actively practice in this
7 particular area. I think when I was coming
8 in, the Councilman was talking about this was
9 a 20-year process that was going on out there.
10 I don't know all the particulars. I'd love to
11 read the case. And the Court in that
12 particular matter actually deemed that a
13 temporary interference by the government.

14 You know, look, I think I feel
15 confident in saying if we don't have shovels
16 in the ground or some significant activity
17 going on over in the particular area in
18 question within the course of the next couple
19 years, we probably don't have a whole lot of
20 worry with regard to expansion of the
21 Pennsylvania Convention Center. I think
22 whatever is going to happen is going to happen
23 relatively soon and we're going to know to a
24 greater extent, I think, our ultimate faith.
25 What we don't know is what's in the minds of

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2 the other 21-some-odd buildings.

3 Until I read the story in the
4 Inquirer last summer, I had no idea -- I mean,
5 as you tried, I'll try. I'm just a little
6 District Councilman out in West Philadelphia,
7 so I don't know what people are doing over on
8 13th Street in Center City. I'm busy trying
9 to dodge traffic. But I was stunned when I
10 read it in the paper. And after that, I was
11 appalled and quite frankly infuriated.

12 We were out of Session and we
13 started working on this, actually, with the
14 Planning Commission initially on this concept
15 because it's not anything that we have. It's
16 kind of a combination of a bit of an RC-6
17 zoning, which is kind of a planned zoning
18 tool, and then some of the zoning overlay
19 models that we use where we prevent people
20 from doing certain things under certain
21 conditions. So it's a cobbling together of a
22 couple different ideas that the Authority
23 brought in Council to look at this and said
24 that they had never seen anything like this
25 before. These are, again, much more well

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2 versed people than myself.

3 So obviously, it's not my bill, but
4 it is a bill that I have a great deal of
5 concern about and, at least if the Councilman
6 would allow, I would only ask if the Committee
7 would consider two things: One, I'm sure the
8 Councilman would agree and I would absolutely
9 commit to you that I wouldn't vote for the
10 matter without adhering to the statutory
11 requirement that the letter come in.

12 Secondly, if the measure could at
13 least get out of Committee with or without a
14 recommendation, but I think that we have to at
15 least be in compliance with our own
16 provisions. If there's additional information
17 that we can or should provide, we would
18 absolutely do that.

19 People do pay attention to what we
20 do. And there are a variety of signals and
21 signs that get sent in many ways. We probably
22 send more messages around here than Western
23 Union. So there's a hospitality community and
24 a political community that will continue to
25 monitor what goes on down here from a

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2 moving-forward standpoint.

3 I don't have to tell any of you, you
4 were at the PCBP lunch, there are a lot of
5 people in the hospitality community who
6 certainly want to see the expansion. So
7 anything that we can do that is another step
8 forward demonstrating signs of commitment to
9 the expansion of the Center, I think, sends a
10 positive message. At times hesitation or less
11 than supportive actions can also send not only
12 a message to our local hospitality community,
13 but as we know from all of the bad press that
14 the Center generated for itself over the
15 years, people send this information across the
16 country as to what we're doing and what we're
17 not doing. So it all kind of plays into where
18 we are.

19 COUNCILMAN CLARKE: I'm not used to
20 questioning a Councilmember. Most witnesses I
21 would have cut off by now in their response.

22 COUNCILMAN NUTTER: I took advantage
23 of my seat.

24 COUNCILMAN CLARKE: Absolutely.
25 It's okay.

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2 Getting back to a couple of the
3 issues that I raised --

4 And thank you, Madam President, for
5 allowing me this line of questioning.

6 With respect to the Nevada case,
7 understanding that in this great country that
8 we live in all things are regional. Is it my
9 understanding that the appellate courts as it
10 related to the Nevada case --

11 COUNCILMAN DICICCO: It was the
12 United States Supreme Court.

13 Am I correct, Councilman Nutter?

14 COUNCILMAN NUTTER: I believe so.

15 COUNCILMAN CLARKE: I'd like to, if
16 at all possible, get some information.

17 COUNCILMAN DICICCO: Actually, I
18 think the Board requested a copy because we're
19 all very interested in it, not only for this
20 reason. The lawyers, as Councilman Nutter
21 said --

22 COUNCILMAN NUTTER: There's a half
23 dozen lawyers on the Board. They're all
24 interested.

25 COUNCILMAN DICICCO: Their eyes just

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2 went like this (indicating) because they found
3 it unusual. But whatever it is, the Supreme
4 Court ruled, as Councilman Nutter said, it was
5 a temporary interference or something like
6 that, 20 years. We're only asking for two.

7 COUNCILMAN CLARKE: The other issue
8 is the question that I raised earlier about
9 the Convention Center's ability to condemn
10 land. I think we all agree that they have
11 that authority. My question is, why doesn't
12 the Convention Center enter into a
13 condemnation process thereby locking in a
14 price based on that particular appraisal? And
15 subsequent, are they required to have the
16 funding in place?

17 COUNCILMAN DICICCO: I believe it's
18 because we were required to have the funding.

19 COUNCILMAN NUTTER: We don't have
20 the money.

21 COUNCILMAN CLARKE: The question
22 was, are you required to have the money?

23 COUNCILMAN DICICCO: If we had the
24 money?

25 COUNCILMAN CLARKE: I asked earlier

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2 is it a statutory requirement by the
3 Redevelopment Authority? Can we get a ruling
4 on that?

5 COUNCILMAN NUTTER: I believe the
6 answer is yes, Councilman.

7 COUNCILMAN CLARKE: I hear your
8 answer, but I'd like to get something a little
9 more --

10 MR. WETZEL: I wouldn't be surprised
11 if it were a requirement because you're a
12 State-chartered authority like the
13 Redevelopment Authority is. You don't have
14 any independent taxing powers. So it would
15 not surprise me that their condemnation powers
16 would be similar to that of the Redevelopment
17 Authority and that they would actually have
18 the money, have to have it in place. If they
19 proceeded with a condemnation action, you're
20 obviously sending out offer letters. If the
21 offer is accepted, you must be willing to pay
22 at that moment. You couldn't offer them and
23 say, "We'll pay you if the State Legislature
24 18 months from now provides the money and
25 we're going to pay you the value of the real

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2 estate today." I don't think you could do
3 that.

4 COUNCILMAN CLARKE: The question is,
5 first of all, what entities in government have
6 the powers of condemnation; and of those
7 entities, what entities have the ability to
8 condemn without having funding in place?
9 That's the official question. I want to see
10 if there are any other entities that have the
11 ability to acquire a property but don't
12 necessarily have to have funding in place.

13 COUNCILMAN DICICCO: We can all as
14 District Councilpeople pool our money in from
15 the NTI Program and just do this one big
16 condemnation and demolition, if you'd like.

17 COUNCILMAN CLARKE: I'm fresh out.

18 COUNCILMAN DICICCO: I will
19 guarantee to reimburse you at some point when
20 the State reimburses us.

21 COUNCILMAN CLARKE: I'm fresh out.
22 I have some land up in North Philadelphia that
23 I'm interested in acquiring.

24 COUNCILMAN DICICCO: Unfortunately,
25 it's a little too far away from the present

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2 Convention Center to expand to.

3 COUNCILMAN CLARKE: We can attach it
4 to the Liacouras Center. We can have a
5 satellite Convention Center.

6 COUNCILMAN DICICCO: If I may, Madam
7 President -- and I think Councilman Nutter
8 might agree -- that it's probably a good time
9 for the Convention Center Authority Board to
10 bring all of you in to do a little
11 presentation of the drawings. There are
12 artist renditions. They're actually pretty
13 far along. They're almost at the point where
14 we can say with certainty, this is what it
15 will look like and this is how it will
16 function.

17 The only thing that keeps changing
18 is the price to do the Convention Center. I
19 think when they first looked at this a few
20 years ago, the overall cost of the project was
21 \$450 million, \$475. Councilman Nutter was
22 generous when he said \$600 million. We're
23 probably looking at closer to \$650 million.
24 The entity that we're talking about, the
25 process that we're speaking about today on the

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2 acquisition and the infrastructure things that
3 need to be done is today valued about
4 \$185 million. And that's what we requested
5 from the State. At least give us the 185 to
6 begin that process so that we can contain the
7 cost. Because as I said earlier, every month
8 the value of the land is going up cumulatively
9 by about \$2 million.

10 COUNCIL PRESIDENT VERNA: Do we have
11 any indication as to how many properties are
12 in this area and also how many are occupied,
13 how many are vacant?

14 COUNCILMAN DICICCO: I don't have
15 that number. I don't know if Mr. Wetzel does.
16 But we certainly have the number of properties
17 because that's how the Redevelopment Authority
18 was able to do their appraisal. And based on
19 the use of the property at the time they did
20 their appraisal back in 2002 --

21 COUNCILMAN MARIANO: I have a
22 question. He might be able to answer both of
23 these together. He pretty much asked the
24 question I was going to ask. Forgive my
25 ignorance on this. You may have said this.

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2 One of you spoke about it. It might have been
3 Councilman DiCicco. This is probably going to
4 go west to Broad Street?

5 COUNCILMAN DICICCO: Yes. Actually,
6 I have an amendment that I'm going to be
7 circulating. I'll give you the actual
8 property line description of the expansion.

9 COUNCILMAN MARIANO: Would it be
10 probably west of Broad Street?

11 COUNCILMAN DICICCO: It's from 13th
12 Street west to Broad, Arch Street north to
13 Race. So Cherry Street would actually be
14 closed off. There won't be a Cherry Street
15 between 13th and Broad.

16 COUNCILMAN MARIANO: But it won't
17 affect any side of Temple or any of these
18 buildings we're looking at right now?

19 COUNCILMAN DICICCO: No. Absolutely
20 not.

21 COUNCILMAN MARIANO: So you know how
22 many properties -- do you know that, Mr.
23 Wetzel?

24 MR. WETZEL: Yes. I don't have the
25 number with me right now.

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2 COUNCILMAN MARIANO: When you have
3 that number, could you give it to us, please?
4 How many of these off the top of your head, is
5 it all -- Councilman Nutter said something
6 about R-6, which can be a mixed development.
7 Is most of it old buildings and factories at
8 one time used for production that have
9 converted to other things, commercial? I know
10 there was a Doc Johnson Sex Shop, which is now
11 Doc Johnson's News Agency. I've never been in
12 there.

13 COUNCILMAN DICICCO: That's not in
14 the footprint. It will remain.

15 COUNCILMAN NUTTER: It's been a
16 topic of intense discussion, Councilman, and
17 we will not affect Doc Johnson.

18 COUNCILMAN MARIANO: None of the
19 Councilmen have been in there. We've heard it
20 from our staff.

21 COUNCILMAN DICICCO: If I can
22 interrupt for a minute, Councilman Mariano. I
23 think it's really appropriate that we figure
24 out a time that is appropriate for all the
25 Members of City Council and it will answer all

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2 of those questions. My legislative assistant
3 handed me a note. We think it's approximately
4 30 properties. It could be a little bit more.
5 But you need to look at the design. The old
6 bank building at Broad and Arch would still
7 remain. That would become part of the
8 infrastructure of the new expansion. We're
9 going to keep that. It's historical. The
10 building next to it would stay.

11 COUNCILMAN NUTTER: The first three
12 buildings on Broad Street.

13 COUNCILMAN DICICCO: From Arch going
14 north would remain. And there's some surface
15 parking lots in there and there's a lot of
16 little things that need to be addressed.

17 COUNCILMAN MARIANO: Could I ask one
18 more question?

19 COUNCIL PRESIDENT VERNA: Certainly.

20 COUNCILMAN MARIANO: I do understand
21 Councilman Clarke's commitment to property
22 holders. It would be tough to have everything
23 you ever had invested in that, if you honestly
24 had it -- say it was passed down from your
25 grandfather and your father and you had that

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2 and that's your nest egg forever and you're
3 probably going to do better than you could
4 have ever wanted to do. But now all of sudden
5 you may have some plans and this comes in.
6 How long did that happen before? Do you have
7 any idea?

8 MR. WETZEL: I'm going to go back to
9 my office and find some older staff members
10 who can actually brief me. I was not at the
11 Redevelopment Authority at that time. There
12 are some staff members over there that did
13 participate in the acquisition.

14 COUNCILMAN MARIANO: It seems to me
15 it was a very long process.

16 MR. WETZEL: I remember Boyd's was
17 taken as part of this for the Convention
18 Center Hotel. A lot of the retail stores were
19 for the Marriott.

