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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON PUBLIC PROPERTY and PUBLIC WORKS

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Room 400, City Hall

Philadelphia, Pennsylvania

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Monday, April 4, 2005, 2:15 p.m.

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8 041080 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
9 Philadelphia Authority for Industrial Development,
for nominal consideration, a deed conveying fee
10 simple title to a certain tract of City-owned land
with the buildings and improvements thereon,
11 situate in an area generally located at the
intersection of Wheatsheaf Lane and Sepviva Street
12 for further conveyance at fair market value.

13 041082 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
14 Philadelphia Authority for Industrial Development
a deed for nominal consideration conveying fee
15 simple title to certain tracts of City-owned land
located at 837-839 Montrose Street, with the
16 buildings and improvements thereon, for further
conveyance at fair market value.

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041083 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
18 Philadelphia Authority for Industrial Development
a deed conveying, for nominal consideration, fee
19 simple title to certain tracts of City-owned land
and located at 626-36 North Delaware Avenue, with
20 the buildings and improvements thereon, fur
21 further conveyance at fair market value.

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2 041084 - An Ordinance authorizing the Commissioner
3 of Public Property to execute and deliver to the
4 Philadelphia Authority for Industrial Development,
5 for nominal consideration, a deed conveying fee
6 simple title to a certain tract of City-owned land
7 with the buildings and improvements thereon,
8 situate in a rectangular area generally bounded by
9 Ruth Street on the northwest, Clearfield Street on
10 the northeast, Emerald Street on the southeast,
11 and Orleans Street on the southwest, generally
12 under and subject to the terms and conditions of
13 the Philadelphia Industrial and Commercial
14 Development Agreement between The City of
15 Philadelphia, the Philadelphia Authority for
16 Industrial Development, and the Philadelphia
17 Industrial Development Corporation.

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19 041085 - An Ordinance authorizing the Commissioner
20 of Public Property to execute and deliver to the
21 Philadelphia Authority for Industrial Development
22 a deed conveying, for nominal consideration, fee
23 simple title to certain tracts of City-owned
24 improvements thereon, for further conveyance at
25 fair market value.

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27 050061 - An Ordinance authorizing the Commissioner
28 of Public Property to execute and deliver to the
29 Philadelphia Authority for Industrial Development
30 a deed conveying, for nominal consideration, fee
31 simple title to certain tracts of City-owned land
32 located at 3300-02 North Front Street, with the
33 buildings and improvements thereon, for further
34 conveyance at fair market value.

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37 050066 - An Ordinance authorizing the Commissioner
38 of Public Property to execute and deliver to the
39 Philadelphia Authority for Industrial Development
40 a deed conveying, for nominal consideration, fee
41 simple title to certain tracts of City-owned land
42 located at 1826-34 South 10th Street, with the
43 improvements thereon, for further conveyance at
44 fair market value.

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- 2 050105 - An Ordinance approving a Lease Agreement
3 between Philadelphia Gas Works by Philadelphia
4 Facilities Management Corporation, solely in its
5 capacity as operator and manager of the City-owned
6 Philadelphia Gas Works, and Greater Germantown
7 Housing Development Corporation for certain
8 premises located at 212-14 West Cheltenham Avenue.
- 9 050106 - An Ordinance authorizing the Commissioner
10 of Public Property, on behalf of the City of
11 Philadelphia, to enter into a Sublease Agreement
12 to lease from the Philadelphia Municipal Authority
13 portions of the building located at 701 Market
14 Street, for use by the City and affiliated
15 agencies as office space, under certain terms and
16 conditions.
- 17 050132 - An Ordinance authorizing the Commissioner
18 of Public Property, on behalf of the City of
19 Philadelphia, to acquire by condemnation or by
20 purchase in lieu of condemnation a certain
21 underground easement through 3111 West Allegheny
22 Avenue, for sewer and drainage purposes, under
23 certain terms and conditions.
- 24 041059 - Resolution authorizing City Council's
25 Committee on Public Property and Public Works to
26 hold public hearings on the development and
27 implementation of public and private strategies
28 for the renovation and use of the underutilized
29 areas of City Hall.
- 30 050153 - Resolution authorizing City Council's
31 Committee on Public Property and Public Works to
32 hold public hearings on the status of land lines
33 and other means to support the need of the City
34 for data transmission, communication, and public
35 safety and security; and, in furtherance of such
36 hearing, authorizing the issuance of subpoenas to
37 compel the attendance of witnesses and the
38 production of documents to the full extent
39 authorized under section 2-401 of the Home Rule
40 Charter.

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2 050183 - Resolution approving the City of
3 Philadelphia Amended 9-1-1 Plan, and authorizing
4 the Commissioner of Public Property, on behalf of
5 the City of Philadelphia, to submit the Amended
6 9-1-1 Plan to the Pennsylvania Emergency
7 Management Agency ("PEMA") for review and
8 approval, as required by the Pennsylvania Public
9 Safety Emergency Telephone Act.

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7 PRESENT:

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9 COUNCILMAN DARRELL L. CLARKE, Chair
10 COUNCIL PRESIDENT ANNA C. VERNA
11 COUNCILMAN FRANK DI CICCIO
12 COUNCILWOMAN DONNA REED MILLER
13 COUNCILMAN MICHAEL A. NUTTER
14 COUNCILMAN FRANK RIZZO
15 COUNCILWOMAN MARIAN B. TASCO

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1 Pub. Property/Pub. Works - 4/4/05

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3 P R O C E E D I N G S

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5 CHAIRMAN CLARKE: Good afternoon.

6 The committee on Public Property and Public
7 Works will now go into session. For the
8 record, we have a quorum. To my right is
9 Councilwoman Donna Reed Miller, Council
10 President Verna, Councilwoman Tasco and
11 Councilman Franny Rizzo.

12 Will the clerk please read the title
13 of the first bill.

14 COUNCIL CLERK: Bill Number 041080,
15 An Ordinance authorizing the Commissioner of
16 Public Property to execute and deliver to the
17 Philadelphia Authority for Industrial
18 Development, for nominal consideration, a
19 deed conveying fee simple title to a certain
20 tract of City-owned land with the buildings
21 and improvements thereon, situate in an area
22 generally located at the intersection of
23 Wheatsheaf Lane and Sepviva Street for
24 further conveyance at fair market value.

25 CHAIRMAN CLARKE: Thank you. Anyone

1 Pub. Property/Pub. Works - 4/4/05

2 to testify on this bill?

3 MS. SCHLOTTERBECK: Good afternoon,
4 Councilman, members of the committee.

5 My name is Joan Schlotterbeck. I'm
6 the Public Property Commissioner, and I'm
7 here to support the bill and willing to take
8 any questions from the committee.

9 CHAIRMAN CLARKE: Proceed.

10 MS. SCHLOTTERBECK: I actually just
11 said, unless you'd like me to read my
12 testimony here, I'm here in support of this
13 bill. And I didn't know whether you wanted
14 to just ask questions or have me read through
15 each one.

16 CHAIRMAN CLARKE: Do you have any
17 written testimony?

18 COMMISSIONER SCHLOTTERBECK: Yes, I
19 do.

20 CHAIRMAN CLARKE: Please proceed.

21 COMMISSIONER SCHLOTTERBECK: Okay.

22 Joan Schlotterbeck, Public Property
23 Commissioner. I'm here today to testify on
24 Bill 41080, an ordinance authorizing the
25 Commissioner of Property to execute and

1 Pub. Property/Pub. Works - 4/4/05
2 deliver to the Philadelphia Authority for
3 Industrial Development for nominal
4 consideration a deed conveying fee simple
5 title to a certain tract of City-owned land
6 with buildings and improvements thereon,
7 situate in an area generally located at the
8 intersection of Wheatsheaf Lane and Sepviva
9 Street, for further conveyance at fair market
10 value.

