

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

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, June 9, 2011
9:30 a.m.

PRESENT:

COUNCILMAN DARRELL CLARKE, CHAIR
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN JAMES KENNEY
COUNCILMAN FRANK RIZZO, JR.

BILL 110369 - An ordinance authorizing the
Philadelphia Authority for Industrial
Development (PAID) to purchase approximately
twenty-eight acres of land situate on the west
side of the Schuylkill River between 56th and
58th Streets...

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2 COUNCILMAN CLARKE: Good
3 morning. This is the Committee of Public
4 Property and Public Works. Good morning,
5 everyone.

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

8 THE CLERK: Bill No. 110369, an
9 ordinance authorizing the Philadelphia
10 Authority for Industrial Development
11 (PAID) to purchase approximately
12 twenty-eight acres of land situate on the
13 west side of the Schuylkill River between
14 56th and 58th Streets, under and subject
15 to certain terms and conditions of the
16 Philadelphia Industrial and Commercial
17 Development Agreement among the City,
18 PAID, and the Philadelphia Industrial
19 Development Corporation.

20 COUNCILMAN CLARKE: Let the
21 record reflect we have established a
22 quorum: Councilman Rizzo, Councilman
23 Greenlee and Councilman Kenney.

24 Please proceed.

25 (Witnesses approached witness

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2 table.)

3 MR. DALFO: Good morning,
4 Mr. Chairman and members of the
5 Committee. My name is Thomas Dalfo and I
6 represent the Philadelphia Industrial
7 Development Corporation and the
8 Philadelphia Authority for Industrial
9 Development. I am here to testify in
10 support of Bill No. 110369.

11 This bill authorizes PAID to
12 purchase an approximately 28-acre
13 property located on the west side of the
14 Schuylkill River between 56th and 58th
15 Streets in Southwest Philadelphia for a
16 consideration not to exceed \$3.5 million.
17 After acquisition by PAID, we will market
18 the property to private companies for
19 industrial development.

20 This site is an attractive
21 location for modern industrial
22 development in that it is large,
23 approximately 28 acres, and zoned for
24 industrial use. The site is minutes from
25 the Airport, I-95 and I-76, and is

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2 serviced by rail, which provides
3 excellent infrastructure for future users
4 of the site. Sites which possess these
5 characteristics are extremely difficult
6 to find in the City. We've been looking
7 for quite a long time.

8 This lack of marketable
9 industrial properties greatly limits
10 Philadelphia's ability to attract and
11 retain industrial companies and the
12 employment opportunities they represent
13 for residents.

14 The purchase price is the
15 amount negotiated with the property owner
16 and is supported by an appraisal of the
17 site. The current owner of the parcel,
18 Westrum SRA, has agreed to sell the site
19 to PAID.

20 The cost of this acquisition
21 will be paid from the Industrial and
22 Commercial Revolving Fund land bank.

23 I would ask that the Committee
24 consider this bill favorably and that the
25 rules of Council be suspended to permit

1 6/9/11 - PUBLIC PROPERTY - BILL 110369
2 first reading at the next regularly
3 scheduled meeting of Council.

4 Thank you for the opportunity
5 to testify. I'll be happy to answer any
6 questions you may have.

7 COUNCILMAN CLARKE: Thank you.

8 I'm all for and extremely
9 supportive of acquiring parcels to
10 position ourselves to create additional
11 opportunities or maintain opportunities.
12 Is there any particular new entity
13 interested in moving into the site or
14 developing on the site or is this a
15 speculative transaction?

16 MR. DALFO: At this point, it's
17 really looking to replenish the
18 industrial inventory that we have. The
19 site needs some infrastructure
20 improvements and it needs some cleanup.
21 We're pursuing some grant dollars from
22 the state to do that. So it's not really
23 a site in the market that would be, I
24 think, attractive at this point. We'll
25 clean it up and have it better

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2 positioned, and then we'll market it for
3 private users, and at that point, we
4 would expect something like a
5 distribution center, something that would
6 need some scale on a site like this.