20 COUNCILMAN NUTTER: There were a lot
21 more properties in the first one.

22 MR. WETZEL: This does not contain a
23 lot of retail. It's mostly office, parking
24 space. There's that car wash. There's
25 actually a municipal building there that's

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2 police --

3 COUNCILMAN DICICCO: A former
4 firehouse at Arch and Juniper.

5 MR. WETZEL: A former firehouse.
6 Boyd's was not settled until, I think, 2002
7 for example. That had nothing to do with
8 building -- obviously, the hotel got built and
9 everything. It was settling claims that took
10 a long period of time. So the last of those
11 wasn't settled until about two years ago. So
12 you're right. It took a long time to settle a
13 lot of the different claims.

14 COUNCILMAN MARIANO: Thanks.

15 COUNCIL PRESIDENT VERNA: Thank you.

16 The Chair recognizes Councilwoman
17 Brown.

18 COUNCILWOMAN BROWN: Thank you,
19 Madam Chair.

20 Good morning, gentlemen. Forgive my
21 tardiness. First, let me comment on Frank
22 DiCicco's offer of a presentation. I think
23 the time is right for us to hear where you are
24 at this juncture, knowing that it's fluid and
25 will change from now to the point of

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2 acquisition of the dollars.

3 Secondly, I didn't have the benefit
4 of hearing your testimony, but in reading your
5 testimony, Mr. Chapman, this statement of
6 intent to develop or condemn, what happened
7 with why that particular step was not covered
8 or checked off?

9 MR. CHAPMAN: Councilwoman, I might
10 want to defer that question to Councilman
11 Nutter. I understand that it is forthcoming.

12 COUNCILMAN NUTTER: Thank you,
13 Councilwoman.

14 That's not Mr. Chapman's issue. The
15 Board at a board meeting last week authorized
16 the President and CEO to send over the
17 required letter. The legislation requires the
18 letter to come from the governmental entity
19 that's making the request. I cannot tell you
20 at the moment why the letter is not over here.
21 But again, I would say that we need to be in
22 compliance with the provisions of that
23 particular section of the ordinance. And I
24 called over to the Authority and our President
25 and CEO is out of the office at the moment, so

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2 I have not physically talked to him. I know
3 that Councilman DiCicco as the sponsor of the
4 bill has had some contact back and forth. So
5 I think that that is in the area of a step
6 that did not get carried out.

7 But the Board voted unanimously last
8 Wednesday to send the letter after a serious
9 amount of discussion, as well as a
10 presentation by Council that was brought on to
11 deal with this particular issue at the Board's
12 request at the previous board meeting.
13 There's been a significant amount of the
14 back-and-forth discussion within the Board,
15 but in the public meeting last week
16 unanimously the Board voted to support this,
17 again, in our intense efforts to contain the
18 cost of the project because of the concerns
19 that we'll have a continuation of this kind of
20 use conversion with people recognizing.

21 Every time there's a story about the
22 Pennsylvania Convention Center and proposed
23 expansion, the marketplace reacts to it. And
24 we know the values continue to grow because,
25 whether people have as much information as we

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2 do or not, or whether they pay attention to
3 what Harrisburg does, every time we talk about
4 expansion, if you're a property owner in that
5 area you figure that the price just went up
6 because it's increasing the value. So the
7 letter will get over here, I would expect, no
8 later than tomorrow. But that doesn't
9 necessarily help us in this particular
10 hearing. But again, I would say that no final
11 action should certainly take place until the
12 letter is appropriately at the Chief Clerk's
13 Office and every Member would have a copy.
14 But it is on its way.

15 COUNCILWOMAN BROWN: All right then.

16 For my own information, what's the
17 penalty or down side to moving forward without
18 having that step of the letter in place and
19 checked off? Just for my own knowledge base.

20 COUNCILMAN NUTTER: From my own
21 perspective it would be -- to take any final
22 action -- and when I say final action I'm not
23 talking about Committee action. But to take
24 any final action, I think they'd be in
25 violation of a bill that we passed. And as I

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2 indicated, I wouldn't vote for the bill myself
3 because I think that we should follow the
4 steps. It should have come in before today.
5 It didn't. It will be here tomorrow. We can
6 fix that, but we should not take any vote by
7 the full Body until the letter is in place.
8 We should be in compliance with our own
9 legislation.

10 COUNCILWOMAN BROWN: Thank you.

11 Thank you, Madam President.

12 COUNCIL PRESIDENT Verna: Thank you.

13 The Chair recognizes Councilman
14 Kelly.

15 COUNCILMAN KELLY: I understand the
16 intent of this bill and I think it's something
17 that's absolutely necessary to cut down on the
18 unscrupulous speculators that could come into
19 these neighborhoods and try to make a windfall
20 at the expense of the taxpayers of the City
21 and the state. My question here would be the
22 timetable. I guess in your opinion two years
23 is adequate time?

24 I know dealing sometimes with the
25 Legislature in Harrisburg, they can drag their

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2 feet on this thing. What I would like to know
3 is what happens after two years or after the
4 two-year time expires on this bill?

5 COUNCILMAN DICICCO: This
6 legislation sunsets in two years. Two years
7 is a target date basically that the Board
8 believed is the most reasonable amount of time
9 for Harrisburg to react. This expansion has
10 been discussed almost from the day they opened
11 the existing center. We were obsolete at that
12 point in terms of square footage. We should
13 be building something bigger. It's just a
14 question of the environment in Harrisburg.

15 I can tell you -- and Councilman
16 Nutter can attest to this -- the Board, the
17 Convention Center Authority Board, is a very
18 diverse Board made up of people from both
19 sides of the political aisle, if you will. I
20 have a Republican Senator who sits on that
21 Board who supports this, and he's working
22 Harrisburg. There are people who are very
23 well connected to the Republican party out in
24 the suburbs who sit on this Board and the
25 surrounding counties that would benefit by an

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2 expansion. So there's not a person on that
3 Board that I can think of who is not in
4 support of this and doing their part in
5 lobbying the appropriate people to bring this
6 thing to some closure, to bring it to
7 fruition. No one can say with certainty that
8 it will be done in two years.

9 COUNCILMAN KELLY: Well, whenever
10 you have \$568 million, there's always some
11 discussion over who pays for it, whether it be
12 the City's apportion, whether the majority
13 should be State, or maybe all State.

14 COUNCILMAN DICICCO: The City has
15 already publicly said that they don't have the
16 money and they're not putting the money in.
17 We have to figure out how Harrisburg makes
18 that happen. But it's important that we keep
19 the discussion going and keep certain things
20 in motion. This is one of the balls that has
21 to stay in the air. This, I think, tells the
22 Legislature in Harrisburg that we're serious,
23 the Board is serious, the City is serious, the
24 region is serious about this expansion. I
25 don't think it's a question of should we

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2 expand; I think it's a question of our
3 survival that we must expand.

4 COUNCILMAN KELLY: Absolutely.

5 COUNCILMAN DICICCO: I don't know if
6 I'm on the Board a year yet, but close to a
7 year I've been on the Board. It's a very
8 interesting Board. There are a lot of things
9 that go through their discussions. A lot of
10 people depend on the expansion.

11 COUNCILMAN KELLY: I've had five
12 years in the business of trade shows and
13 expositions for a large manufacturing
14 corporation which I worked for. I absolutely
15 concur that that facility has to be expanded
16 to make full use of that institution.

17 COUNCILMAN NUTTER: I would also
18 like to respond to Councilman Kelly's comment.

19 First, to complete the other part of
20 what Councilman DiCicco said, there are also a
21 lot of Democrats who are interested in the
22 expansion of the Pennsylvania Convention
23 Center. So it does cover the full spectrum of
24 interest.

25 And second, this bill is not only

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2 looking at the issue of what people may do and
3 how they enhance the values and are they
4 possibly improperly benefiting from the
5 taxpayers. As I indicated, this measure
6 started with the Planning Commission. It is
7 also, I believe, a good planning tool to use
8 where you can -- I mean, it's not like anyone
9 can come along and say, "I'd like to have a
10 Pending Public Acquisition District." It's
11 only for government purpose or
12 government-related purposes where some
13 legitimate entity has come forward and said,
14 "We plan to build XYZ in a certain place and
15 we are trying to plan our future and plan our
16 destiny."

17 It's not a secret what the plans
18 are. It's been known for some time. I think
19 there have been drawings in the newspaper.
20 What we're trying to do here is use a
21 legitimate planning tool to lay out to the
22 general public and share information in a
23 variety of ways as to what the plans are. And
24 so not only is there certainly a financial
25 concern, but I think it's also a good planning

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2 instrument. There might be other uses for
3 this down the line, certainly inspired by one
4 situation. But whether it's the Pennsylvania
5 Convention Center Authority or the City of
6 Philadelphia or the Redevelopment Authority or
7 just about any other governmental entity where
8 you have a big project, it's not a secret and
9 you should have a planning process. We're not
10 at the point of the declaration of the taking.

11 Councilman Clarke raises a number
12 of serious issues. The Authority is not at
13 that point. We do have to have money in
14 place. This legislation is not a declaration
15 of taking, but it is certainly a planning tool
16 that allows you to lay out what your future is
17 and what your plans are for your destiny.

18 So, Councilman, I appreciate your
19 questions and your comments.

20 COUNCILMAN DICICCO: I do have some
21 questions of Mr. Chapman.

22 COUNCIL PRESIDENT VERNA: Councilman
23 DiCicco.

24 COUNCILMAN DICICCO: Thank you,
25 Madam President.

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2 Since the Planning Commission
3 supported the Bill 030686, which added a
4 chapter to the Zoning and Planning Code
5 entitled, "Pending Public Acquisition
6 District," is the only reason that the
7 Planning Commission is opposed to this bill
8 because you have not yet received the letter,
9 the statement, or are there other reasons?

10 COUNCIL PRESIDENT VERNA:

11 Councilman, I think we were all distracted.
12 Do you mind repeating your question, please?

13 COUNCILMAN DICICCO: What I was
14 saying, Madam President, is, the Planning
15 Commission supported Bill No. 030686 which
16 added a chapter to the Zoning and Planning
17 Code entitled, "Pending Public Acquisition
18 District."

19 My question to Mr. Chapman is, is
20 the only reason that they're opposing this
21 legislation is because the letter of intent
22 has not yet been received?

23 COUNCIL PRESIDENT VERNA: Mr.
24 Chapman.

25 COUNCILMAN COHEN: Councilman, I

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2 didn't hear the second part of the question at
3 the end.

4 COUNCILMAN DICICCO: The question
5 is, is the Planning Commission opposed to this
6 bill because they have not yet received the
7 statement from the Convention Center Authority
8 Board? Would that change your opinion?

9 MR. CHAPMAN: Councilman, that was
10 clearly a concern of the members of the
11 Commission that were in the room that day. I
12 can't say that it was the only concern,
13 though, because while members of the
14 Commission did express that clearly they're
15 not in favor of the acquisition cost for this
16 land allowing to accelerate over the years --
17 clearly they're not in favor of that -- but
18 they are concerned that this bill could be
19 found to be a taking, that the bill in and of
20 itself could be seen as an act of condemnation
21 or de facto condemnation, and that other
22 members of the Commission -- or at least one
23 other member of the Commission noted that it
24 could be seen as something that promotes
25 blight in that under the provisions of the

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2 bill you really can't improve buildings in the
3 area for a period of up to two years. It only
4 allows you to cure violations.

5 COUNCIL PRESIDENT VERNA: The Chair
6 recognizes Councilman Nutter.

7 COUNCILMAN NUTTER: Madam Chair, I
8 believe that we addressed that issue at the
9 time of the public hearing. It not only
10 allows a property owner to make improvements
11 related to a violation, it also allows a
12 property owner to make improvements that are
13 not related to a violation, but just to the
14 general upkeep and maintenance of the
15 building. Of course we do not want the
16 buildings to fall into disrepair. Whether you
17 get a violation notice or not, it is clear
18 from the legislation that if you need to put a
19 new roof on your building to prevent water
20 from coming in, whether you got a violation
21 notice from the City or not, you're going to
22 be able to put that roof on.

23 But at the same time, we don't want
24 you to put a roof on and then convert it to
25 something else. That is a difference. And

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2 that is essentially what crosses the line.
3 But you have a responsibility in the City of
4 Philadelphia to maintain your property. And
5 whether you get a violation notice or not is
6 secondary to the general upkeep and
7 maintenance of that particular property, and
8 those provisions were written into the
9 legislation. They may have come in in the
10 form of amendments during the hearing as
11 compared to the original bill when it came in.