11 This bill will enable the City to
12 convey this property to PAID for sale to an
13 adjacent developer at fair market value, with
14 net proceeds being deposited into the General
15 Fund.

16 The former bed of Sepviva Street --
17 I'm not even sure I'm saying that right --
18 was purchased in fee by the City. The street
19 was stricken in 1952.

20 The purchase of this parcel will
21 enable the developer to have an entrance to
22 its property fronting on Wheatsheaf Lane.

23 The Department of Public Property
24 supports this measure, and accordingly I
25 respectfully ask that City Council approve

1 Pub. Property/Pub. Works - 4/4/05

2 this bill.

3 I also ask that the rules be
4 suspended so that the ordinance may be passed
5 upon second reading at Council.

6 Thank you. I'm happy to answer any
7 questions.

8 CHAIRMAN CLARKE: You're welcome.

9 Any questions from members of the
10 committee?

11 COUNCIL PRESIDENT VERNA: Yes.

12 CHAIRMAN CLARKE: Council President
13 Verna.

14 COUNCIL PRESIDENT VERNA: Is this
15 for a side yard, you know, the adjacent
16 property?

17 COMMISSIONER SCHLOTTERBECK: I'll
18 ask John to answer that.

19 JOHN: This was a business I bought,
20 a parcel of land at this site, and thought
21 they had title to this small parcel adjacent
22 to its business, and asked us to convey to
23 the business.

24 COUNCIL PRESIDENT VERNA: Thank you.

25 CHAIRMAN CLARKE: Councilwoman

1 Pub. Property/Pub. Works - 4/4/05

2 Tasco.

3 Any other questions by members of
4 the committee on this particular bill?

5 (No response.)

6 COUNCIL CLERK: Will the clerk
7 please read the title of the next bill.

8 COUNCIL CLERK: Bill Number 041082,
9 An Ordinance authorizing the Commissioner of
10 Public Property to execute and deliver to the
11 Philadelphia Authority for Industrial
12 Development a deed for nominal consideration
13 conveying fee simple title to certain tracts
14 of City-owned land located at 837-839
15 Montrose Street, with the buildings and
16 improvements thereon, for further conveyance
17 at fair market value.

18 CHAIRMAN CLARKE: Do you wish to
19 testify on this bill?

20 COMMISSIONER SCHLOTTERBECK: Again,
21 I'm Joan Schlotterbeck, Public Property
22 Commissioner.

23 And I'm here to testify in support
24 of Bill 41082, an ordinance authorizing me as
25 Commissioner to deliver to PAID a deed

1 Pub. Property/Pub. Works - 4/4/05
2 conveying simple title to certain tracts of
3 land located at 837 to 839 Montrose, with the
4 buildings and improvements thereon, for
5 further conveyance at fair market value.

6 This bill will enable the City to
7 convey this property to PAID for sale to a
8 developer at fair market value, with net
9 proceeds going to the General Fund.

10 The property is the recreation site
11 purchased in 1909 and formerly used as the
12 Fonte Leon pool. The site is obsolete and
13 not used and is part of the Recreation
14 Department's right-sizing initiative.

15 Public Property supports this
16 measure. And therefore, I'd ask Council to
17 approve the bill.

18 And I would also ask that the rules
19 be suspended so that the ordinance may be
20 passed upon second reading by Council.

21 CHAIRMAN CLARKE: Thank you.
22 Council President.

23 COUNCIL PRESIDENT VERNA: This is
24 one of the City's surplus properties?

25 COMMISSIONER SCHLOTTERBECK: Yes, as

1 Pub. Property/Pub. Works - 4/4/05

2 part of the recreation right-sizing.

3 COUNCIL PRESIDENT VERNA: Fine.

4 Thank you.

5 CHAIRMAN CLARKE: You're welcome.

6 Councilman DiCicco.

7 COUNCILMAN DiCICCO: Yeah. Just for
8 point of information, this site is located in
9 my district. It's the former Fonte Leon
10 pool, City-owned pool, which has not been
11 operative for at least five or six years.

12 Over many, many years the pool --
13 the condition of the pool caused some severe
14 problems to adjacent properties. And at the
15 request of the community, several years ago
16 we closed the pool down. It's really no
17 longer functional as a pool. So, we agreed
18 to let this go.

19 COUNCIL PRESIDENT VERNA: I'm
20 assuming we have somebody of interest.

21 COUNCILMAN DiCICCO: There were
22 actually two people who were interested. One
23 gentleman because of his physical condition
24 is no longer interested. He was actually
25 thinking of buying it and building his home

1 Pub. Property/Pub. Works - 4/4/05

2 on it.

3 There's a business person on South
4 9th Street who has expressed an interest to
5 take the building and expand its present
6 operations, his business operation.

7 CHAIRMAN CLARKE: I'm assuming you
8 got it timely.

9 COUNCILMAN DiCICCO: What?

10 CHAIRMAN CLARKE: I'm assuming you
11 got a timely appraisal on this particular
12 parcel.

13 COUNCILMAN DiCICCO: We have an
14 appraisal, I think, on this one, right?

15 COMMISSIONER SCHLOTTERBECK: Yes, we
16 do. And it was timely.

17 Thank you.

18 COUNCILMAN DiCICCO: Very timely.

19 CHAIRMAN CLARKE: Councilwoman
20 Tasco.

21 COUNCILWOMAN TASCO: No.

22 CHAIRMAN CLARKE: Okay. All right.

23 Thank you.

24 Anyone else to testify on this bill?

25 (No response.)

1 Pub. Property/Pub. Works - 4/4/05

2 CHAIRMAN CLARKE: Any other
3 questions by members of the committee on this
4 particular bill?

5 (No response.)

6 CHAIRMAN CLARKE: There being none,
7 will the clerk please read the title of next
8 bill.

9 COUNCIL CLERK: Bill 041083, An
10 Ordinance authorizing the Commissioner of
11 Public Property to execute and deliver to the
12 Philadelphia Authority for Industrial
13 Development a deed conveying, for nominal
14 consideration, fee simple title to certain
15 tracts of City-owned land and located at
16 626-36 North Delaware Avenue, with the
17 buildings and improvements thereon, for
18 further conveyance at fair market value.

19 CHAIRMAN CLARKE: For the record,
20 the language in the title is referencing
21 nominal consideration. That is the nominal
22 consideration to PAID?

23 COMMISSIONER SCHLOTTERBECK: Yes.

24 CHAIRMAN CLARKE: From the City.

25 COMMISSIONER SCHLOTTERBECK: Yes.

1 Pub. Property/Pub. Works - 4/4/05

2 CHAIRMAN CLARKE: And subsequently
3 PAID will convey for fair market value to the
4 purchaser. The revenue associated with that
5 purchase will then go back to the City's
6 General Fund.

7 COMMISSIONER SCHLOTTERBECK: That's
8 correct.

9 CHAIRMAN CLARKE: Okay. Thank you.
10 Do you want to testify on this bill?

11 COMMISSIONER SCHLOTTERBECK: Joan
12 Schlotterbeck. I'm Public Property
13 Commissioner. I'm here today to testify in
14 support of Bill 41083.