7 COUNCILMAN CLARKE: Is this a
8 policy of the, I guess, the
9 Administration or simply PIDC? One of
10 the reasons I ask this question, in
11 another department within the government
12 we were working on an NTI acquisition
13 strategy and the policy position was that
14 the City was not going to essentially
15 land bank or acquire parcels unless there
16 was either a strong likelihood of a
17 funded development or a development that
18 is in fact funded. Other than that,
19 there was no interest in acquiring sites.
20 I understand that was primarily for
21 housing, but I'm just -- is it a
22 different policy for industrial sites?

23 MR. DALFO: I think it's a
24 different policy. I can't speak for the
25 Administration per se, but the industrial

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2 inventory of land is one where it's been
3 diminished because we've had a pretty
4 good amount of success over the past 10
5 or 15 years selling property. So our
6 inventory of land that would be
7 attractive and in a position to market to
8 companies that are looking to locate in
9 the region or expand within the City is
10 pretty limited. And so we find it's
11 important to have that type of inventory
12 available, so when an opportunity arises,
13 by having the control, the ownership
14 control, we can pursue a project more
15 aggressively and more credibly. When we
16 talk to industrial companies who are
17 looking at a site, we say, Well, here's a
18 site we don't have an ownership interest
19 in, but we'll get that, they tend to lose
20 interest pretty quickly.

21 COUNCILMAN CLARKE: I actually
22 am supportive of that particular policy.

23 MR. DALFO: Thank you.

24 COUNCILMAN CLARKE: Any
25 questions by members of the Committee?

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2 Councilman Kenney.

3 COUNCILMAN KENNEY: How much?

4 MR. DALFO: Excuse me?

5 COUNCILMAN KENNEY: How much?

6 MR. DALFO: We're authorized to
7 spend up to \$3.5 million.

8 COUNCILMAN KENNEY: So there's
9 no concluded deal at this point?

10 MR. DALFO: Our number is
11 subject to certain environmental
12 conditions and how they're paid for.

13 COUNCILMAN KENNEY: What was
14 the appraisal?

15 MR. DALFO: The appraisal is
16 3.8 million.

17 COUNCILMAN KENNEY: Okay.
18 Thank you.

19 COUNCILMAN CLARKE: Any other
20 questions?

21 (No response.)

22 COUNCILMAN CLARKE: Thank you
23 very much.

24 MR. DALFO: Thank you.

25 COUNCILMAN CLARKE: Anyone else

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2 to testify on this bill?

3 (No response.)

4 COUNCILMAN CLARKE: There being
5 none, this concludes the public hearing
6 on Bill No. 110369. We will now go into
7 the public meeting.

8 Councilman Kenney.

9 COUNCILMAN KENNEY: Thank you,
10 Mr. Chairman. I move that Bill No.
11 110369 be reported out of this Committee
12 favorably and a request made for rules
13 suspension to allow for first reading
14 today at our Council session.

15 (Duly seconded.)

16 COUNCILMAN CLARKE: It's been
17 moved and seconded.

18 Those in favor?

19 (Aye.)

20 COUNCILMAN CLARKE: Those
21 opposed?

22 (No response.)

23 COUNCILMAN CLARKE: The ayes
24 have it. Bill No. 110369 is reported out
25 of Committee with a favorable

1 6/9/11 - PUBLIC PROPERTY - BILL 110369
2 recommendation with rules suspension as
3 to allow reading at the next session of
4 Council.

5 Thank you very much. This
6 concludes the public meeting.

7 (Committee on Public Property
8 and Public Works concluded at 9:35 a.m.)

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2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on June 9, 2011, and that
8 this is a true and correct transcript of same.

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13 -----
14 MICHELE L. MURPHY
15 RPR-Notary Public
16
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