12 COUNCILMAN DICICCO: Madam
13 President, if I can follow-up on that.
14 Councilman Nutter is absolutely correct. I
15 think what we're trying to make the point of
16 here is we don't want to see people just for
17 the sake of -- people make improvements to
18 their properties that they probably would not
19 have done otherwise but for the fact that the
20 Convention Center may be expanding there and
21 they know that it will increase the value of
22 their property. To the extent that had there
23 not been any discussion, if there were not
24 going to be an expansion, those improvements
25 would really not add that much value to the

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2 property. Again, but for the fact that the
3 Convention Center will be expanding and taking
4 those properties, it makes those improvements
5 that much more valuable to the owner. That's
6 the case that the owner of the property is
7 going to make. If you put \$100,000 in, in
8 today's environment and there is no Convention
9 Center expansion, the best case scenario is
10 the value of your property will increase by
11 \$100,000 or slightly higher. But because of
12 the Convention Center expansion, that \$100,000
13 -- and this is only by way of example --
14 improvement may increase the value of that
15 property by a million dollars. And that's
16 what we're trying to prevent here.

17 COUNCIL PRESIDENT VERNA: Were you
18 expecting a response from Mr. Chapman?

19 COUNCILMAN DICICCO: No. I just was
20 making that as a follow-up point to Councilman
21 Nutter's statement.

22 COUNCIL PRESIDENT VERNA: Very well.

23 The Chair recognizes Councilman
24 Cohen.

25 COUNCILMAN COHEN: I'm having

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2 difficulty understanding the difference
3 between how developers generally work and this
4 situation. It seems to me that a smart
5 developer would have known some time ago.
6 He'd know now, he'd know a year from now that
7 if this property has not yet been taken, it
8 remains a likelihood that it's going to be
9 taken at some time. We've never tried to
10 interfere with the developers' guess work.

11 I'm not sure whether or not there
12 will be this expansion. I know there won't be
13 at government expense, if I have anything to
14 do with it. But since I've not been
15 successful in the past in convincing other
16 colleagues not to use government money to make
17 private developers rich, I suspect I won't
18 have much success here. But I wonder how do
19 you justify -- and I raise this to Councilman
20 Nutter, Councilman DiCicco and others who
21 justify this change in how development works
22 and capitalism works and people's judgment.
23 That may be right; it may be wrong.

24 If Rendell and Mayor Street keep
25 fighting each other, we don't know whether it

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2 will ever take place. There's a great chance
3 they'll come together. Maybe MTV will unite
4 them and they'll be friends again and then the
5 Convention Center will move forward. We don't
6 know those things. Nobody knows them.

7 COUNCILMAN NUTTER: That would be
8 the real world.

9 COUNCILMAN DICICCO: Actually,
10 Councilman Nutter, I understand the first
11 segment of MTV Real Life is going to be Vince
12 Fumo, John Dougherty, John Street and Ed
13 Rendell all living together for one month in
14 that building at Third and Arch.

15 (Laughter.)

16 COUNCILMAN DICICCO: With any luck
17 they may throw me and Councilman Mariano in
18 the same room.

19 COUNCILMAN NUTTER: It's really
20 going to be interesting.

21 COUNCILMAN MARIANO: It's going to
22 be all 17 in that building.

23 COUNCILMAN NUTTER: It will be a
24 blockbuster.

25 COUNCILMAN COHEN: I don't know why

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2 this should get any greater protection than
3 what occurs normally. I assume developers are
4 scouting different areas of the City now
5 making decisions as to which is more likely to
6 be developed next so they can buy property. I
7 know lots of businesses that were moved from
8 Center City to other parts of the City in
9 connection with the original Convention Center
10 decision made out very well, Some of them
11 didn't. So what is different about this
12 situation?

13 COUNCILMAN DICICCO: I think you're
14 somewhat right about developers. But I think,
15 at least in my district, the 1st Councilmanic
16 District, developers are making decisions on
17 investing money based on what they have
18 created. Government really didn't create the
19 explosion, if you will, of the demand of
20 housing in the 1st Councilmanic District,
21 except for the fact that we did offer the tax
22 incentives. But there's nothing going around
23 in Old City, Northern Liberties, lower Port
24 Richmond, as an example, that government has
25 invested money in any of those communities

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2 that has triggered developers to go in them
3 and say, "Well, the City is putting something
4 in this neighborhood so I'm going to make an
5 investment here. The developers have actually
6 made that decision on their own, which is a
7 good thing.

8 In this case, I think it's the
9 opposite where the developers, the capitalists
10 that you referred to earlier who you don't
11 want to see make money on the backs of
12 taxpayers, will --

13 COUNCILMAN COHEN: They always make
14 money off the taxpayers.

15 COUNCILMAN DICICCO: If we do not
16 take this appropriate action now, I think the
17 very concern that you have will, in fact,
18 occur because those developers are saying,
19 "Hey, the Convention Center Authority, they're
20 going to expand. They're going to need this
21 building. If I go in now and buy it at a
22 certain price and make some minor improvements
23 to it, it's going to increase the value and
24 I'm going to walk away with a windfall."

25 This in effect will prevent some of

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2 those capitalistic concerns that you have from
3 occurring in this immediate area.

4 COUNCILMAN COHEN: Don't you trust
5 the courts that are going to hear the dispute
6 if the City believes -- or whoever is involved
7 as a party -- believes that the asking price
8 is too high? Don't they have a right to go
9 before a board of judges?

10 COUNCILMAN DICICCO: Sure.
11 Everybody does. Everyone has that right.

12 COUNCILMAN COHEN: Don't we have any
13 confidence in the judge's decision as to what
14 it's really worth and what these new
15 investments in it meant, that it meant an
16 effort to grab more money, if that's their
17 decision?

18 COUNCILMAN DICICCO: That's what
19 we're saying.

20 COUNCILMAN COHEN: Or was it an
21 ordinary business decision?

22 COUNCILMAN DICICCO: We already have
23 an example of one developer who purchased a
24 vacant warehouse building -- and again, I
25 guess I'm kind of going against what I

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2 originally believed in -- that if you give a
3 developer a tax incentive, they will come and
4 they will develop, so the 10-year tax
5 exemption in this case is working against us.
6 He bought the building. He's converting it
7 into condos because he gets the tax abatement
8 on the improvements. But at the same token he
9 knew -- he's a local developer from
10 Philadelphia -- he knew that at some point --
11 he's hoping at least that the Convention
12 Center expansion will take place and he's
13 going to have a windfall on that property.
14 And what we're asking is that we prevent that
15 from occurring because the taxpayers, whether
16 you like it or not, Councilman Cohen, will
17 ultimately pay the price.

18 COUNCILMAN COHEN: Well, the
19 taxpayers always get shafted, don't they?

20 COUNCILMAN DICICCO: We're trying to
21 keep them from being as shafted as they may if
22 we don't do something soon.

23 COUNCILMAN COHEN: I have great
24 difficulty seeing any difference in this
25 situation than in a developer scouting around

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2 and reaching his own decision. He takes into
3 account everything he knows, including likely
4 government actions to acquire property. Does
5 it mean that we're going to pass this kind of
6 a law with respect to maybe the airport?
7 Because there's talk that maybe the City will
8 sell to the State or maybe the State will grab
9 on its own. We don't know what form it will
10 take. But isn't that just a fact of life that
11 things happen? Sometimes the City is
12 involved. Sometimes private properties are
13 involved. I just have great difficulty in
14 seeing any difference in this situation and
15 the other one.

16 COUNCILMAN NUTTER: Councilman.

17 COUNCIL PRESIDENT VERNA: Councilman
18 Nutter.

19 COUNCILMAN NUTTER: At great risk to
20 myself, I'll venture into this. But I think
21 the Councilman is also quite well aware that,
22 again, from a zoning and planning standpoint
23 the government in many instances does seek to
24 restrict the type of uses, conversions,
25 activities.

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2 I mean, one of the things that I
3 know drives the Planning Commission crazy, for
4 instance, is the multiple zoning overlays that
5 we have in a wide variety of places in the
6 City. There are places in the City where you
7 have a laundry list of prohibited uses in some
8 places and not in others. The government is
9 always seeking to contain or restrict certain
10 activities in certain places.

11 I can't really comment on what
12 happened from '86 to the time that the present
13 Center opened, and I know you were not
14 thrilled about that particular location but,
15 you know, one of the beauties of our jobs is
16 that we function in a continually changing
17 live environment and new ideas and new
18 theories and new concepts come along all the
19 time. This particular idea comes out of some
20 of the concepts of good land use planning and
21 zoning to seek to at least create a bit more
22 of a balance from the complete free market
23 environment.

24 Look, if private property owners or
25 a person who is kind of in that business can

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2 anticipate something happening at a future
3 point in time and guesses right, they're the
4 beneficiary. Now, we've had the experience
5 here, especially in downtown -- I don't want
6 to get into any names -- where that kind of
7 activity went on and it did have to some
8 extent a blighting impact on various parts of
9 the City. Operating with the best information
10 available, we do have reason to think that a
11 governmental entity will go into a particular
12 area. And so, trying to strike the balance
13 between the property owners and what they
14 should rightfully get in the marketplace --
15 which ultimately will be decided by a judge --
16 but again looking at the most recent example,
17 I don't think it's a stretch to say that it
18 was a high motivator for a person in the face
19 of a known project to make such improvements
20 of an extraordinary nature which once you pull
21 the building permit and once you start the
22 activity, you've already to some extent
23 started your argument on what the value is.

24 But at least for me, if you have a
25 tool available to you to stop someone from

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2 causing the public to pay not \$2 million for a
3 piece of property -- and you know you're going
4 in that direction -- but now upwards of 10 to
5 \$12 million for the same piece of property
6 because the person, I guess, was smart enough
7 to try to take advantage, that horse is out of
8 that barn. But if we know that it's going on
9 and still take no action whatsoever, there
10 will come a time of, I guess, kind of the
11 reckoning and the final adding up of what the
12 value was at a particular point in time and
13 what it will be when all these people
14 decide -- if they decide to sue or go into
15 court. And I guess the difference between
16 those two is what we're trying to narrow down.

17 I think we do have some obligation,
18 if there's something legally available to us,
19 to take some action to protect the overall
20 interest of the taxpayers. The property
21 owners ultimately are still going to make out
22 better than they would if nothing goes on in
23 that particular section. The argument here is
24 about how much more could they have gotten
25 based on no action from this government,

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2 believing under the best of circumstances that
3 a positive situation will develop in that area
4 going west to Broad Street. I think that's
5 kind of basically the question here. If you
6 know that it's happening, you see that it's
7 happening, you have a recent example of it
8 happening, You have reason to believe that
9 it's going to continue to happen, the question
10 is, what did you do once you knew what was
11 going on? We can do nothing and let the
12 market do whatever it's going to do and
13 ultimately somebody's going to complain
14 legitimately that either this City Council or
15 some other governmental entity, you knew this
16 was going on, You had a tool available to you,
17 You did nothing about it. It comes at a
18 price. And all I'm saying is, what extent can
19 we narrow that price down?

20 It's not like any of these people
21 are going to go without food. It's not like
22 any of them are going to claim that somehow we
23 caused a demise of their financial or real
24 estate empire. They're going to go make out
25 somewhere. I'm just trying to cut down on the

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2 cost of it to the same people who are
3 ultimately going to pay the tab. But I think
4 it is outrageous.

5 COUNCILMAN COHEN: What is
6 outrageous?

7 COUNCILMAN NUTTER: It is outrageous
8 for someone to knowingly go into an area west
9 of the Convention Center in the path of our
10 expansion, knowing that we're going there, to
11 convert a building that's been sitting vacant
12 for a long period of time, put 65 condo units
13 in it that they're going to go out into the
14 marketplace and sell and we're now going to
15 pay upwards of \$12 million for the real estate
16 plus relocation costs. That is outrageous.

17 COUNCILMAN COHEN: But that doesn't
18 have to happen. The State and City can come
19 together quickly. Why do you put the burden
20 on the system of developers, which you
21 generally support and the Council generally
22 supports it? I happen to be the one who least
23 supports it, but in this case I think it's
24 very unfair to select out this situation and
25 say we're not going to follow the principles

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2 of capitalism. The State and the City
3 government had means to do it. They could sit
4 down tonight and resolve the problem by making
5 it clear what it's going to be, whether
6 there's going to be money for it from the
7 State or not. You're saying let the State and
8 City dawdle all they want and let them dawdle
9 without having to pay a price.