15 This bill authorizes me as
16 Commissioner to execute and deliver to PAID
17 for nominal consideration a deed conveying
18 fee simple title to certain tracts of City
19 land located at 626 to 636 North Delaware
20 Avenue with the buildings and improvements
21 thereon for further conveyance at fair market
22 value.

23 This bill will enable the City to
24 convey this property to PAID for the sale to
25 the developer at fair market value, with net

1 Pub. Property/Pub. Works - 4/4/05
2 proceeds being deposited into the General
3 Fund.

4 The property is the department's
5 special events warehouse purchased in 1947.
6 This site is underutilized, and the warehouse
7 will be relocated to another City-owned
8 facility.

9 Public Property supports this
10 measure. And accordingly, I respectfully ask
11 that City Council approve this bill.

12 I also ask that the rules be
13 suspended so that the ordinance may be passed
14 upon the second reading of Council.

15 Thank you.

16 CHAIRMAN CLARKE: Thank you.

17 One question. This came up at the
18 last hearing, as it relates to property
19 conveyances by PAID.

20 Upon the sale of the property, does
21 the property then come back to City Council
22 for disposal or does PAID simply enter into
23 an agreement, sales agreement, and ultimate
24 purchase? Does it subsequently come back to
25 the Council, the District Council person for

1 Pub. Property/Pub. Works - 4/4/05

2 conveyance?

3 COMMISSIONER SCHLOTTERBECK: We
4 actually had met with Council President, as
5 she can tell you, and we discussed having a
6 resolution accompanying these bills so that
7 it would come back to the respective Council
8 person for final review and approval.

9 CHAIRMAN CLARKE: Okay. I'm
10 assuming that's not going to be a cumbersome
11 process, as per the discussion at the prior
12 hearing.

13 COMMISSIONER SCHLOTTERBECK:
14 Actually, the Law Department has sent me
15 language. And I forwarded it to the Mayor's
16 Office. And I'm just waiting for that
17 approval at this point.

18 CHAIRMAN CLARKE: Okay. Because you
19 know earlier we raised some concerns about
20 not knowing what the end use of those
21 properties could ultimately be, if there was
22 a situation where PAID or P.I.D.C was not
23 having conversations with the Council person
24 which they normally do. But we were
25 concerned that at some point that could

1 Pub. Property/Pub. Works - 4/4/05
2 potentially happen, and the end use wouldn't
3 be conducive to the community's use. Okay.
4 All right.

5 Councilwoman Tasco.

6 COUNCILWOMAN TASCO: Has a buyer
7 been identified for this site yet?

8 JOHN: No.

9 COMMISSIONER SCHLOTTERBECK: No, we
10 do not. It's at Delaware and Spring Garden,
11 is the location.

12 COUNCIL PRESIDENT VERNA:
13 Councilman DiCicco.

14 CHAIRMAN CLARKE: Councilman
15 DiCicco, there was a question about potential
16 purchases -- purchaser of this particular
17 property and whether or not we had any --

18 COUNCILMAN DiCICCO: None that I
19 know of, not to my knowledge.

20 CHAIRMAN CLARKE: Any other
21 questions by members of the committee of
22 these witnesses on this particular bill?

23 (No response.)

24 CHAIRMAN CLARKE: There being none,
25 the clerk will please read the title of the

1 Pub. Property/Pub. Works - 4/4/05

2 next bill.

3 COUNCIL CLERK: Bill Number 041084,
4 an ordinance authorizing the commissioner of
5 Public Property to execute and deliver to the
6 Philadelphia authority for industrial
7 development for nominal consideration a deed
8 conveying fee simple title to a certain tract
9 of City-owned land with the buildings and
10 improvements thereon, situate in a
11 rectangular area generally bounded by Ruth
12 Street on the northwest, Clearfield Street on
13 the northeast, Emerald Street on the
14 southeast and Orleans Street on the
15 southwest, generally under and subject to the
16 terms and conditions of the Philadelphia
17 industrial and commercial development
18 agreement between the City of Philadelphia,
19 the Philadelphia Authority for Industrial
20 Development, and the Philadelphia Industrial
21 Development Corporation.

22 CHAIRMAN CLARKE: Thank you.
23 Testimony on this bill.

24 COMMISSIONER SCHLOTTERBECK: Yes.
25 Joan Schlotterbeck, Commissioner of

1 Pub. Property/Pub. Works - 4/4/05
2 Department of Public Property. I'm here
3 today to support the Bill Number 41084.

4 This ordinance authorizes me as
5 Commissioner to execute and deliver to PAID
6 for nominal consideration a deed conveying
7 fee simple title to a certain tract of land,
8 City-owned land, generally bounded by Ruth
9 Street on northwest, Clearfield Street on the
10 northeast, Emerald Street on the southeast
11 and Orleans Street on southwest, with the
12 buildings and improvements thereon for future
13 conveyance at fair market value.

14 This bill enables the City to convey
15 this property to PAID for the sale to the
16 Philadelphia School District at fair market
17 value, with net proceeds being deposited into
18 the General Fund.

19 The property is the Elkhardt
20 playground site purchased in 1947. This site
21 is also known as 1930 East Elkhardt Street.
22 The site will be used as the new Willard
23 School for the Philadelphia School District.

24 The department supports this
25 measure. And accordingly, I respectfully ask

1 Pub. Property/Pub. Works - 4/4/05
2 that City Council approve Bill Number 41084.

3 I also ask that the rules be
4 suspended so that the ordinance may be passed
5 upon the second reading of Council.

6 Thank you.

7 CHAIRMAN CLARKE: Thank you.

8 Any questions by members of the
9 Committee?

10 (No response.).

11 CHAIRMAN CLARKE: Anyone else to
12 testify on this particular bill?

13 (No response.)

14 MS. SCHLOTTERBECK: Someone from the
15 School District is here.

16 MR. HENWOOD: Thank you.

17 Good afternoon, Councilman Clarke
18 and members of the City Council committee on
19 Public Property.

20 My name is Pat Henwood. I'm the
21 Director of Capital Programs for the School
22 District of Philadelphia.

23 I'm here today to testify in support
24 of Bill 041084. This bill is the first step
25 in a process that will allow the School

1 Pub. Property/Pub. Works - 4/4/05
2 District to acquire the Franklin/Elkhardt
3 Recreational Center.

4 Once acquired, the district will
5 build a brand new state-of-the-art school to
6 replace the existing Willard Elementary
7 School.

8 The existing Willard Elementary
9 School, located at 2900 Emerald Street, is
10 severely overcrowded. Constructed in 1907,
11 during the era when students went home for
12 lunch, the building is without ancillary
13 rooms, such as gymnasiums, cafeteria or an
14 auditorium.

15 The school's principal and support
16 staff use a converted classroom as their work
17 space. The current library also consists of
18 converted classrooms. Basement rooms that
19 were used for coal and ash storage now house
20 a small lunchroom and play areas for
21 students.

22 There are 775 students currently
23 enrolled in grades kindergarten through four
24 at Willard, exceeding the educational
25 capacity of the building by 125. The

1 Pub. Property/Pub. Works - 4/4/05
2 additional students are being served in
3 portable trailers located in the schoolyard.

4 The new Willard Elementary School
5 will be a K to 8 building and will satisfy
6 the district's K to 8 and 9 to 12 system
7 initiative.

8 The Willard replacement is a
9 critical lynch pin to moving all of the
10 schools in the Jones Middle School feeder
11 boundary including Willard Elementary to K to
12 8 schools.

13 This cannot be done today because
14 Willard does not have the space, size or
15 facilities to become a K to 8 school, and the
16 school yard is too small to support
17 construction of an addition.

