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COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS

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Room 696, City Hall
Philadelphia, Pennsylvania
Wednesday, September 11, 2002
1:21 p.m.

- - -

BILL 020378 - An Ordinance authorizing the
Commissioner of Public Property, on behalf of the
City of Philadelphia, to acquire by condemnation or
by purchase in lieu of condemnation fee simple title
to a parcel of real estate with any improvements
situated thereon located at 8400 Executive Avenue
and any other real property interests in such
parcel, under certain terms and conditions.

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PRESENT:

COUNCILMAN JAMES F. KENNEY, Chair
COUNCILWOMAN JANNIE BLACKWELL
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN DARRELL L. CLARKE
COUNCILWOMAN JOAN L. KRAJEWSKI
COUNCILWOMAN DONNA REED MILLER
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN FRANK RIZZO

- - -

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I N D E X

BILL 020378	PAGE
KENNETH SIPOS, Public Property	3
TOM CHAPMAN, Planning Commission	4
CRAIG LORD, ESQ., Mrs. Ressler's	12

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378

2 COUNCILMAN KENNEY: Good afternoon,
3 ladies and gentlemen. Sorry for the delay. The
4 Committee of Public Property and Public Works is now
5 in session to hear testimony on Bill 020378, which
6 is an Ordinance authorizing the Commissioner of
7 Public Property, on behalf of the City of
8 Philadelphia, to acquire by condemnation or by
9 purchase in lieu of condemnation fee simple title to
10 a parcel of real estate with any improvements
11 situated thereon located at 8400 Executive Avenue
12 and any other real property interests in such
13 parcel, under certain terms and conditions.

14 Mr. Sipos from Public Property, please
15 identify for the record and proceed.

16 MR. SIPOS: Chairman Kenney and members
17 of the Committee on Public Property and Public
18 Works. My name is Ken Sipos, and I work in the
19 Department of Public Property. I'm testifying on
20 behalf of Commissioner Andres Perez, Jr. I'm here
21 today to testify in support of Bill 020378, an
22 Ordinance authorizing the Commissioner of Public
23 Property, on behalf of the City of Philadelphia, to
24 acquire by condemnation or by purchase in lieu of
25 condemnation fee simple title to a parcel of real

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378
2 estate with any improvements situated thereon
3 located at 8400 Executive Avenue and any other real
4 property interests in such parcel, under certain
5 terms and conditions.

6 The Department supports this measure for
7 airport expansion. Accordingly, I respectfully ask
8 that the Committee approve the bill. I also ask the
9 rules be suspended so the ordinance may be passed
10 upon the Second Reading of Council.

11 Thank you. I'll be happy to answer any
12 questions you may have, and I defer further
13 testimony to Charles Isdell, Airport Director.

14 COUNCILMAN KENNEY: Thank you very much.
15 Any questions for Mr. Sipos?

16 Seeing none, Mr. Chapman, please.

17 MR. CHAPMAN: Good afternoon, Mr.
18 Chairman and members of the Committee. For the City
19 Planning Commission, my name is Tom Chapman. This
20 bill is actually scheduled to be considered by the
21 Planning Commission at its meeting of September
22 17th, and at that time it is the intent of the staff
23 to recommend that the Commission approve this bill.
24 We believe that this bill is a good deal for the
25 City. It's consistent with the zoning of the

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378
2 property and also consistent with previous uses of
3 the property and uses in the vicinity of this
4 property. And accordingly for those reasons, we
5 would recommend that the Commission approve this
6 bill. Thank you.

7 COUNCILMAN KENNEY: Thank you very much.
8 Any questions for Mr. Chapman?

9 Seeing none, Mr. Isdell, please.

10 MR. ISDELL: Good afternoon, Mr.
11 Chairman and members of the Committee on Public
12 Property and Public Works. My name is Charles
13 Isdell, Director of Aviation for the City of
14 Philadelphia. I'm pleased to appear before you
15 today to testify in support of Bill No. 020378.

16 This bill will authorize the City of
17 Philadelphia through its Department of Commerce,
18 Division of Aviation, and the Department of Public
19 Property to acquire approximately 8 acres of real
20 property and 108,000 square feet of building located
21 at 8400 Execute Avenue within the limits of
22 Philadelphia Pennsylvania. This property is owned
23 by Sara Lee Corporation, and the facility thereon
24 was used as a meat processing plant by Ball Park
25 Franks Company. The City and Sara Lee Corporation

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378
2 entered into a sales agreement for this property on
3 June 28th. The sales agreement is expressly subject
4 to passage of Bill 020378. The property will be
5 acquired by negotiated purchase for \$2.4 million.
6 The purchase price will be paid with moneys from the
7 Aviation Fund with no General Fund impact.

8 The property is located on Executive
9 Avenue directly across from the newly constructed
10 fixed based operation which is Atlantic Aviation and
11 our new Runway 8-26. The airport requires this
12 property for future expansion. The site will play a
13 strategic role with respect to the airport's master
14 plan which is currently in progress. This proposed
15 land acquisition is consistent with departmental
16 policy and federal aviation regulations and is
17 included in the airport's six-year capital program.
18 I understand that the staff of the City Planning
19 Commission, as already mentioned, will recommend
20 this transaction to the Commission which will
21 consider the matter at a public hearing scheduled
22 for September 17.