10 COUNCILMAN NUTTER: No, Councilman,
11 actually, I'm not. What we are saying, in
12 fact, without being rather explicit about it
13 is we're actually trying to get the parties to
14 focus on this particular issue because it does
15 set a particular timetable. As I said
16 earlier, if we don't know what we're doing,
17 both the City and the State, on this
18 particular project somewhere in the course of
19 the next two years, it probably won't happen.
20 It's either now, soon or never.

21 COUNCILMAN COHEN: It's a highly
22 political question as well as an economic
23 question. In the area of doubt I don't know
24 what's going to happen.

25 COUNCILMAN NUTTER: Every major

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2 government, Councilman, is a political
3 question. It was a political question as to
4 whether we were going to build two stadiums.
5 It was a political question whether we were
6 going to build this Center. It's a political
7 question for anything else that we're going to
8 do. That's the business that we're in. We're
9 politicians. It's what we do. So we're
10 making a calculated bet, not to get into the
11 gaming situation.

12 COUNCILMAN COHEN: Well, I think
13 it's a disadvantage of developers in this
14 case. We're altering the rules in this one
15 situation.

16 COUNCILMAN NUTTER: We either think
17 it's going to happen or we don't think it's
18 going to happen. But I cannot sit around and
19 knowingly let people rip off this government,
20 whether it's the City taxpayers or the State
21 taxpayers, because they're all the same
22 taxpayers and it's all coming out of the same
23 pocket. And not try to take some action that
24 might cause somebody to say, "You know, they
25 got that bill over there, Maybe I'm not going

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2 to mess with that" --

3 COUNCILMAN COHEN: You're doing
4 that. You're taking some action.

5 COUNCILMAN NUTTER: -- "and leave it
6 alone."

7 COUNCILMAN COHEN: So you've taken
8 action. Now I'm saying it's not an automatic
9 decision. Each of us has to make that
10 decision. I don't know how you change the
11 rules in mid-game. That's what you're doing.

12 COUNCILMAN NUTTER: Councilman, let
13 me go back. If this bill were to pass and
14 somebody owns a building in that square, they
15 can still file an application for a zoning
16 variance. They can get over to the Zoning
17 Board. And the bill says the Board shall not
18 grant a variance to change the use of the
19 building unless it results in an
20 unconstitutional taking of the building.
21 That's their judgment. That's a legal
22 standard that has to be met. And if the
23 Zoning Board says that the only way that this
24 person can function and operate their building
25 is by getting that variance, then they're

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2 going to get the variance and there's nothing
3 we can do about it. So we have set a
4 threshold and built in, I think, protections.

5 If you go and get a permit and
6 you're denied by L&I, the first thing you're
7 going to do is go right back through the same
8 process and you're going to appeal. And
9 you'll be right back over at the Zoning Board
10 or the Board of L&I Review. And if they
11 determine that the only way that you can
12 legally use your building is by granting that
13 permit, because to not grant it to you is an
14 unconstitutional taking, you're going to get
15 it.

16 Now, it would be a little difficult
17 if this bill were in place, it would be a
18 little difficult for a guy with an industrial
19 building that's been vacant for a long period
20 of time to go to the Zoning Board or go over
21 the counter and say, the only way I can use my
22 building is to convert to 65 luxury apartments
23 or condominiums. Now, that's a little bit of
24 a stretch of an argument. That's what we're
25 talking about. So you're not taking

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2 completely away anybody's property rights.

3 There is a process still for you to go

4 through. It just requires you to go through a

5 higher standard, which is the same thing

6 that's in our Zoning Code right now.

7 You've got a laundry list of

8 prohibited uses. You go over to the Zoning

9 Board, they're going to deny your variance

10 when you go across the counter. If you can

11 make an argument that the only way you can use

12 your property is to have lap dancing going on

13 in that building because you're in violation

14 of 14-1605 when you went in to apply and the

15 only thing that you can have is a dance parlor

16 in that place, then I think you're going to

17 get it. It's a slightly high standard to

18 meet, though.

19 COUNCIL PRESIDENT VERNA: The Chair

20 recognizes Councilman Mariano.

21 COUNCILMAN MARIANO: Could you

22 explain lap dancing to Councilman Kelly?

23 COUNCILMAN NUTTER: That will be in

24 another hearing. We have a single subject

25 here.

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2 COUNCILMAN COHEN: I think the
3 selective use of this technique -- and I think
4 I would support the notion that this apply to
5 all development, but to just pick out this one
6 development and say, "We're going to change
7 the rules for this development," I don't see.
8 I think it's unfair to the developers.

9 COUNCILMAN NUTTER: Actually, the
10 bill is structured such that it only -- first,
11 it only applies to governmental entities, and
12 it requires that entity to pass a resolution
13 or have authorization that they've taken a
14 position to support a particular project.

15 Now, notwithstanding your particular
16 position on the issue, I think it is well
17 known that there is a proposed expansion of
18 the Pennsylvania Convention Center. There are
19 9 million documents that go with it. There
20 have been people hired to do work on it.
21 There's active lobbying work going on;
22 Democrats, Republicans, Independents, black,
23 white, in the City, out of the City, and any
24 other configuration that you can imagine. So
25 it's not just a thought. It's not somebody

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2 just had an idea, "Oh, we'd like to go
3 westward." There are things in place. And
4 that's a requirement, that someone of
5 authority has to show that there is commitment
6 for it.

7 The Board of the Pennsylvania
8 Convention Center Authority last Wednesday at
9 the board meeting in public voted unanimously
10 to support this. The Board two meetings ago
11 passed resolutions encouraging the General
12 Assembly and the Governor to fund expansion
13 and specifically asked for the money that
14 Councilman DiCicco was talking about, which
15 would allow us to actually start the
16 condemnation process sooner as opposed to
17 later so we can get the properties under
18 control.

19 I agree with you. If we had the
20 money in hand, we wouldn't be here. We'd be
21 issuing condemnation notices because some
22 people may actually want to move and want to
23 move earlier than later. We're trying to get
24 a building built, hopefully, by the end of
25 2008. That's a very compressed time period

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2 for the size of building that we're talking
3 about. We need to get condemnation,
4 relocation, demolition, asbestos and all that
5 other stuff out of there as quickly as
6 possible. We're trying to create an
7 environment where both sides recognize there's
8 a time period here for people to start taking
9 action. Because we also want the folks in
10 Harrisburg -- not that they're not paying
11 attention to this -- but every time we take an
12 action to help support it, I think it helps
13 them move that ball down the road. It's the
14 same presentation we gave the State
15 Legislature three weeks ago.

16 COUNCILMAN COHEN: You make a good
17 argument. It happens not to convince me.
18 It's a good argument, but it's not a
19 convincing argument to me. I don't see why
20 the State deserves or the City or the
21 combination of the State and City deserves
22 special treatment. I think we either make it
23 available for everybody or we make it
24 available to none.

25 COUNCILMAN NUTTER: I have a

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2 one-word comment as to why the state and the
3 City deserve special consideration. It's
4 called the taxpayers.

5 COUNCILMAN COHEN: Well, we don't
6 show concern for taxpayers elsewhere. Why in
7 this situation do we want to show special
8 consideration? We didn't in the sports
9 stadiums. This Council voted in the other
10 direction. They knew everybody involved were
11 millionaires. They said, let's help make them
12 billionaires. That would be better for the
13 country, I guess. But I don't see the
14 difference.

15 COUNCILMAN NUTTER: This is a
16 publicly owned project.

17 COUNCILMAN COHEN: But I commend you
18 for your efforts on behalf of the stadiums.

19 COUNCILMAN NUTTER: I didn't have
20 the idea before. I just came up with it.
21 What do you want from me?

22 COUNCIL PRESIDENT VERNA: The Chair
23 recognizes Councilman Clarke.

24 COUNCILMAN CLARKE: Thank you, Madam
25 President.

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2 I have a couple of quick questions.

3 One, I just want it for the record, there were
4 references made to overlays as a comparable in
5 the discussion. I do not believe the overlays
6 are comparable. Although we prohibit certain
7 uses, it is more of a permanent nature with no
8 intent to ultimately take any of those
9 properties, so I want clarify. Because I've
10 used overlays a substantial amount.

11 COUNCILMAN NUTTER: I understand.

12 COUNCILMAN CLARKE: So it's not the
13 same as what you're attempting to do here?

14 COUNCILMAN NUTTER: No. I think
15 what I was trying to explain, Councilman, is
16 that the idea has elements or bits and pieces
17 of various zoning concepts that were like the
18 first items of discussion, about how to get to
19 this point. We have provisions in the Code
20 that prevent certain activities. We were
21 trying to prevent certain activities. We have
22 a planning tool called RC-6 for future
23 development. So it's not any one thing.

24 COUNCILMAN CLARKE: I just want it
25 for the record.

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2 COUNCILMAN NUTTER: Absolutely.

3 It's a combination of ideas.

4 COUNCILMAN CLARKE: If we introduce
5 an overlay, I don't want somebody to get
6 nervous and think ultimately we're going to
7 suppress the value of their property.

8 COUNCILMAN NUTTER: No. No. One
9 has nothing to do with the other. It was me
10 sharing for the record the thought process of
11 how you get from point A to whatever point
12 we're at.

13 COUNCILMAN CLARKE: The other
14 question, if anyone here can answer this, is
15 more from a legal perspective. Who ultimately
16 would receive the court notice? Because I
17 believe we're going to be in court with this.
18 I just fundamentally believe that a property
19 owner, some property owner, will take us to
20 court for this. Who would be in the chain of
21 liability?

22 I know that on occasions I've had
23 opportunities to ask the City to be a
24 pass-through for properties that could
25 potentially have some environmental issues.

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2 Right now there's an old school in my
3 district. It was owned by the School District
4 and the community group wants it and the City
5 is reluctant to take title because they can
6 ultimately be in the chain of title as it
7 relates to environmental issues. And I guess
8 on this particular legislation, since the
9 Council is being asked to pass this, Council,
10 with individuals on Council, the City of
11 Philadelphia, although it will ultimately --
12 if this happens -- be the Convention Center
13 Authority that would provide the financing.
14 And I don't know if the City is going to do it
15 because the last time I checked we don't have
16 any money.

17 COUNCILMAN NUTTER: I heard about
18 that.

19 COUNCILMAN CLARKE: Who would be in
20 the chain of liability as it relates to this?
21 Would I receive a court notice one day that
22 says, Darrell Clarke, Councilman, 5th
23 District, voted for a bill to suppress my real
24 estate value or my ability to enhance my real
25 estate value? Who ultimately will be

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2 responsible and will be the recipient of a
3 subpoena to appear in court?

4 COUNCILMAN NUTTER: Not to give you
5 legal advice, Councilman, but in the
6 performance of your duties I think you know
7 that you're basically immune from suit. But I
8 think the short answer to your --

9 COUNCILMAN CLARKE: I'm being sued
10 as we speak by a developer in the district who
11 was not able to develop a property, so it's
12 not the first time.

13 COUNCILMAN NUTTER: I'm sure you're
14 getting legal representation from the Law
15 Department.

16 COUNCILMAN CLARKE: I've been hauled
17 into court on a couple of occasions. So I'm
18 asking that question, not necessarily of you
19 guys. At some point I need to get an answer.

20 COUNCILMAN NUTTER: I think the
21 first part of your question, though, the
22 simple answer on this is someone's going to
23 file whatever they're going to file with the
24 Convention Center and I'm sure with the City.
25 That's the only two logical parties. We're

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2 intertwined in our general relationship.

3 COUNCILMAN CLARKE: Okay. With
4 respect to this whole pending acquisition
5 process -- I guess I want to ask this question
6 of maybe you, Mr. Wetzel, as it relates to the
7 broader issue, because this is the bill that
8 was passed last year that gave authorization
9 to Councilmembers on a City-wide basis to
10 introduce and pass a Pending Acquisition
11 District, and that brings me back to this
12 whole issue about neighborhood development.

13 Right now it is my belief, and I
14 think other Members' belief, that there is
15 going to be a limited amount of acquisition
16 money as we proceed under this NTI process. I
17 guess my question is, could this be
18 implemented in the neighborhood as opposed to
19 utilizing very limited dollars that we have
20 under the NTI? So if we have an area that we
21 anticipate developing somewhere down the line
22 but we don't have the money, could we get some
23 agency to file a notice of intent and
24 basically lock in prices or the ability of
25 anybody to enhance the value or to convert

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2 properties, but put us in a position if we got
3 the resources to ultimately acquire that land?
4 Could this bill be implemented in such a
5 fashion?