18 We are very excited about the
19 Willard School project. The tentative design
20 for a new 13,000 square foot facility for
21 1100 Kindergarten through 8th grade students
22 includes 39 state-of-the-art classrooms, 20
23 shared classrooms, including science labs,
24 art studios, computer labs, language labs,
25 multiple life skills support, technical

1 Pub. Property/Pub. Works - 4/4/05
2 education classrooms, family life management
3 classrooms, music suites and speech and
4 hearing therapy classrooms. It also includes
5 a cafetorium, an instructional media center,
6 a gymnasium with basketball court, volleyball
7 court and locker rooms, administrative
8 offices including counseling and health
9 suites, and building support facilities
10 including storage, maintenance and mechanical
11 spaces.

12 The new building will be fully air
13 conditioned and have state-of-the-art fire
14 alarm and security systems, a fire protection
15 system and computer network wiring systems,
16 as well as indirect light systems and
17 classrooms.

18 The building will be organized
19 around modified P-shaped configuration with a
20 primary two-story classroom wing and a
21 circulation wing that contains a lobby, a
22 cafetorium and a gymnasium, all of which will
23 be designed for after-hours use by the
24 community.

25 Finally, the building configuration

1 Pub. Property/Pub. Works - 4/4/05
2 will organize the site into three distinct
3 open areas: A formal lunch entry courtyard
4 for visitors, including an enclosed
5 kindergarten play area; a large school yard
6 recreation area; and a designated parking
7 area that will accommodate 90 cars.

8 Thank you for allowing me the
9 opportunity to speak before the committee. I
10 ask that you please support Bill 041084 and
11 will be glad to answer any questions you
12 might have.

13 CHAIRMAN CLARKE: Thank you.

14 What's the consideration for this
15 conveyance?

16 JOHN: The appraisal value?

17 CHAIRMAN CLARKE: Yes. Is it fair
18 market?

19 JOHN: Fair market value.

20 CHAIRMAN CLARKE: It didn't indicate
21 that on the title.

22 JOHN: It is on our bill, testimony.

23 CHAIRMAN CLARKE: All right. No
24 problem.

25 Any questions by members of the

1 Pub. Property/Pub. Works - 4/4/05

2 committee for these witnesses?

3 COUNCILMAN DiCICCO: Not unless they
4 have a question for me.

5 (No response.)

6 CHAIRMAN CLARKE: Thank you very
7 much.

8 JOHN: Thank you.

9 CHAIRMAN CLARKE: Will the clerk
10 please read title of the next bill.

11 COUNCIL CLERK: Bill 041085, An
12 Ordinance authorizing the Commissioner of
13 Public Property to execute and deliver to the
14 Philadelphia Authority for Industrial
15 Development a deed conveying, for nominal
16 consideration, fee simple title to certain
17 tracts of City-owned improvements thereon,
18 for further conveyance at fair market value.

19 CHAIRMAN CLARKE: Thank you.

20 COMMISSIONER SCHLOTTERBECK: Joan
21 Schlotterbeck, Commissioner of Department of
22 Public Property.

23 I am here to testify in support of
24 Bill Number 41085. This bill authorizes me
25 as Commissioner to execute and deliver to

1 Pub. Property/Pub. Works - 4/4/05
2 PAID a deed conveying fee simple title to
3 certain tracts of City-owned land located at
4 1002 to 1010 Lemon Street, with the buildings
5 and improvements thereon for further
6 conveyance at fair market value.

7 The bill will enable the City to
8 convey this property to PAID for sale to a
9 developer at fair market value, with net
10 proceeds being deposited to the City's
11 General Fund.

12 The property is a recreation site
13 purchased in 1968. The site is currently
14 unstaffed, receives minimal use, and is part
15 of the Recreation Department's right-sizing
16 initiative.

17 The department supports this
18 measure. And accordingly, I respectfully ask
19 that Council approve Bill Number 41085.

20 I also ask that the rules be
21 suspended so that the ordinance may be passed
22 upon the second reading of Council.

23 Thank you.

24 CHAIRMAN CLARKE: Thank you.

25 Briefly, earlier in your testimony

1 Pub. Property/Pub. Works - 4/4/05
2 we talked about a process being arranged by
3 resolution that properties would be conveyed
4 to the ultimate purchaser. How long do you
5 anticipate that process to take place?

6 COMMISSIONER SCHLOTTERBECK: I
7 actually don't have an answer, but I can find
8 out as soon as I get back to my office today,
9 get a call into Joyce Wilkerson, Chief of
10 Staff.

11 CHAIRMAN CLARKE: Do you have a
12 sense that any of these properties that have
13 been discussed or that will be discussed will
14 be able to be -- the deals will be able to be
15 consummated during the course of this budget
16 discussion?

17 COMMISSIONER SCHLOTTERBECK: I would
18 certainly hope so.

19 CHAIRMAN CLARKE: What's the
20 traditional time frame from the time we
21 authorize the conveyance to PAID?

22 I'm assuming that in some instances
23 we already have interested parties. Like in
24 this -- The reason I asked this question, in
25 this particular situation, the Lemon Street,

1 Pub. Property/Pub. Works - 4/4/05

2 I know that there's a substantial amount of
3 interest by developers to build new
4 construction.

5 There's a couple of units going up
6 as we speak. And I'm assuming that this
7 could be sold as soon as the appraisal is
8 completed.

9 MR. HENWOOD: All right. After it's
10 transferred to PAID, assuming there isn't a
11 long due diligence period set up by the
12 developer or interested party, it shouldn't
13 be very long to complete the transaction.

14 CHAIRMAN CLARKE: In its totality,
15 what do you anticipate, assuming the best
16 case scenario, that all of these properties
17 that we're conveying today will be sold at
18 fair market value? What did you anticipate?

19 COMMISSIONER SCHLOTTERBECK: Time
20 frame?

21 CHAIRMAN CLARKE: That level of due
22 diligence.

23 MR. HENWOOD: The average due
24 diligence period?

25 CHAIRMAN CLARKE: Well, I'm saying,

1 Pub. Property/Pub. Works - 4/4/05
2 we all know and acknowledge that we have a
3 budget concern which was why the City,
4 working with Council members, are
5 aggressively seeking to market surplus
6 properties.

7 COMMISSIONER SCHLOTTERBECK: Right.

8 CHAIRMAN CLARKE: And as we
9 deliberate on this budget, I guess we're
10 trying to get a sense as to whether or not we
11 can anticipate any revenue generated as a
12 result of the conveyance of deeds to be a
13 part of this budget discussion.

14 MR. HENWOOD: Well, the appraisals
15 we received to date on properties number
16 about \$22 million. And we're still waiting
17 for a number.

18 CHAIRMAN CLARKE: On this?

19 MR. HENWOOD: For all. On all the
20 ones we've gotten information back so far.
21 We're still waiting for information on other
22 properties, but to date we've received \$22
23 million worth of appraisals.

24 CHAIRMAN CLARKE: That list includes
25 what? All surplus properties or the

1 Pub. Property/Pub. Works - 4/4/05

2 properties that we're conveying today?