23 The City, through its Department of
24 Commerce, Division of Aviation, intends to utilize
25 the property in the near term by leasing the land

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378
2 and building thereon to Mrs. Ressler's Food Products
3 Company for seven years. Mrs. Ressler's is a
4 family-owned business which has been in existence
5 since 1954. Mrs. Ressler's original plant located
6 at 1617 North Second Street burned down last year.
7 Had it not been for the availability of this
8 property, which, by the way, is the only property
9 within the City limits that has USDA certification
10 at this time, had it not been for the availability
11 of this property, Mrs. Ressler's intended to
12 relocate its business outside the City limits. Mrs.
13 Ressler's will employ approximately 75 to 100
14 individuals, keeping those jobs inside the City and
15 contributing approximately \$40,000 in annual real
16 estate taxes. Representatives from the Airport,
17 Commerce Department, Ms. Ressler's, and Eastwick
18 PAC, Eastwick Project Area Committee, met to discuss
19 the move of Mrs. Ressler's into this area. Eastwick
20 PAC supports both the airport's acquisition 8400
21 Execute Avenue and also supports leasing the
22 property to Mrs. Ressler's. I have with me today
23 letters of support from Maggie Powell, the Executive
24 Director of the Eastwick pac.

25 For the reasons and benefits described

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378
2 above, the airport requires this property for its
3 future airport expansion. In the meantime and
4 incidental to the primary intended airport use of
5 the property, the airport intends to lease the
6 property to enhance our revenues and support
7 economic development of the City.

8 I greatly appreciate the opportunity to
9 speak to you today in support of this bill and will
10 be happy to answer any questions that you may have.

11 COUNCILMAN KENNEY: Thank you very much
12 for your testimony.

13 Does the seven-year lease indicate that
14 the airport expansion will be at least seven years
15 or more away?

16 MR. ISDELL: The expansion, I think, in
17 that particular part of the airport property will
18 probably be that far away. The actual term of the
19 lease is not finalized yet. Mrs. Ressler's has
20 asked for seven years, but we believe that in or
21 about that time frame, our time frame for air field
22 development is probably five to ten years, roughly,
23 so seven years is not in conflict with that.

24 COUNCILMAN KENNEY: Thank you.

25 Councilmember Nutter.

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378

2 COUNCILMAN NUTTER: Thank you, Mr.
3 Chairman.

4 Mr. Isdell, I just really have a couple
5 questions that are more in the category of just
6 having some information on the record. And I
7 certainly plan to support the proposal. Just a
8 couple items.

9 One, a slightly different version of the
10 question as asked by the Chair. Your testimony
11 indicates that this proposed land acquisition is
12 consistent with your policy and is included in the
13 airport's six-year capital program. What do you
14 mean by that? You had money set aside in the
15 six-year program already for acquisition of this
16 property?

17 MR. ISDELL: Yes, for acquisition of
18 properties and parcels in the general vicinity of
19 this particular parcel as well.

20 COUNCILMAN NUTTER: And who is going to
21 work with Mrs. Ressler's with regard to what sounds
22 like now a future relocation in about seven years?
23 Obviously, we would like to still keep them in the
24 City. What are we doing in the meantime to ensure
25 that they have what is in essence a new place to go.

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378

2 MR. ISDELL: The Department of Commerce
3 and Commerce Director Jim Curoto and specifically
4 Duane Bumb, his deputy, have been the point-persons
5 for this economic development aspect of this
6 transaction. And I believe it is their intention to
7 follow-up during the term of the lease that we're
8 talking about to make sure that we keep Mrs.
9 Ressler's inside the City limits long-term.

10 COUNCILMAN NUTTER: And, again, just for
11 the record, there have been -- in some of these land
12 acquisitions there have been some questions raised
13 with regard to the price. I'm not questioning the
14 price. It is what it is. Was there an appraisal
15 done of this particular property?

16 MR. ISDELL: Yes, there was.

17 COUNCILMAN NUTTER: Are you at liberty
18 to say what the appraisal amount was or are you at
19 liberty to say whether this purchase price is the
20 same as the appraisal, more than the appraisal, or
21 less than the appraisal?

22 MR. ISDELL: The purchase price is less
23 than the appraisal. We have the appraisal with us
24 and we would like, if necessary, to share it with
25 you privately rather than as part of the public

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378

2 record.

3 COUNCILMAN NUTTER: I understand that.

4 I do not need to see the appraisal; I just needed
5 the answer that you gave. I appreciate it. Thank
6 you.

7 COUNCILMAN KENNEY: Councilmember Rizzo.

8 COUNCILMAN RIZZO: Thank you, Mr.
9 Chairman.

10 Mr. Isdell, maybe you can help me
11 recollect. For the record, I'm fairly confident
12 that the question I'm going to ask you there is no
13 connection, but I just want to be assured. I
14 remember either at a hearing or during the budget
15 process, we were going to do a deal down at Scott
16 and that deal didn't come together and we lost a
17 significant deposit on that transaction. There's no
18 connection between this deal and that deal?