6 MR. WETZEL: It's possible. I think
7 the distinguishing characteristic, at least
8 for the one that's on the table now, is that
9 there is a public entity that's going to build
10 a public building. And so the acquisition is
11 from private parties into the public's hands
12 and it will remain in the public's hands. I
13 think it gets trickier --

14 COUNCILMAN CLARKE: Well, say for
15 instance PHDC was the developer -- and I know
16 that the thought is that they will ultimately
17 be terminated -- but say for now PHDC is our
18 development arm as it relates to housing, and
19 PHDC will be interested in building 100 houses
20 in a location. We don't have any acquisition
21 money. We now say we're going to do a pending
22 acquisition zone in this targeted area to
23 basically suppress any property owner's
24 ability to enhance the value of their
25 property.

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2 MR. WETZEL: I think my answer would
3 be this is going to be a very interesting case
4 because I do think that there will be a court
5 challenge to this. It's a very difficult
6 matter to deal with in the sense of, if you
7 took a particular area that was going to be
8 acquired, conveyed to another public entity
9 like PHDC, who's the ultimate conveyance to
10 private parties, are they going to build home
11 ownership units and sell them to private
12 parties.

13 COUNCILMAN CLARKE: Let's go the
14 next level. The Philadelphia Housing
15 Authority.

16 MR. WETZEL: Well, one of the things
17 I will double-check, I believe they actually
18 have eminent domain powers, but I will
19 double-check on that to be sure.

20 COUNCILMAN CLARKE: Let's go back to
21 PHDC, and it would be rental properties that
22 would be owned and maintained by PHDC.

23 MR. WETZEL: That's getting close to
24 this. There's a major difference with
25 condemnation that occurs where the land and

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2 the subsequent buildings become part of the
3 public's ownership. Libraries, schools, fire
4 stations, and in this case the Convention
5 Center. That type of acquisition is
6 distinguished from the powers that are granted
7 to redevelopment authorities, which is to
8 acquire private land and convey to private
9 parties.

10 If the School District has eminent
11 domain power, but only for the express
12 purposes of acquiring land for the building of
13 schools or administrative buildings and it's
14 limited to that, so they must acquire and then
15 retain ownership of that land in that public
16 entity. I would assume -- but I could be
17 wrong -- that the Convention Center's
18 condemnation powers are probably limited to
19 the acquisition of land for the Convention
20 Center itself. And that land must stay in
21 public ownership. And I think that's a very
22 important distinction here if there's going to
23 be a court challenge. I'm assuming the case
24 in Nevada -- and these gentlemen can answer
25 that -- that the land was set aside for some

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2 public purpose.

3 Is that the case, Councilman Nutter?

4 Do we know that?

5 COUNCILMAN NUTTER: Yes. But
6 ultimately it was never taken and the court
7 basically said, look, you still have your
8 land. There was a temporary interruption in
9 your rights. It was 20 years.

10 MR. WETZEL: I do think that's an
11 important distinction if you were in front of
12 a judge or jury, that this particular
13 situation is a public act for a purpose of
14 acquiring land to be in the public domain in
15 perpetuity for however long that is to be.

16 COUNCILMAN CLARKE: I'm just looking
17 at the application in another instance where
18 there's a public entity, quasi-public entity
19 looking to develop a site. We don't have the
20 money as we don't have the money in this
21 particular case, could this bill be applied in
22 such an instance?

23 MR. WETZEL: But in this particular
24 instance -- and those who know the bill better
25 can answer it -- if I owned a series of rental

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2 properties in this area that you're
3 describing, and it may be zoned appropriately
4 and everything and they're vacant now, I don't
5 think anything in this bill would prevent you
6 from, A, bringing them up to code and, B,
7 renting them out.

8 COUNCILMAN NUTTER: No.

9 COUNCILMAN CLARKE: But if you have
10 an industrial property you couldn't convert it
11 to residential?

12 MR. WETZEL: Right.

13 COUNCILMAN NUTTER: That's what it's
14 seeking to prevent. Again, to do that you'd
15 have to get a zoning variance. If the Board
16 determines that not granting you that variance
17 is an unconstitutional taking they have to
18 give you the variance, so you'd be able to do
19 it.

20 MR. WETZEL: If you owned 10 single
21 family houses there that were vacant over the
22 last 10 years, you bought them, nothing would
23 prevent you from bringing them up to code and
24 selling them, thereby this would not control
25 value in the same kind of way that I think the

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2 distinction here is, which is converting from
3 one use to another and that conversion creates
4 substantial value increase. In the case we're
5 talking about --

6 COUNCILMAN CLARKE: I'm going to
7 test it because I have a site. I'm going to
8 introduce a pending acquisition bill for that
9 site where I hope to develop, and we'll find
10 out through its application. I don't have any
11 more NTI acquisition money and this is my way
12 of testing the case and the ability to acquire
13 additional land without money.

14 MR. WETZEL: Good luck.

15 COUNCIL PRESIDENT VERNA: Are there
16 any other questions from Members of the
17 Committee?

18 (No response.)

19 COUNCIL PRESIDENT VERNA: Do we have
20 anyone else to testify on this bill?

21 Please approach the witness table.
22 Kindly identify yourself for the record and
23 proceed with your testimony.

24 MR. FELDMAN: Goode morning, Madam
25 President, Members of the Committee. My name

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2 is Brett Feldman. I'm an attorney with the
3 law firm of Klehr Harrison, and I am here on
4 behalf of the owners of 144 North 13th Street.

5 COUNCIL PRESIDENT Verna: Excuse me,
6 sir. Would you mind pulling the microphone
7 closer to you?

8 MR. Feldman: Again, Brett Feldman
9 from the law firm of Klehr Harrison, 260 South
10 Broad Street, Philadelphia, Pennsylvania, here
11 on behalf of the owners/developers of the
12 Lithograph Lofts project at 144 North 13th
13 Street, which I believe is the project that
14 Councilmembers Nutter and DiCicco have
15 mentioned as the inspiration for this
16 ordinance.

17 We also share the same concerns as
18 identified by the Planning Commission
19 regarding the failure of a notice of intent to
20 be filed. This Committee hearing today did
21 not come out of nowhere. This was previously
22 scheduled at least three weeks ago. There was
23 no letter of intent at that point. There
24 still remains no letter of intent or statement
25 of intent to condemn here or intent to

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2 condemn. I don't know why, but that's
3 something that the Planning Commission has
4 identified as a concern. We share that. We
5 obviously also share the concern about the
6 condemnation in taking issues. But my
7 testimony is brief, is just to clear up some
8 of the misconceptions about this residential
9 project.

10 I believe it was referred to as --
11 there's a sense given in the testimony so far
12 that this is something that is just beginning
13 or just kind of percolating along. This is a
14 project that is essentially done. While this
15 ordinance might have been inspired by this
16 project and concerns, I think the phrase was,
17 the horse is out of the barn on this one.
18 That's what we've been led to believe from
19 press accounts and also from Councilmember
20 DiCicco's office on this. This is a project
21 that I believe is almost 95 percent done.
22 We're expecting certificates of occupancy
23 within the next several weeks on this project
24 and a temporary CO within the next week or
25 two. They received zoning for this project.

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2 They have received all the necessary building
3 permits, we believe. The zoning allowing this
4 conversion on changing uses was approved. The
5 number of residential units has been approved
6 by zoning and then the building permits were
7 issued. So we just want that made clear on
8 the record that is our understanding.

9 While this ordinance potentially was
10 inspired by this project, that this project is
11 now, regardless of what you think about it, is
12 now one that will continue to go forward.
13 There are active pre-sales now going on in
14 these units. There are new buyers for these
15 condominium units. These are very nice, high
16 quality condominium units. This isn't
17 something that was done on a shoe string here.
18 This is something that there is a market for
19 and buyers are now in the process of signing
20 papers on these units.

21 So I just wanted to be here on
22 behalf of the clients to express where this
23 project is and that there be no
24 misunderstanding regarding the status, and
25 this is something that is essentially done and

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2 to answer any questions on that, if the
3 Committee might have any.

4 COUNCIL PRESIDENT Verna: How much
5 are the condominiums selling for?

6 MR. Feldman: I don't know exactly.
7 There is a range, Madam President, on these
8 units.

9 COUNCILMAN Nutter: What's the
10 range?

11 COUNCILMAN DiCicco: Do you know
12 what the range is?

13 MR. Feldman: I don't know. I don't
14 know that, but I know there is a range. I've
15 been told that. And that is information that
16 I'm sure is available market wise and we could
17 pass on.

18 COUNCIL PRESIDENT Verna: Thank you.

19 The Chair recognizes Councilman
20 DiCicco.

21 COUNCILMAN DiCicco: Thank you,
22 Madam President.

23 Thank you, Mr. Feldman. Just let me
24 say that there was never any suggestion -- and
25 I hope that's not what you or your client

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2 believe -- that there was any suggestion that
3 the permits were not properly acquired and
4 that you did not go through the normal legal
5 process that enabled your client to develop
6 this building. It was never my intention. My
7 intention was to point out the fact that to
8 prevent this from reoccurring because of the
9 cost that it will be to the taxpayers should
10 the Convention Center expansion move forward
11 was my only concern. And that if in fact your
12 client sells all of the units, we are then
13 faced with additional relocation issues that
14 we would not have to consider today because
15 the building is basically, even though it may
16 be 95 percent complete in terms of
17 renovations, it is not occupied for the most
18 part.

19 Council President Verna asked about
20 sale price. How many units?

21 MR. FELDMAN: I think it's somewhere
22 in that 65 to 70 units that was mentioned. I
23 don't have the exact number. I can get that
24 to the Committee. That would be as per the
25 zoning for that.

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2 COUNCILMAN DICICCO: Do you know
3 what the developer paid for this property when
4 he first purchased it?

5 MR. FELDMAN: I do not.

6 COUNCILMAN DICICCO: Do you know
7 what the value of the improvements have been?

8 MR. FELDMAN: I do not, Councilman.

9 COUNCILMAN DICICCO: Do you know if
10 any agreements of sales have been completed
11 yet or is it just pre-sale stuff they're going
12 through now?

13 MR. FELDMAN: I understand that
14 they're in pre-sales. I don't know the
15 number.

16 COUNCILMAN DICICCO: Are they
17 actively advertising through a realtor or are
18 they doing it in -house?

19 MR. FELDMAN: I do not know.

20 COUNCILMAN DICICCO: I would
21 appreciate if you could supply the Chair with
22 answers to those questions. I think that's
23 very important to us.

24 MR. FELDMAN: I will.

25 COUNCILMAN DICICCO: I don't have

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2 any other questions right now.

3 COUNCIL PRESIDENT Verna: The Chair
4 recognizes Councilman O'Neill.

5 COUNCILMAN DICICCO: Madam Chair,
6 before Councilman O'Neill starts, I just want
7 to say I know the developer. He's a friend of
8 mine. I have no malice towards that
9 individual. He was a smart business person.
10 He did the right thing. And if I were not in
11 this seat, I would probably have tried to do
12 the same thing myself. So I just want you to
13 know it's not a personal thing. It's just a
14 question of fiduciary responsibility to the
15 taxpayers and limiting what the cost going
16 forward would be to the taxpayers in terms of
17 the expansion.

18 Thank you, Madam President.

19 Thank you, Councilman O'Neill.

20 COUNCIL PRESIDENT Verna: Councilman
21 O'Neill.

22 COUNCILMAN O'NEILL: Yes. Just a
23 point of clarity.

24 Mr. Feldman, you said at the
25 beginning that COs were pending. You used the

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2 term COs, right, certificate of occupancy?

3 MR. FELDMAN: Yes.

4 COUNCILMAN O'NEILL: In response to
5 Councilman DiCicco's question, you said that
6 you weren't sure if there had been any
7 agreements of sale yet. I'm just trying to
8 get from maybe no agreements of sale yet and
9 COs pending. COs pending would mean the
10 construction is essentially finished on some
11 of the units. You would have to have more
12 than a -- you mentioned that the first thing
13 before the agreement of sale, frankly, that
14 you would just plop down a deposit or
15 something to hold it. With an agreement of
16 sale, you're the owner.

17 COUNCILMAN DICICCO: With an intent
18 to purchase pre-sale.

19 COUNCILMAN O'NEILL: You're in
20 construction and completing some units?

21 MR. FELDMAN: We are far beyond
22 construction. We're at the end of
23 construction.

24 COUNCILMAN O'NEILL: So you have to
25 have agreements of sale. I'm just trying to

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2 -- you can't get to that point without
3 agreements of sale. Nobody's building units
4 with deposits without commitments to buy.