3 MR. HENWOOD: No. It includes other
4 properties in addition to these.

5 CHAIRMAN CLARKE: How many
6 properties in total?

7 MR. HENWOOD: Probably between 30
8 and 40.

9 CHAIRMAN CLARKE: 30 and 40?

10 MR. HENWOOD: (Nods head up and
11 down.)

12 CHAIRMAN CLARKE: Best case \$22
13 million?

14 COMMISSIONER SCHLOTTERBECK: Yes.

15 CHAIRMAN CLARKE: Best case
16 scenario?

17 MR. HENWOOD: There are some large
18 properties we haven't got appraisal
19 information back.

20 CHAIRMAN CLARKE: I'm sorry. Did
21 you say including these or not including
22 these?

23 COMMISSIONER SCHLOTTERBECK:
24 Including these, yes.

25 COUNCILMAN DiCICCO: Point of

1 Pub. Property/Pub. Works - 4/4/05

2 information.

3 If I may, Mr. Chairman, what is the
4 cumulative value of the bills in front of us?
5 What's the worth of these, assuming we get
6 fair market value?

7 MR. HENWOOD: I have individual
8 numbers. I don't have... I could...

9 COUNCILMAN DiCICCO: I think
10 Franklin Field is about \$750,000, if I'm not
11 mistaken.

12 COMMISSIONER SCHLOTTERBECK: Tom
13 Dalpo is here from PIDC.

14 MR. DALPO: Good morning, Mr.
15 Chairman, members of the committee.

16 CHAIRMAN CLARKE: Good afternoon.

17 MR. DALPO: I'm Tom Dalpo with the
18 Philadelphia Industrial Development
19 Incorporation.

20 The appraised value on the aggregate
21 on the sites that are considered for the
22 committee today is in the area of about \$2.5
23 million total for those sites, if you add
24 them all up.

25 Some have some significant value and

1 Pub. Property/Pub. Works - 4/4/05
2 some have some pretty limited value. When
3 you average it out, it comes out for all of
4 them all told \$2.5 million.

5 CHAIRMAN CLARKE: So, this is a
6 small percentage of the \$22 million.

7 MR. DALPO: Yes. So far.

8 COMMISSIONER SCHLOTTERBECK: Yes.

9 CHAIRMAN CLARKE: So, I'm assuming
10 that the number of properties that you've
11 indicated, between 30 and 40 total, that the
12 other properties that are conveyed are either
13 much larger or much more valuable. How do we
14 get from \$2 million to \$22 million?

15 MR. DALPO: I would say there are
16 two ways that you get to the \$22 million.
17 There are a handful of properties that are
18 relatively high value.

19 A couple of the sites that I think
20 have not yet been brought to the committee
21 are in Center City or in near Center City,
22 where the real estate market has been
23 exceedingly high in recent years.

24 And I think the City would realize a
25 very good value for those properties. In

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2 some cases probably more than the aggregate
3 value of these pieces here for a single
4 parcel.

5 There are some other large
6 properties that would be attractive for
7 developers or have revenue potential for
8 developers as well, that I think would get
9 you to that number.

10 CHAIRMAN CLARKE: Councilman
11 DiCicco.

12 COUNCILMAN DiCICCO: Thank you
13 again.

14 The recent transaction or the sale
15 of the former morgue building at 13th and
16 Wood, is that included in any of these
17 numbers that either...

18 COMMISSIONER SCHLOTTERBECK: Yes.

19 MR. DALPO: That was sold for 500.

20 COUNCILMAN DiCICCO: Did that deal
21 get consummated? I mean, I know it's all
22 done. So, we received the \$516,000?

23 COMMISSIONER SCHLOTTERBECK: 512.

24 COUNCILMAN DiCICCO: \$512,000. I'm
25 sure. For \$4,000, okay, give me a hard time.

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2 I know.

3 COMMISSIONER SCHLOTTERBECK: I owe
4 you.

5 Yes, that's actually money in the
6 bank, so to speak. We received that already.

7 COUNCILMAN DiCICCO: All right.
8 Thank you.

9 COUNCIL PRESIDENT VERNA: That's
10 included in the \$2.5 million?

11 COMMISSIONER SCHLOTTERBECK: Yes.
12 Yes. No, no. That's included in the \$20
13 million, the overall.

14 COUNCIL PRESIDENT VERNA: Oh, in the
15 \$20 million.

16 I personally would be curious to
17 know how much revenue we have generated as a
18 result of the sale of the properties. They
19 have -- For instance, the one that Councilman
20 DiCicco just referred to, the old morgue, I
21 don't think that's been included in the
22 budget that we're considering, as far as
23 revenues are concerned.

24 COMMISSIONER SCHLOTTERBECK: No. It
25 has. We have Public Property's budget

1 Pub. Property/Pub. Works - 4/4/05

2 reflects a certain level --

3 COUNCIL PRESIDENT VERNA: I'm sorry?

4 COMMISSIONER SCHLOTTERBECK: Public
5 Property's budget does reflect revenue being
6 generated from the sales.

7 COUNCIL PRESIDENT VERNA: The \$2.5
8 million that we're talking about today is
9 also included?

10 COMMISSIONER SCHLOTTERBECK: I
11 believe... Is it \$10 mill?

12 MR. DALPO: (Nods head up and down.)

13 COMMISSIONER SCHLOTTERBECK: I
14 believe our budget reflects \$10 million. Or
15 if it's not in my budget, it's in Finance.
16 We have a \$10 million projection for this
17 fiscal year.

18 CHAIRMAN CLARKE: For asset sales?

19 COMMISSIONER SCHLOTTERBECK: Yes.

20 CHAIRMAN CLARKE: And the \$22
21 million is what? Where is that?

22 MR. DALPO: That's --

23 CHAIRMAN CLARKE: That's budgeted in
24 out years or...

25 MR. DALPO: That's the total

1 Pub. Property/Pub. Works - 4/4/05
2 appraised value we've received to date on
3 properties that we've asked for an appraisal
4 for.

5 COMMISSIONER SCHLOTTERBECK: So if
6 we're aggressive and things move fast, we get
7 more.

8 CHAIRMAN CLARKE: But you're only
9 budgeting \$10 million?

10 COMMISSIONER SCHLOTTERBECK: Right.

11 CHAIRMAN CLARKE: You're only
12 projecting \$10 million in your budget?

13 COMMISSIONER SCHLOTTERBECK: Yes.

14 CHAIRMAN CLARKE: But the best case
15 scenario, there would be \$22 million
16 available.

17 MR. DALPO: No. It's \$22 million
18 received to date.

19 We're still waiting for a number of
20 appraisals.

21 CHAIRMAN CLARKE: You said received
22 to date. I'm not clear. You received the
23 appraisals for \$22 million?

24 MR. DALPO: Yes. Yes.

25 COMMISSIONER SCHLOTTERBECK: And we

1 Pub. Property/Pub. Works - 4/4/05

2 have others waiting.

3 CHAIRMAN CLARKE: What is your \$10
4 million dollar projection based on?

5 COMMISSIONER SCHLOTTERBECK:
6 Actually, Councilman, when we first started
7 this, we were very conservative. And within
8 the last, I would say, six or eight weeks,
9 more and more properties have been added to
10 the list either by just our own knowledge and
11 our own research within my department.

12 We haven't really done detailed
13 researches at this point. This is -- These
14 are properties that are... either we have
15 people coming to us with interest. We
16 figured that they were worth selling because
17 they're not used for any valuable purpose.
18 And the market is commanding large dollars.

19 So, what we're trying -- When we
20 initially projected these numbers, we were
21 very conservative because we know how
22 everything takes time.

23 CHAIRMAN CLARKE: So, how will we
24 know if the best case scenario takes place,
25 as it relates to what your original

1 Pub. Property/Pub. Works - 4/4/05

2 estimation in your projected budget?