19 MR. ISDELL: Absolutely no connection.
20 And the deposit involved in this agreement of sale
21 is fully refundable in the event that we do not get
22 Council approval for the purchase.

23 COUNCILMAN RIZZO: Great. I just wanted
24 to make sure that this wasn't a resurrection of that
25 other deal that fell apart.

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378

2 MR. ISDELL: No, not at all.

3 MR. RIZZ0: Thank you.

4 COUNCILMAN KENNEY: Thank you very much.

5 Any other questions for Mr. Isdell?

6 Councilmember Clarke.

7 COUNCILMAN CLARKE: Thank you, Mr.

8 Chairman. I just want to ask a quick question with
9 respect to Mrs. Ressler's business. The 75 to 100
10 individuals, are they currently employed? Will
11 there be additional employees created as a result of
12 the expansion or the additional use of this land?

13 MR. ISDELL: I am not exactly sure. My
14 understanding was that's approximately the number of
15 the people that were working at the plant that
16 burned down, and therefore, approximately this same
17 number will work in the new location. But Mrs.
18 Ressler's does have representatives here today who
19 could answer that question specifically. Should we
20 have them come to the mike?

21 COUNCILMAN KENNEY: Is there anyone here
22 from Ressler's?

23 Your Honor, please identify yourself for
24 the record.

25 MR. LORD: Good afternoon. My name is

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378

2 Craig Lord. I'm an attorney here for Mrs.
3 Ressler's and Mrs. Ressler herself is sitting here
4 in the front row with me.

5 The number of 75 to 80 people is what
6 was employed at Mrs. Ressler's immediately before
7 the fire on June 5th. This facility will enable
8 them to reemploy those people and expand the
9 employment. The estimates are somewhere in the 80
10 to 100 people range. So those are the facts with
11 respect to your question, Councilman Clarke.

12 COUNCILMAN CLARKE: You mean not 80
13 additional but up to --

14 MR. LORD: No, up to a level of 80 to
15 100, that's correct.

16 COUNCILMAN CLARKE: Have we calculated
17 the wage tax associated with the site? I see we
18 have a number for annual real estate taxes.

19 MR. LORD: We have not, but I'm sure
20 it's considerably in excess of the real estate tax
21 number you were given with 80 employees.

22 COUNCILMAN CLARKE: I don't know if that
23 would be the responsibility of the City or whomever.
24 I'd just like to calculate the wage tax associated.

25 MR. LORD: We can calculate that and

1 9/11/02 - PUBLIC PROPERTY AND PUBLIC WORKS - 020378

2 supply it to you, Councilman.

3 COUNCILMAN CLARKE: Thank you.

4 COUNCILMAN KENNEY: Thank you very much.

5 Any other questions for this witness?

6 Is there anyone else in the room here

7 left to testify to this bill?

8 Seeing none, we will first thank Mrs.

9 Ressler for staying. Thank you for staying in the

10 City. We appreciate your continued confidence in

11 the City. Thank you.

12 That will conclude our public hearing.

13 (Public hearing concluded.)

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COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC MEETING

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COMMITTEE ON PUBLIC PROPERTY AND PUBLIC WORKS

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Wednesday, September 11, 2002

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Public Meeting conducted by the
Committee on Public Property and Public Works, held
in Room 696, City Hall, Philadelphia, Pennsylvania,
on the above date, to consider action on the
following:

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BILL 020378

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PRESENT:

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COUNCILMAN JAMES F. KENNEY, Chair

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COUNCILWOMAN JANNIE BLACKWELL

COUNCILWOMAN BLONDELL REYNOLDS BROWN

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COUNCILMAN DARRELL L. CLARKE

COUNCILWOMAN JOAN L. KRAJEWSKI

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COUNCILWOMAN DONNA REED MILLER

COUNCILMAN MICHAEL A. NUTTER

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COUNCILMAN FRANK RIZZO

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1 9/11/02 - PUBLIC MEETING - BILL NO. 020378

2 COUNCILMAN KENNEY: We will now convene
3 a public meeting.

4 The Chair recognizes Councilman Nutter
5 for a motion on Bill No. 020378.

6 COUNCILMAN NUTTER: Thank you, Mr.
7 Chairman, I move that Bill 020378 be reported out of
8 this Committee with a favorable recommendation, and
9 a further request for a suspension of the rules so
10 as to permit First Reading at our next session.

11 (Duly seconded.)

12 COUNCILMAN KENNEY: It has been moved
13 and seconded.

14 All in favor?

15 (Aye.)

16 COUNCILMAN KENNEY: There are none
17 opposed.

18 Bill No. 020378 reported out this
19 Committee favorably. A request will be made for
20 rules suspension to allow for First Reading at our
21 next Council session.

22 That concludes the business of the
23 Public Property Committee. Thank you for your
24 attendance.

25 (Council adjourned at 1:33 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 September 11, 2002, were reported
fully and accurately by me, and that this is a
correct transcript of the same.

RE: COMMITTEE OF PUBLIC PROPERTY AND PUBLIC WORKS

Lisa C. Bradley, RPR
and Notary Public