5 MR. FELDMAN: My understanding is
6 that they are at the point of agreements of
7 sale being reached on particular units.

8 COUNCILMAN O'NEILL: People are
9 ready to move in is just about what you're
10 talking about?

11 MR. FELDMAN: I can't say exactly
12 what that status is. But as far as the L&I
13 issuing certificates of occupancy to allow the
14 whole building to be used for residential,
15 that is --

16 COUNCILMAN O'NEILL: I just wanted
17 some clarity there. My question was, does the
18 developer disclose to the buyers in this case
19 -- this is just curiosity. I don't know
20 whether it's a legal requirement or not, which
21 is not what I'm after. That could be the
22 buyer's problem or issue. Do you regularly
23 tell potential buyers that they're buying in
24 the path of a Convention Center expansion that
25 may happen, or do you -- you know, if somebody

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2 is coming in from Nebraska and buying a unit
3 -- I mean, if they live around here they
4 probably have some kind of constructive notice
5 of it since it's in the paper every other
6 week. But do you formally notify the tenant
7 that, oh, by the way, they're not building a
8 stadium across the street, but they're going
9 to tear your place down for the Convention
10 Center?

11 MR. FELDMAN: Councilman, I don't
12 know. I'm not involved with their sales.

13 COUNCILMAN O'NEILL: I'd almost like
14 to have this hearing continued -- I know we're
15 going to get this bill out -- to bring the
16 developer in because now I've got much more
17 interest that -- we weren't picking on you.
18 The developer is a business man. There's
19 nothing stopping him from doing that. The
20 Zoning Board exercised --

21 COUNCILMAN DICICCO: Point of
22 information.

23 COUNCILMAN O'NEILL: -- questionable
24 judgement, but that wasn't the developer's
25 judgement.

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2 COUNCILMAN DICICCO: Point of
3 information, Councilman. I think I know
4 exactly where you're going with your question.
5 Drawing from my real estate experience, which
6 is very limited, I believe that the seller is
7 required under the Full Disclosure Act to let
8 a potential buyer know if there is some
9 development, as you speak to, that will be
10 coming down the path of the property that
11 you're buying. And there's obviously -- the
12 public has heard enough about this in print
13 and electronic media. So again, from my
14 recollection -- and I'm a licensed
15 salesperson, although I don't sell many
16 properties -- but I believe that full
17 disclosure is required here, would be
18 required.

19 COUNCILMAN O'NEILL: There's
20 certainly a possibility. Some people actually
21 move into the City from outside the area, that
22 they wouldn't have any idea. But as you're
23 getting back to the Chair with information on
24 the range of sales, could you also get some
25 information on the number of agreements, cost

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2 of the land as was asked, cost of improvements
3 and also this question of disclosure? Thank
4 you.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 The Chair recognizes Councilman
7 Kenney.

8 COUNCILMAN KENNEY: Thank you, Madam
9 President.

10 Mr. Feldman, did your client go
11 before the Zoning Board to get the approval to
12 develop this property as a residential
13 property?

14 MR. FELDMAN: My understanding is
15 that this project did require Zoning Board
16 approval.

17 COUNCILMAN KENNEY: So the Zoning
18 Board heard testimony and formally voted on
19 it?

20 MR. FELDMAN: That's my
21 understanding. I was not there, nor did I
22 participate in that hearing.

23 COUNCILMAN KENNEY: Who advises the
24 Zoning Board -- is it the Planning Commission
25 that attends the Zoning Board hearings to

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2 advise the Board on issues as to relative to
3 City policy and other things?

4 MR. FELDMAN: I just know from my
5 general zoning background that the Planning
6 Commission does attend the Zoning Board
7 hearings.

8 COUNCILMAN KENNEY: You went to the
9 Zoning Board hearing?

10 MR. FELDMAN: No, I was not involved
11 with this hearing.

12 COUNCILMAN KENNEY: Are you aware
13 whether or not the Planning Commission had any
14 advice or counsel to the Zoning Board as a
15 result of this request to change the zoning of
16 this building?

17 MR. FELDMAN: I do not know.

18 COUNCILMAN KENNEY: Do you know who
19 would know? The concern I have is that the
20 Zoning Board, if they didn't know that the
21 Convention Center was expanding in that
22 direction, they should have known. And if
23 they didn't know, certainly the Planning
24 Commission knew and should have brought it to
25 their attention on the record so that maybe

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2 they could have held the decision in advance
3 until they got more information. It seems
4 almost incredible to me that they didn't know
5 that plans to expand the Convention Center
6 were in the works and that the Planning
7 Commission would be there and not raise their
8 hand and say, well, wait a minute, maybe you
9 should be aware of this.

10 You can understand -- despite the
11 developer's right to make a profit -- you can
12 understand some of the concern of Members of
13 this Council and the public may have with the
14 fact that this kind of occurred in a wink and
15 a nod -- or a wink and a smile. It's going to
16 cost the taxpayers an awful lot of money to
17 make whole the owners of this property and to
18 relocate the 65 or 75 condo owners or tenants,
19 whatever they are, that you're going to have.
20 You would think someone on the Zoning Board or
21 someone at the Planning Commission would have
22 said, maybe we should think about this before
23 we do it.

24 I know you represented the client
25 and the client wanted what they wanted, but it

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2 doesn't make it right and it doesn't make it
3 fair to the taxpayer. I don't think in fact
4 that the Planning Commission or the Zoning
5 Board did their job too well on this
6 particular case. Is there anyone on your firm
7 that attended the hearing that could provide
8 us with some information as to what happened?

9 I know, Councilman Nutter, you're
10 over there all the time. Are there notes of
11 testimony or is there a public record? Maybe
12 you should ask for the public record to see
13 exactly what was said, because I have trouble
14 believing a lot of intelligent people didn't
15 know what they were doing when they maneuvered
16 this zoning change.

17 Madam President, I would like to
18 see if we could make a request for the notes
19 of testimony of that zoning hearing just to
20 see who knew what and who said what.

21 COUNCIL PRESIDENT VERA: Very good.

22 The Chair recognizes Councilman
23 Cohen.

24 COUNCILMAN COHEN: During the work
25 on the stadiums there was some discussion

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2 about a parking garage or an Acme lot or
3 something, and the City was informed by
4 developers, they told us later that it was
5 likely that that be would be needed for some
6 purpose in connection with the sports stadium.
7 They offered to sell it to the City at a very
8 low price. The City, as governments often do,
9 can be pretty arrogant. The City said, no,
10 they were sure it wasn't going to be and they
11 weren't interested. Later of course the
12 developer turned out to be right and the City,
13 I think, had to pay about three times what
14 they originally were offered their property
15 for. Does that come back at all? Is that the
16 situation that you're aiming at? Because
17 that's one that stands out in my mind as an
18 example of bad judgment by the City. I can
19 never figure out why the City's judgment was
20 so bad at the time.

21 COUNCILMAN NUTTER: Councilman, if
22 the question was directed to me, I recall
23 there was an issue about at least one the
24 properties and that there had been maybe some
25 preliminary City discussion. Somewhere in the

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2 course of that story the bottom line, I think,
3 ended up being that we could have taken an
4 action at one point in time and acquired the
5 property for one amount of money. We didn't.
6 And then I think through subsequent
7 negotiation, we may have actually paid more.
8 I think that has not too much to do with this.
9 It may just have had something to do with when
10 you make your judgment about when you need a
11 particular piece of property. I don't
12 remember all the details on that one, but
13 there was something about one of the
14 properties down there.

15 COUNCILMAN DICICCO: You're
16 absolutely correct. The Acme Market warehouse
17 was the one that the City eventually probably
18 paid about three times more than the original
19 sale price. And the developer knew
20 eventually, I guess, that the stadium would
21 need that site to develop and bought it and
22 just sat on it. I don't think he's been paid
23 yet. I think it's still being disputed.

24 COUNCILMAN KENNEY: Madam President,
25 I'm sorry to interrupt.

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2 On the additional point that
3 Councilman DiCicco is making, the last owner
4 of the property never even paid a dime for the
5 property. They had an option to buy the
6 property. It was all paper transactions. No
7 money changed hands until they found out that
8 they needed -- I still don't think they needed
9 it -- but they decided to acquire it as a
10 result of the stadium deal and he made three
11 times the amount of money profit.

12 COUNCIL PRESIDENT VERNA: Are there
13 any other questions of the attorney at the
14 table?

15 And I know that Councilwoman Miller
16 is getting rather nervous because she does
17 have some of her constituents here to testify.

18 I would ask, Councilman Nutter --

19 COUNCILMAN NUTTER: I'll be very
20 quick.

21 Mr. Feldman, you indicated that your
22 client did in fact have an application at the
23 Zoning Board, went through a Zoning Board
24 process and received approval by the Zoning
25 Board?

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2 MR. FELDMAN: Yes. That's my
3 understanding. I was not there.

4 COUNCILMAN NUTTER: When was that?

5 MR. FELDMAN: I do not know. I
6 assume it was sometime ago now.

7 COUNCILMAN NUTTER: Do you know how
8 long the building was vacant?

9 MR. FELDMAN: I do not know.

10 COUNCILMAN NUTTER: Do you know when
11 the zoning was approved?

12 MR. FELDMAN: I do not know.

13 COUNCILMAN NUTTER: Do you know what
14 the zoning classification was for the property
15 before you went to the Zoning Board?

16 MR. FELDMAN: I do not know.

17 COUNCILMAN NUTTER: Mr. Feldman, if
18 I can, I guess, try to say this in as
19 respectful a fashion as possible, what was the
20 purpose in your coming to the hearing today?
21 You seem not to have much information.

22 MR. FELDMAN: My purpose today was
23 to simply correct the type of, I think,
24 misperception on this project as far as how
25 far along this project is.

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2 I know at one point it was said that
3 it was 35 percent or 40 percent as far as
4 construction. That is not the case. From
5 what I'm most recently told, it's
6 approximately up in the mid to upper 90s now.
7 That's all I'm here for at this point.

8 COUNCILMAN NUTTER: I understand.
9 I've never believed that this piece of
10 legislation would have any direct impact on
11 your particular project once you got started.
12 I think that was pretty much the end of that
13 discussion.

14 One last thing. Do you happen to
15 know where the file is for this particular
16 property? There's apparently been a number of
17 attempts to locate the zoning file for this
18 particular site. Do you have any idea why
19 it's not where it's supposed to be?

20 MR. FELDMAN: I have no idea. It
21 should be as you can imagine, down at L&I
22 zoning.

23 COUNCILMAN NUTTER: The questions
24 that I've asked you -- and this will be my
25 last question, just to wrap this up. The

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2 questions that I've asked you, can you provide
3 to the Chair answers to those questions? I
4 asked you when you were at the Zoning Board,
5 when was it approved, when did you apply, what
6 was the zoning classification before this
7 started, and how long was the building vacant.

8 MR. FELDMAN: I believe that most of
9 those questions I've already got down on a
10 list here. Most of those are public record.

11 COUNCILMAN NUTTER: I know you
12 indicated that you were not at the Board. Who
13 was?

14 MR. FELDMAN: I do not know.

15 COUNCILMAN NUTTER: You don't know
16 who from your firm?

17 MR. FELDMAN: I do not know. I
18 could provide that also.

19 COUNCILMAN NUTTER: You must have
20 been standing in the wrong place at the wrong
21 time this morning and you drew the very short
22 straw. You may want to check about your
23 status at the firm to get sent over here for a
24 hearing like this with no information under
25 these circumstances. Somebody does not like

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2 you.

3 Thank you very much.

4 COUNCIL PRESIDENT VERNA: Mr.

5 Feldman, could we have responses in writing by
6 tomorrow, please? I don't think that would be
7 difficult.

8 MR. FELDMAN: I will do my best to
9 get that information.

10 COUNCIL PRESIDENT VERNA: Thank you.

11 Are there any other questions from
12 Members of the Committee?

13 (No response.)

14 COUNCIL PRESIDENT VERNA: Do we have
15 anyone else to testify on this bill?

16 (No response.)

17 COUNCIL PRESIDENT VERNA: Seeing no
18 one, I would ask Mr. McPherson to please read
19 the title of Bill No. 040138.

20 MR. MCPHERSON: An ordinance
21 approving the first amendment of the
22 redevelopment proposal for the Wister III
23 Urban Renewal Area.