3 COMMISSIONER SCHLOTTERBECK: How
4 will I know?

5 CHAIRMAN CLARKE: If you get \$15
6 million, how do we know if that \$5 million is
7 now available in the General Fund?

8 COMMISSIONER SCHLOTTERBECK: Well,
9 Finance would know that. And I guess they
10 would route that money for other use. That
11 wouldn't be something I would make a decision
12 about.

13 In other words, if I was -- my
14 results yielded more funds than what I
15 projected? Is that your question?

16 CHAIRMAN CLARKE: Yes.

17 COMMISSIONER SCHLOTTERBECK: Yes.
18 That money would be used for other purposes.
19 That would not be a decision --

20 CHAIRMAN CLARKE: No. It wouldn't
21 be a part of your budget.

22 COMMISSIONER SCHLOTTERBECK: It
23 would go into the General Fund.

24 CHAIRMAN CLARKE: I understand that.
25 But that would not be a part of your

1 Pub. Property/Pub. Works - 4/4/05

2 projected budget.

3 COMMISSIONER SCHLOTTERBECK: No.

4 CHAIRMAN CLARKE: Just asset sales.

5 COMMISSIONER SCHLOTTERBECK: Yes.

6 It would just mean that we received more
7 revenue than we projected. And that's a good
8 thing.

9 CHAIRMAN CLARKE: All right.

10 Councilwoman Miller.

11 COUNCILWOMAN MILLER: Hi. Good
12 afternoon.

13 Will this property in Bill Number
14 0061 be more of a residential or commercial
15 use? What would be the use or what do you
16 think would be the use?

17 COMMISSIONER SCHLOTTERBECK: Which?
18 I'm sorry.

19 COUNCILWOMAN MILLER: The one that
20 we're talking about, 050061.

21 CHAIRMAN CLARKE: Didn't do that
22 one.

23 COUNCILWOMAN MILLER: Front Street.

24 COMMISSIONER SCHLOTTERBECK: We
25 haven't gotten there yet.

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2 COUNCILWOMAN MILLER: I thought we
3 were on that bill. I'm ahead?

4 COMMISSIONER SCHLOTTERBECK: Yes.
5 You're ahead by two.

6 COUNCILWOMAN MILLER: I guess that's
7 just wishful hoping.

8 This is the one that's going to be
9 used for the School District on Lemon Street?

10 CHAIRMAN CLARKE: No. Lemon Street
11 is a relatively small parcel. It's just
12 north of Spring Garden. It will probably be
13 used for residential construction.

14 COUNCILWOMAN MILLER: I think it's
15 just good for us to know, everybody on the
16 committee. I am not familiar with where
17 these locations are. So, it just helps me
18 understand what you're targeting, whether
19 it's in my district or not.

20 COMMISSIONER SCHLOTTERBECK: Oh.
21 Okay.

22 COUNCILWOMAN MILLER: Okay.

23 COUNCILMAN DiCICCO: Do you want me
24 to explain? The pool location is on Montrose
25 Street between 9th and 8th. Montrose is

1 Pub. Property/Pub. Works - 4/4/05
2 between Christian and Carpenter, just on the
3 Italian market. Just off the Italian market.
4 Wheatsheaf Lane which was the first
5 bill. Aramingo Avenue at Wheatsheaf Lane,
6 going north, it would be on the left-hand
7 side. It's... You can't even see this
8 property from Aramingo Avenue. It's kind of
9 set back.

10 And when the original buyer who was
11 seeking the additional piece of land
12 purchased it, I think when it came in, Mr.
13 Hersin was explaining that there was a --
14 they omitted a small portion of what should
15 have been part of the original sale.

16 Basically of no use to anybody but
17 the owner of the 21-acre parcel that was
18 bought a few years ago which is currently
19 being used as a furniture distribution and
20 assembling plant.

21 Company was located in Councilman
22 Mariano's district. Largest furniture
23 wholesale distributors in the country. They
24 have businesses in Boston and Chicago, and I
25 think in Georgia, if I'm not mistaken.

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2 Considering moving out of the City at one
3 time.

4 I was able to convince him to stick
5 around, and through a lot of incentives of
6 P.I.D.C. and others, we were able to keep
7 them here. And they've actually expanded
8 their business.

9 I think that is that. The pool...
10 And what else did I have? Delaware Avenue.
11 Again, that was something that the City came
12 to me about, asked me if I would support the
13 legislation.

14 I mean, anything's possible to
15 happen there. I don't know of any -- any
16 particular interest in that site. It could
17 be housing, it could be retail, commercial
18 along Delaware Avenue.

19 And then the next one is the Emerald
20 Street property. That's Ruth. That's the
21 one that was just explained the School
22 District is interested in buying.

23 It's a playground recreation
24 facility. It's very, very under utilized,
25 and made the decision that I think it's in

1 Pub. Property/Pub. Works - 4/4/05
2 the best interests that we do the new school
3 as -- and not keep the playground.

4 COUNCILWOMAN MILLER: Okay. Thank
5 you.

6 CHAIRMAN CLARKE: Thank you.
7 Councilwoman Tasco.

8 COUNCILWOMAN TASCO: Who does the
9 appraisals for the City?

10 COMMISSIONER SCHLOTTERBECK: We have
11 a list which we actually submitted as part of
12 our testimony or if we haven't submitted our
13 testimony response yet, we will be.

14 MR. HENWOOD: We have forwarded that
15 response to the Finance Department who's
16 coordinating the responses to City Council
17 but we did list the appraisers that both us
18 and PIDC have used in the past year. There
19 are about eight to ten.

20 MR. DALPO: It's our policy to only
21 use City based appraisers for projects in the
22 City, so all the appraisers -- all the
23 appraisers that we use are experienced
24 appraisers of industrial or residential or
25 commercial property. And they're all based

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2 in the City of Philadelphia.

3 And we have enough range that we
4 have about 10 to 12 that we use on kind of a
5 rolling basis that will do work on these
6 properties.

7 COUNCILWOMAN TASC0: So, how are
8 they -- How do you use them? They are each
9 given a turn to appraise a property or do you
10 use one more than the other?

11 MR. DALPO: We tend to balance it
12 based upon an overall kind of scale of the
13 appraisals and each particular appraiser's
14 expertise.

15 Some are better -- Some have more
16 experience with certain types of property.
17 So we tend to try to even it out amongst the
18 ones that we have.

19 CHAIRMAN CLARKE: Are these all
20 commercial appraisers or are they both
21 commercial and residential?

22 MR. DALPO: They are predominantly
23 commercial and industrial. But the sites
24 that we're looking at here in many cases are
25 residential sites for development, as opposed

1 Pub. Property/Pub. Works - 4/4/05
2 to a residential site for an individual
3 purchase of a home or a property.

4 So they all are commercial, even at
5 residential values, the work that we get done
6 is really done by commercial.

7 CHAIRMAN CLARKE: Commercial. Okay.
8 The reason I ask that question is when you
9 talk to the Redevelopment Authority about the
10 time line associated with some of the
11 condemnations, they insist that they're just
12 an extreme limited number of appraisers,
13 which is why it's taking so long for a number
14 of our acquisitions, but you're using an
15 entirely different list of appraisers.

16 MR. DALPO: No. We use some of the
17 same appraisers.

18 CHAIRMAN CLARKE: Some of the
19 appraisers?

20 MR. DALPO: Some. I don't have the
21 complete RDA list, but I do know that some of
22 the appraisers that we've used and we can
23 consistently use do work for the
24 Redevelopment Authority as well, some of
25 which they do as residential work and some of

1 Pub. Property/Pub. Works - 4/4/05

2 which they do as commercial work.