24 COUNCIL PRESIDENT VERNA: Please
25 identify yourself for the record and proceed

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2 with your testimony.

3 MR. WETZEL: Madam Chairperson and
4 Members of the Committee, Herbert Wetzel,
5 executive director of the Redevelopment
6 Authority of the City of Philadelphia, and I'm
7 here today to speak in support of Bill No.
8 040138, the first amended redevelopment
9 proposal and the first amended urban renewal
10 plan for the Germantown Redevelopment Area and
11 the Wister III Urban Renewal Area.

12 This bill would authorize the
13 Redevelopment Authority to acquire a total of
14 10 properties, six abandoned lots and four
15 vacant and vandalized structures in support of
16 Greater Germantown Housing Development
17 Corporation's Wister Commons Project. The
18 Wister Commons project is a two-phased
19 affordable housing development proposed by the
20 Greater Germantown Housing Development
21 Corporation in collaboration with Conifer
22 Realty.

23 While Phase I consists of the
24 construction of 10 new townhouses and
25 substantial rehabilitation of three

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2 properties, the overall project will include
3 the acquisition and construction of a total of
4 at least 75 units which will be rented and
5 subsequently sold to low and moderate income
6 buyers. GGHDC plans to finance this project
7 through the sale of low income housing tax
8 credits. Acquisition of the 10 properties
9 will require one demolition. Since all
10 properties are vacant this development will
11 require no relocation.

12 Madam Chairperson and Members of the
13 Committee, I respectfully request favorable
14 consideration of Bill No. 040138 and would ask
15 for the suspension of Council Rules to allow
16 first reading on March 25th, 2004.

17 COUNCIL PRESIDENT VERNA: Thank you.

18 MR. CHAPMAN: Once again, Madam
19 Chair and Members of the Committee, for the
20 City Planning Commission, my name is Thomas
21 Chapman. This bill approves the first
22 amendment of the redevelopment proposal for
23 Wister III Urban Renewal Area. This bill
24 authorizes the acquisition of 10 properties
25 for residential use. The Planning Commission

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2 approved this amended redevelopment proposal
3 at its meeting of February 17th, 2004.

4 Thank you.

5 COUNCIL PRESIDENT Verna: Thank you.

6 The support detail states that three
7 single family homes will be rehabilitated and
8 that 10 new townhouses will be constructed.
9 Since the proposed ordinance only specifies
10 that 10 properties are to be acquired, are the
11 acquisitions only for the new townhouses or do
12 they also include the three properties that
13 are to be rehabilitated?

14 MR. WETZEL: I would ask that the
15 developer who's here today to provide more
16 detail. But this is an additional acquisition
17 to other acquisitions that have been
18 undertaken on behalf of this project. So
19 there's more properties -- these are the last
20 10 that round out the overall project that's
21 going to be developed at the site.

22 COUNCIL PRESIDENT Verna: Are we led
23 to believe that all of the properties are
24 vacant?

25 MR. WETZEL: Yes.

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2 COUNCIL PRESIDENT VERNA: The bill
3 states that there are certain relocation
4 costs, but in the support detail there are no
5 relocation costs. Would you please explain?

6 MR. WETZEL: Well, I'd like to look
7 at it. It would be an error on our part if it
8 does indicate relocation costs because all
9 these are vacant.

10 COUNCIL PRESIDENT VERNA: I think
11 you ought to look at that, and if there are
12 corrections to be made they should be made.

13 MR. WETZEL: Yes, ma'am.

14 COUNCIL PRESIDENT VERNA: The bill
15 states that condemnation is not eminent, but
16 the support detail on Page 6 states that the
17 Redevelopment Authority proposes to condemn.
18 Please explain.

19 MR. WETZEL: I'm going to defer
20 that. I'd like to get back to you. I think
21 that's a legal question regarding the notion
22 of what's in a redevelopment proposal under
23 state statutes, and I'd like to be able to
24 answer that. Your question is specifically
25 about condemnation is not eminent, and if

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2 Madam Chairperson would allow me, I would like
3 our legal counsel to address that.

4 COUNCIL PRESIDENT Verna: I think
5 that's something we should do.

6 Are there any questions from Members
7 of the Committee?

8 The Chair recognizes Councilman
9 Cohen.

10 COUNCILMAN COHEN: On some previous
11 occasions after testimony by RDA that houses
12 were vacant, owners suddenly appeared and said
13 they were living there. To make sure of that,
14 how do you determine that the properties are
15 vacant? What's your documentary evidence of
16 that?

17 MR. WETZEL: Staff at the
18 Redevelopment Authority go out there. We also
19 work with the developers. But there's the
20 very real possibility, Councilman, that during
21 a process, for example, what was vacant today,
22 a month from now, could very well be occupied.
23 So that's sometimes what happens. In many
24 cases in working with the Councilperson when
25 that happens, properties are re-vested or not

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2 taken in some cases. But we make a good faith
3 effort --

4 COUNCILMAN COHEN: I heard you say
5 that the houses that were vacant become
6 occupied. How do they become occupied?

7 MR. WETZEL: I can't answer
8 specifically, but I would make the assumption
9 that some people move into a property.
10 Sometimes properties are sold while this
11 process is going on and people move into them.
12 There are a variety of ways that could happen.

13 COUNCILMAN COHEN: Well, I would
14 rather City Council did not act on assumption,
15 but acted on knowledge and documentation.
16 Therefore, I would like to ask you to put into
17 document form of some kind your statement that
18 these properties are vacant, and if that
19 condition changes, you will notify City
20 Council. Because I'm going to be raising
21 quite frequently the question as to whether or
22 not, are there any properties occupied by an
23 owner or a tenant, and if so, do they agree or
24 do they disagree so that we avoid the
25 situation at the last minute when a bill comes

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2 in for ultimate approval to find property
3 owners or tenants stating they've lived in
4 property for a long time. This would give us
5 the basis for knowing.

6 I don't think the RDA ought to
7 operate on assumptions. I think you've got
8 the operate on knowledge. I don't think the
9 RDA ought to rely on developers. The
10 developers have their own interest to protect.
11 The statement may be what the developer wants.
12 It may be true. It may not be true. Or the
13 developer may have been sloppy in his fact
14 finding. So we'd like to have something. I
15 certainly would before I support any of these
16 actions further. I'd like to know what the
17 situation is and documentation to establish
18 that there is no homeowner or tenant living
19 there currently who's faced with eviction
20 against his or her will. Could you do that?

21 MR. WETZEL: Councilman, let me
22 answer it this way and ask if this is
23 appropriate. Last year Council asked us to
24 change our process to expand notice beyond the
25 public ads that are required under state

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2 statute to sending certified letters to the
3 owners of the properties. In this particular
4 case, certified letters were sent to the
5 owners of the properties and we also research
6 and see if there's an off-site address as
7 well. Because sometimes tenant-occupied
8 properties, the landlord has an off-site
9 address. So we do have evidence that regular
10 and certified mail was sent to each of these
11 properties. Is that sufficient over and
12 above --

13 COUNCILMAN COHEN: If there's a
14 possibility that a homeowner or a tenant may
15 be turned out of a lawful possession, that
16 they're entitled to more than certified
17 letters, and I cannot imagine my voting for --
18 and I don't remember the matter ever coming up
19 that Council would be satisfied with a
20 certified letter. Maybe that happened. Maybe
21 my memory is not good on that. I don't know.
22 But I know if I were aware of that issue I
23 would certainly say ownership or rights of
24 tenants to occupy property is worth more than
25 certified letters. It certainly seems to me

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2 that RDA can send out somebody from their
3 staff to check out each one. These are 10
4 units that are very close, aren't they?

5 MR. WETZEL: Yes. As a matter of
6 fact, six of them are vacant lots.

7 COUNCILMAN COHEN: So you don't have
8 to worry about that. So you have four left?
9 Is that the 10, 6 and 4?

10 MR. WETZEL: Yes, sir.

11 COUNCILMAN COHEN: Are the four
12 united, close by, either on Sheldrake or on a
13 cross street of it?

14 MR. WETZEL: Yes.

15 COUNCILMAN COHEN: It would seem to
16 me that the citizens of Philadelphia are
17 certainly entitled to assurance that before
18 any action is taken where they live, either by
19 right of tenancy or ownership, that they're
20 going to receive a personal check to make sure
21 that nobody lives there. And then we can
22 accept your word. It seems to me I'd be
23 asking for a very fair thing if I ask for
24 documentation from you that the house is
25 vacant or from an appropriate official of the

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2 RDA.

3 MR. WETZEL: Fine. We will do that
4 for you, sir.

5 COUNCILMAN COHEN: If you could do
6 it in this case, that would be good because
7 that settles the problem and then we know
8 we're not going to have an aftermath of having
9 people coming to this Chamber accusing RDA or
10 accusing us of being cold and callous with
11 respect to handling their needs.

12 Thank you very much.

13 Would you send that to the
14 President? She'll see that we get it.

15 COUNCIL PRESIDENT VERNA: The Chair
16 recognizes Councilwoman Miller.

17 COUNCILWOMAN MILLER: Thank you,
18 Madam Chair.

19 I'm sure when the developer and
20 executive director for the Greater German
21 Housing Development Corporation gets up they
22 can confirm that these dwellings are vacant
23 and have been vacant for some time and does
24 not have anyone residing in them because of
25 their personal visitation, not a certified

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2 letter.

3 COUNCILMAN COHEN: I'm trying to
4 just set up a general procedure that would
5 apply to all homes to make sure that we don't
6 make human errors.

7 COUNCIL PRESIDENT Verna: Do we have
8 any other questions from Members of the
9 Committee?

10 (No response.)

11 COUNCIL PRESIDENT Verna: Gentlemen,
12 thank you. You'll remain until the conclusion
13 of the hearing, please.

14 Mr. Wetzel?

15 MR. WETZEL: Yes, ma'am.

16 MR. MCPHERSON: The next witness is
17 William Guzman.

18 MR. GUZMAN: Hello. My name is Bill
19 Guzman. I'm one of the owners of the
20 properties that's planned to be condemned. I
21 do not live at the property. We purchased it
22 through sheriff's sale, which was a few months
23 ago. And we planned to develop it and sell
24 the property. So my question to people here
25 is to find out what exactly we have to do to

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2 be able to develop it, or is the property just
3 going to be taken by condemnation and that's
4 it?

5 COUNCIL PRESIDENT VERNA: Mr.

6 Wetzel, do you want to approach the witness
7 table and respond to the question, please?

8 MR. WETZEL: The property in
9 question was on the list of the 10 properties
10 that were to be acquired for the project at
11 Greater Germantown Housing Development
12 Corporation, which is to develop. I had the
13 opportunity to talk to this gentleman while
14 the other ordinance was being heard, and I
15 basically explained to him that the
16 Redevelopment Authority only has the power to
17 acquire real estate that's granted to it by
18 the local legislative body, and that the first
19 thing that would have to happen is, A, the
20 ordinance would have to be passed. The Mayor
21 would have to sign that ordinance. The
22 Redevelopment Authority would have to send him
23 a notice of an interest. An appraisal would
24 have to be done and an offer letter sent, et
25 cetera.

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2 It is my understanding, unless I'm
3 corrected by the Councilwoman or the
4 developer, that this property is an essential
5 part of the overall project and it is the
6 desire that this property been acquired for
7 that project.

8 COUNCILWOMAN MILLER: What's the
9 address?

10 MR. GUZMAN: 83 Collom Street.

11 COUNCIL PRESIDENT Verna: May I ask
12 what you paid for the property under sheriff's
13 sale?

14 MR. GUZMAN: Yes. We paid \$11,500
15 plus closing costs, title and insurance, so
16 about \$12,000. My concern is if the appraiser
17 comes in and appraises the property at \$3,000,
18 for example, you know, I would not like to
19 lose the money that we already paid, not
20 knowing that this property was going to be
21 condemned. We just found out. I received a
22 letter on March 5th. The property was settled
23 a few months ago. So the sheriff never
24 notified -- or they probably didn't know that
25 it will be condemned. And we were planning to

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2 redevelop the property, fix it up and sell it,
3 as we do with all of the properties that we
4 acquire.

5 COUNCIL PRESIDENT Verna: I believe
6 the Councilwoman would like the executive
7 director and the developer to approach the
8 witness table, please.

9 Good afternoon. Please identify
10 yourself for the record.

11 MR. MOODY: Good afternoon, Madam
12 President. My name is Harry Moody. I'm the
13 Executive Director of Greater Germantown
14 Housing Development Corporation.

15 MR. COVINGTON: Good afternoon. My
16 name is Ernest Covington. I'm the developer
17 for Greater Germantown Housing Development
18 Corporation.

19 COUNCILWOMAN MILLER: Thank you.

20 I would assume that 83 East Collom
21 Street is a key part of the development. I
22 can't see not needing 83 if 81 is also on the
23 list.

24 MR. MOODY: 83 is part of three
25 units on that particular block that had been

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2 vacant for some time. Actually, 83 is
3 adjacent to 81, which is a burn out unit.
4 That entire portion of the block was extremely
5 blighted. And what we didn't want to do is
6 develop the rest of the block in new
7 construction and leave those units there. So
8 that's why those were included in this
9 particular project.

10 COUNCILWOMAN MILLER: Unfortunately
11 I cannot figure out how 83 got on the sheriff
12 sale list because these properties have been
13 vacant and pretty blighted for a number of
14 years.

15 MR. MOODY: They have been.
16 Actually, I grew up on this block. I actually
17 knew the families that lived in them. They
18 haven't lived there for probably more than 20
19 years. These properties have been vacant.
20 They've been drug infested or used as drug
21 houses over the years for some time.

22 COUNCILWOMAN MILLER: It's
23 unfortunate that the gentleman has purchased
24 it at sheriff sale. But that property is a
25 key part of the development, so we would want

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2 to keep that into the package.

3 MR. MOODY: That's correct.

4 COUNCILWOMAN MILLER: I guess we'll
5 have to do whatever we need to do. I don't
6 know what to say.

7 COUNCILMAN KENNEY: I was just
8 going to suggest that since Mr. Guzman has
9 recently purchased the property, unlike some
10 of these absentee landlords who purchased
11 property 10 years ago and sit on it and pay no
12 taxes and do nothing and then show up at a
13 hearing, it seems that he acted in a pretty
14 sincere way and has only made settlement on it
15 within the last few months. That was some
16 kind of paper screw from the Sheriff's
17 Department in not knowing what was going on.
18 I wonder if there is any way that the RDA
19 could at least make him whole. I know that
20 there's an appraisal process, but it may be in
21 this case just maybe at least guarantee the
22 guy recovers what he invested, which would
23 seem only fair. Certainly if the man owned
24 the property for 20 years and did nothing with
25 it, I wouldn't care.

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2 COUNCILWOMAN MILLER: I would think
3 too that we may be able to get the sheriff to
4 give him his money back under the redemption
5 program or something of that nature. But I
6 agree that it sounds like he make an honest
7 investment to develop that particular
8 property, even though -- I guess if it was me,
9 I'd actually be looking at other properties
10 too because developing that one wouldn't just
11 work on that block because there's so many
12 vacancies on that block. This is a block that
13 we've targeted for some time to do rehab. So
14 we can follow through. I see Steve from my
15 office getting his information and we'll do
16 whatever we can to help him get a refund.

17 Did you have some testimony?

18 MR. MOODY: Yes. I actually have
19 prepared testimony. I have copies for all the
20 Members.

21 COUNCILMAN COHEN: It's also an
22 indication that something is wrong with the
23 record keeping in the Sheriff's Office or
24 other areas of the City. I think it is the
25 responsibility -- because I know of nowhere

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2 else the responsibility could be placed. I
3 would place it on the Redevelopment Authority
4 to say when something like this develops we're
5 going to work on this until it gets
6 straightened out and an innocent person
7 doesn't get hurt. I think Mr. Guzman is
8 entitled to that kind of security, not to be
9 told, you got yourself into a mess. The City
10 should not have had it on sheriff's sale.
11 We're going to help you a little bit or do
12 whatever we can. I think the Redevelopment
13 Authority ought to take responsibility because
14 you're the ultimate conveyer. And I think you
15 ought to assure Mr. Guzman that you're going
16 to work with him to resolve this in a fair
17 way. I don't know what that ultimately will
18 be, whether he gets his money back or whether
19 the house is included.

20 Councilwoman Miller made a good
21 statement as to why the house is needed. And
22 if it's needed for the whole development, it
23 may be that the only remedy we'll have is to
24 get his money and be made whole. But he
25 should not have to suffer because of the

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2 inaccuracies of the City government and the
3 City government's failure to notify him that
4 the house should never have been put on
5 sheriff's sale.

6 COUNCIL PRESIDENT VERNA: I think we
7 all agree with you. And Councilman Miller did
8 say that a member of her staff was getting all
9 of the information and that they would deal
10 with the Sheriff's Department.

11 Sir, would you proceed with your
12 testimony?

13 MR. MOODY: Yes. Just for the
14 purposes of this Committee, the description
15 that Mr. Wetzel gave you was for the most part
16 a description of the development that would
17 happen on land that they were looking to
18 condemn. This description that I'm about to
19 read into testimony is actually a description
20 of the entire project. There may be some
21 differences in what he said and what I'm about
22 to tell you now.

23 The Wister Commons Phase I project
24 is a 36 unit rental development to be located
25 in the Wister neighborhood of Germantown. The

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2 project is a joint venture between Greater
3 Germantown Housing Development Corporation, a
4 non-profit, neighborhood-based real estate
5 development organization and Conifer Realty,
6 an experienced, for-profit development company
7 with a very rich history in real estate
8 development and management.

9 The overall project is an 85 to 90
10 unit development initiative of single family
11 housing units. As the developers of the
12 project, we are planning to build in the first
13 phase a 36 unit rental development. This
14 development will be called Wister Commons
15 Phase I. The project will be three and
16 four-bedroom amenity-enriched row homes
17 ranging from 1,450 to 1,700 square feet that
18 will be converted to home ownership after its
19 initial rental compliance period.

20 This project will also be a low
21 income housing tax credit program. This
22 project seeks to serve a continuing need for
23 adequate housing in this lower Germantown
24 neighborhood, as well as significantly
25 eliminating blight and unused vacant land in

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2 the area. The scope of the project will
3 supply newly constructed housing on several
4 vacant parcels within a one square block area
5 as well as using several additional vacant
6 parcels in the immediate vicinity.

7 Wister Commons Phase I is located in
8 the Wister Urban Renewal Area as designated
9 and studied by the Philadelphia Planning
10 Commission. The Wister area has also been
11 designated as a Neighborhood Transformation
12 Initiative. While keeping in tune with its
13 revitalization strategy, the Wister
14 neighborhood has realized many renewal
15 projects over the years, including the
16 projects developed by GGHDC, which is the
17 Greater Germantown Housing Development
18 Corporation, which are listed on the handout
19 that I gave you. Those are Elders Place 1,
20 which is a 46-unit Elderly HUD 202 realty;
21 Elders Place II, which is recently finished,
22 which is a 40-unit Elderly HUD 202 building;
23 Lower Germantown I, which is a 50 unit low
24 income housing tax credit family development;
25 Lower Germantown II, which is a 33-unit low

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2 income housing tax credit development; Cricket
3 Court Commons, which is a 228 unit low income
4 housing tax credit and market rate unit
5 development; and Cricket Court Townhouses,
6 which is a 44 unit home ownership project that
7 was completed approximately four years ago.

8 Elimination of blight and vacancy in
9 this area will continue to have a tremendous
10 impact on the existing housing market in the
11 area. As we continue to try to stabilize and
12 enhance the housing stock, Wister Commons
13 Phase I is just one phase of a planned
14 neighborhood revitalization strategy. While
15 this project will continue to support the
16 significant development investment by GGHDC in
17 the Wister neighborhood, it will also serve as
18 a catalyst for future phases of development
19 concentrating on homeownership opportunities
20 that are already in the planning phases.

21 COUNCIL PRESIDENT VERA: Thank you.

22 Are there any questions of this
23 witness?

24 The Chair recognizes Councilman
25 Kelly.

1 03/23/04 - RULES - BILL 040138

2 COUNCILMAN KELLY: Could you just
3 tell me for my own benefit, what is the rental
4 compliance period?

5 MR. MOODY: Fifteen years.

6 COUNCILMAN KELLY: And after 15
7 years?

8 MR. MOODY: They will convert to
9 homeownership.

10 COUNCIL PRESIDENT VERNA: Thank you.
11 Are there any other questions from
12 Members of the Committee?

13 (No response.)

14 COUNCIL PRESIDENT VERNA: Thank you,
15 sir.

16 Do you wish to testify?

17 MR. COVINGTON: No. I was just here
18 for questions.

19 COUNCIL PRESIDENT VERNA: Thank you.
20 Do we have anyone else to testify on
21 this bill?

22 (No response.)

23 COUNCIL PRESIDENT VERNA: Seeing
24 none, this will conclude our public hearing.

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COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC MEETING

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COMMITTEE ON RULES

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Tuesday, March 23, 2004

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Public meeting conducted by the
Committee on Rules, held in Room 400, City
Hall, Philadelphia, Pennsylvania, on the above
date, to consider action on the following:

11

BILL 040024, 040092, 040138.

12

13

PRESENT:

14

COUNCIL PRESIDENT VERNA, Chair

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COUNCILMAN DARRELL CLARKE

COUNCILMAN DAVID COHEN

16

COUNCILMAN FRANK DICICCO

COUNCILMAN JACK KELLY

17

COUNCILMAN JAMES KENNEY

COUNCILMAN RICHARD MARIANO

18

COUNCILWOMAN DONNA REED MILLER

COUNCILMAN MICHAEL NUTTER

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COUNCILMAN BRIAN O'NEILL

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1 03/23/04 - RULES - PUBLIC MEETING

2 COUNCIL PRESIDENT VERNA: We will
3 now go into our public meeting.

4 The Chair recognizes Councilman
5 Clarke regarding Bill No. 040024.

6 COUNCILMAN CLARKE: Thank you, Madam
7 President.

8 Madam President, in view of the
9 information that was requested by Members of
10 this Committee, I make a motion that Bill No.
11 040024 be held until Thursday at 1:00 at a
12 Rules Committee hearing that will be held at
13 that time.

14 (Duly seconded.)

15 COUNCIL PRESIDENT VERNA: All in
16 favor will say aye.

17 (Aye.)

18 COUNCIL PRESIDENT VERNA: Those
19 opposed?

20 (No response.)

21 COUNCIL PRESIDENT VERNA: The ayes
22 have it.

23 Bill No. 040024 will be continued
24 until Thursday, March 25th at 1:00 p.m.

25 The Chair recognizes Councilman

1 03/23/04 - RULES - PUBLIC MEETING

2 Clarke regarding Bill No. 040092.

3 COUNCILMAN CLARKE: Thank you, Madam
4 President.

5 I move that Bill 040092 be reported
6 out of this Committee with a favorable
7 recommendation and request no suspension of
8 Rules.

9 (Duly seconded.)

10 COUNCIL PRESIDENT VERNA: It has
11 been moved and seconded that Bill No. 040092
12 be reported out of Committee with a favorable
13 recommendation.

14 All in favor will indicate by saying
15 aye.

16 (Aye.)

17 COUNCIL PRESIDENT VERNA: Those
18 opposed?

19 (No response.)

20 COUNCIL PRESIDENT VERNA: The ayes
21 have it and the motion carries.

22 The Chair recognizes Councilwoman
23 Miller regarding Bill No. 040138.

24 COUNCILWOMAN MILLER: Thank you,
25 Madam Chair.

1 03/23/04 - RULES - PUBLIC MEETING

2 I would request that Bill 040138 be
3 reported out of this Committee with a
4 favorable recommendation and further request
5 that the Rules of Council be suspended so as
6 to permit first reading at our next session.

7 (Duly seconded.)

8 COUNCIL PRESIDENT VERNA: It has
9 been moved and properly seconded that Bill No.
10 040138 be reported out of Committee with a
11 favorable recommendation, also a
12 recommendation that the Rules of Council be
13 suspended so as to permit first reading at our
14 next Council session.

15 All in favor will say aye.

16 (Aye.)

17 COUNCIL PRESIDENT VERNA: Those
18 opposed?

19 (No response.)

20 COUNCIL PRESIDENT VERNA: The ayes
21 have it.

22 Bill No. 040138 has been reported
23 out with a favorable recommendation.

24 Thank you all very much for your
25 patience.

1 03/23/04 - RULES - PUBLIC MEETING
2 (Council adjourned at 12:36 p.m.)
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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Tuesday, March 23, 2004, were
reported fully and accurately by me, and that
this is a correct transcript of the same.

RE: COMMITTEE ON RULES

Lisa C. Bradley, RPR