3 CHAIRMAN CLARKE: By limiting our
4 pool to City-based appraisers, which I
5 conceptually support, are we to some degree
6 limiting our ability to have the most
7 competitive opportunities.

8 MR. DALPO: Potentially. But I
9 think that the reality is, most appraisers
10 tend to do it on a relatively localized
11 basis.

12 So, to the extent that the
13 appraisers are very familiar with real estate
14 values and the real estate sales process in
15 Philadelphia, we found that firms that are
16 based in the City of Philadelphia are most
17 familiar with that.

18 That's not to say that a firm based
19 in the suburbs couldn't do that as well.

20 There have been times when we have
21 had very specialized appraisals from very
22 specialized pieces of property where there
23 wasn't anybody in the region that was
24 particularly experienced with that, where
25 we've gone outside of the City.

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2 But typically, there's enough of a
3 base of experience within appraisers in
4 Philadelphia that we haven't had a problem
5 where we felt as if we weren't able to get a
6 good appraisal.

7 CHAIRMAN CLARKE: Okay.

8 What's the selection criteria? Do
9 we sign contracts with appraisers on an
10 individual basis or is it per property or is
11 it just do we contract with them to appraise
12 a certain number of properties or...

13 MR. DALPO: We typically do it on a
14 property-by-property basis, but given the
15 volume of properties that we've been working
16 with the Department of Public Property on,
17 we've been packaging properties together to
18 hopefully to get a better price, get a better
19 unit rate from the appraisers, to get a
20 quicker turnaround time, and to group
21 properties that have some similarities
22 together to get it in the hands of an
23 appraiser who can have move forward with it
24 as quickly as possible.

25 CHAIRMAN CLARKE: Okay. Thank you.

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2 Any other questions from members of
3 the committee for these witnesses?

4 (No response.)

5 CHAIRMAN CLARKE: There being none,
6 thank you very much.

7 Will the clerk please read the title
8 of the next bill.

9 COUNCIL CLERK: Bill Number 050061,
10 An Ordinance authorizing the Commissioner of
11 Public Property to execute and deliver to the
12 Philadelphia Authority for Industrial
13 Development a deed conveying, for nominal
14 consideration, fee simple title to certain
15 tracts of City-owned land located at 3300-02
16 North Front Street, with the buildings and
17 improvements thereon, for further conveyance
18 at fair market value.

19 COMMISSIONER SCHLOTTERBECK: My name
20 is Joan Schlotterbeck. I'm the Commissioner
21 of Public Property. I'm here today to
22 testify in support of Bill 050061.

23 This ordinance authorizes me as the
24 Commissioner to execute and deliver to PAID
25 for nominal consideration a deed conveying

1 Pub. Property/Pub. Works - 4/4/05
2 fee simple title to certain tracts of
3 City-owned land located at 3300 to 3322 North
4 Front Street, with buildings and improvements
5 thereon for further conveyance at fair market
6 value.

7 This bill enables the City to convey
8 this property to PAID for sale to a developer
9 at fair market value, with the net proceeds
10 being deposited into the City's General Fund.

11 The property was formerly used by
12 the 24th, 25th police district. The site was
13 replaced a new facility at 3827 to 3837
14 Whittaker Avenue in 2004.

15 The Department of Public Property
16 supports this measure. And accordingly, I
17 respectfully ask that City Council approve
18 Bill Number 50061.

19 I also ask that the rules be
20 suspended so that the ordinance may be passed
21 upon second reading of Council.

22 And just by way of reference, this
23 is Councilman Mariano's district, if you
24 didn't know that.

25 CHAIRMAN CLARKE: Thank you.

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2 Any questions?

3 (No response.)

4 CHAIRMAN CLARKE: Anyone else to
5 testify on this bill?

6 (No response.)

7 CHAIRMAN CLARKE: There being none,
8 will the clerk please read the title of the
9 next bill.

10 COUNCIL CLERK: Bill Number 050066,
11 An Ordinance authorizing the Commissioner of
12 Public Property to execute and deliver to the
13 Philadelphia Authority for Industrial
14 Development a deed conveying, for nominal
15 consideration, fee simple title to certain
16 tracts of City-owned land located at 1826-34
17 South 10th Street, with the improvements
18 thereon, for further conveyance at fair
19 market value.

20 COMMISSIONER SCHLOTTERBECK: Joan
21 Schlotterbeck, Public Property Commissioner.
22 I'm here today to testify in support of Bill
23 Number 50066.

24 This ordinance authorizes me as
25 Commissioner of Public Property to transfer a

1 Pub. Property/Pub. Works - 4/4/05
2 certain parcel of land with buildings and
3 improvements thereon, in the vicinity of 1826
4 to 1834 South 10th Street, City of
5 Philadelphia to PAID, all under certain terms
6 and conditions.

7 This bill will enable the City to
8 convey this property to PAID for sale to a
9 developer at fair market value, with net
10 proceeds being deposited into the General
11 Fund.

12 The property is the recreation site
13 purchased in 1922 and formerly used as a
14 swimming pool. The site is not being used at
15 the present time and is part of the
16 Recreation Department's right-sizing
17 initiative.

18 Public Property supports this
19 measure. And accordingly, I respectfully ask
20 that Council approve Bill Number 50066.

21 I also ask that the rules be
22 suspended so the ordinance may be passed upon
23 the second reading at Council. Thank you.

24 CHAIRMAN CLARKE: Thank you.

25 Anyone else to testify on this bill?

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2 Councilman DiCicco.

3 COUNCILMAN DiCICCO: Thank you, Mr.
4 Chairman.

5 Again, just as a point of reference
6 for the committee. As the Commissioner
7 stated this is a -- formerly was a pool.
8 It's been out of use probably ten years or
9 longer.

10 The pool has actually been filled in
11 ten years or so ago. It sat there as vacant
12 land for a number of years. A private
13 developer bought a portion of the site.

14 What is reflected in this bill is
15 the front portion which fronts 10th Street.
16 This site is adjacent to the St. Maria
17 Goretti... Well, it's different now, isn't
18 it? Newman-Goretti High School in South
19 Philadelphia between Moore and Mifflin Street
20 on 10th.

21 There is an interested party,
22 private developer, who purchased the rear end
23 of this property for the purpose of
24 developing housing at fair market rate,
25 market rate housing.

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2 CHAIRMAN CLARKE: Thank you,
3 Councilman.

4 Any questions by members of the
5 committee on this particular bill?

6 (No response.)

7 CHAIRMAN CLARKE: There being none,
8 thank you.

9 Commissioner.

10 COMMISSIONER SCHLOTTERBECK: Yes.

11 CHAIRMAN CLARKE: Could you have
12 forwarded to the Chair and this particular
13 committee the appraisals for these bills that
14 we hear today, if you have them, what the
15 appraised values are and all prior
16 appraisals?

17 COMMISSIONER SCHLOTTERBECK: The
18 actual appraisal or just the value?

19 CHAIRMAN CLARKE: Appraisals. The
20 values, yeah. Just like to know for the
21 record what type of dollars.

22 COUNCILMAN DiCICCO: Could I add on
23 something before I leave?

24 CHAIRMAN CLARKE: Certainly.

25 COUNCILMAN DiCICCO: Although there

1 Pub. Property/Pub. Works - 4/4/05
2 is an interested party for this 10th Street
3 parcel, my understanding is there will be a
4 sale sign posted based on the appraisal, so
5 it may not go to this interested party. It
6 may go to the next highest bidder.

7 But just as a point of reference,
8 there was someone who was interested in
9 buying it because he already owns the back
10 end. And I think the number was around
11 \$300,000, but that doesn't mean that at the
12 end of the day that that will be the final
13 price.

14 MR. HENWOOD: From the South 10th
15 property?

16 COUNCILMAN DiCICCO: Yes.

17 MR. HENWOOD: Yes. We're issuing
18 the RFP on that. So we will have a bidding
19 process on this property because of the high
20 interest in this site. So, we'll probably
21 hope to get more than the appraised value.

22 COUNCILMAN DiCICCO: Yeah. I would
23 expect a lot more activity. The only thing
24 that may restrict that from happening is the
25 fact that the interested party today does own

1 Pub. Property/Pub. Works - 4/4/05

2 the back parcel.

3 So, for someone to buy just the
4 front piece, it may not be worth it, in terms
5 of the return because they may not get as
6 many houses on it as if they had both
7 parcels.

8 CHAIRMAN CLARKE: Okay. Thank you.

9 Will the clerk please read the title
10 of the next bill.

11 COUNCIL CLERK: Bill Number 050107,
12 an ordinance approving a lease agreement
13 between Philadelphia Gas Works by
14 Philadelphia Facilities Management
15 Corporation solely in its capacity as
16 operator and manager of the City-owned
17 Philadelphia Gas Works and Greater Germantown
18 Housing Development corporation for certain
19 premises located at 212 through 214 West
20 Cheltenham Avenue.

21 CHAIRMAN CLARKE: Clerk, please
22 re-read the title.

23 COUNCIL CLARKE: Was it 050105?

24 COUNCILWOMAN TASCIO: You said 107.

25 CHAIRMAN CLARKE: Just read it

1 Pub. Property/Pub. Works - 4/4/05

2 again.

3 COUNCIL CLERK: Bill Number 050105,
4 an ordinance approving a lease agreement
5 between Philadelphia Gas Works by
6 Philadelphia facilities management
7 corporation solely in its capacity as
8 operator and manager of the City-owned
9 Philadelphia Gas Works and Greater Germantown
10 Housing Development corporation for certain
11 premises located at 212 through 214 West
12 Chelton Avenue.

13 COMMISSIONER SCHLOTTERBECK: We have
14 a representative here from P.G.W. who will
15 testify.

16 CHAIRMAN CLARKE: Thank you.

17 Please read your name for the
18 record.

19 MR. MURPHY: Yes. Good afternoon.
20 My name is Randy Murphy. I'm the Vice
21 President of Customer Affairs at the
22 Philadelphia Gas Works.

23 Good afternoon, Councilman Clarke
24 and members of Council. I am here today to
25 testify in support of this bill which permits

1 Pub. Property/Pub. Works - 4/4/05
2 a lease agreement between P.G.W. and the
3 Greater Germantown Housing Development
4 Corporation or P.G.W.'s Customer Service
5 Center located in Germantown.

6 This lease agreement will enable
7 P.G.W. to continue having a local customer
8 service center to serve P.G.W. customers in
9 the northwest area of the City.

10 P.G.W. typically services about
11 28,000 customers a year at this office.
12 Customers use this office to make bill
13 payments, enter into payment arrangements,
14 register inquiries and complaints about their
15 bills, and apply for P.G.W.'s low income
16 customer assistance program and for the
17 LIHEAP and crisis grants programs.

18 This lease agreement is for 4,012
19 square feet of office space located at 212
20 West Cheltenham Avenue. P.G.W. originally
21 leased this premises on July 29, 1993, from
22 Chel-Wayne Associates.

23 This lease agreement will give
24 P.G.W. an additional two-year term, beginning
25 as of August 1, 2004, and with the right to

1 Pub. Property/Pub. Works - 4/4/05

2 renew on an annual basis.

3 The lease agreement provides for a
4 monthly rental payment of \$5,140, increased
5 from the rate of \$4,626 per month. We have
6 verified that this rental amount is
7 comparable with others in the area.

8 P.G.W. received P.F.M.C. board
9 approval for the lease agreement on September
10 8, 2004, and at its meeting held on November
11 16, 2004, the Philadelphia Gas Commission
12 also approved the lease agreement and has
13 recommended its approval to Council.

14 The Philadelphia Gas Commission
15 order and resolution and transmittal letter
16 from Chairwoman Tasco to Council President
17 Verna are attached hereto as exhibit A.

18 P.G.W. respectfully asks for your
19 approval of this bill and for a suspension of
20 the rules.

21 I'll be happy to answer any
22 questions that you have.

23 And I also have with me today a
24 member of P.G.W.'s legal department
25 representative who can assist me in answering

1 Pub. Property/Pub. Works - 4/4/05

2 questions if necessary. Thank you.

3 CHAIRMAN CLARKE: Let me ask you
4 about a facility that was closed. I know it
5 has nothing to do with this particular
6 location, but I have an opportunity to talk
7 to you about the 9th Street site.

8 Were you involved in that process
9 that made the decision to close the 9th
10 Street customer service location?

11 MR. MURPHY: Yes, I was.

12 CHAIRMAN CLARKE: What's been the
13 impact on the closure of that site, as it
14 relates to availability for local customers?

15 MR. MURPHY: Well, when we did the
16 evaluation of all the sites, that was, in
17 fact, the least used site out of all of our
18 customer service centers.

19 Most of our customer service centers
20 are located not that far apart. I mean,
21 there's a site at 13th and Erie which is
22 about ten minutes up the road; is accessible
23 by public transportation.

24 CHAIRMAN CLARKE: Ten minutes
25 riding?

1 Pub. Property/Pub. Works - 4/4/05

2 MR. MURPHY: By car.

3 CHAIRMAN CLARKE: By subway? By
4 car?

5 MR. MURPHY: By subway or car, I'd
6 say.

7 CHAIRMAN CLARKE: Where's the
8 subway?

9 MR. MURPHY: On Broad Street. Or by
10 bus. Excuse me. I'm sorry. By bus.

11 CHAIRMAN CLARKE: So, you catch the
12 3?

13 MR. MURPHY: I don't know which
14 exactly bus it would be.

15 CHAIRMAN CLARKE: When you give me a
16 time, that's assuming best case scenario on
17 public transportation. It rarely happens.

18 MR. MURPHY: Well, we actually did a
19 study of how far all the service centers were
20 apart and how accessible they were to the
21 public and by transportation.

22 It was important for us to still
23 service our customers. We do open the 9th
24 Street site for the LIPEAP crisis program in
25 the winter.

1 Pub. Property/Pub. Works - 4/4/05

2 CHAIRMAN CLARKE: So, what's the
3 alternative site south of the 9th Street
4 location?

5 MR. MURPHY: South would be the
6 Center City office.

7 CHAIRMAN CLARKE: So, what's the
8 western most?

9 MR. MURPHY: Well, I would say,
10 then, you would be going over into West
11 Philadelphia or up into this office up into
12 the Germantown office.

13 CHAIRMAN CLARKE: And the eastern
14 most?

15 MR. MURPHY: I think you're just
16 going up into the northeast into the
17 Frankford site.

18 CHAIRMAN CLARKE: So, you're talking
19 about an area from West Philadelphia to
20 Frankford, from Center City to Erie. People
21 that live within that particular area, those
22 will be the closest locations.

23 MR. MURPHY: That's correct.

24 CHAIRMAN CLARKE: So, when you talk
25 about your ten-minute time frame that you

1 Pub. Property/Pub. Works - 4/4/05
2 gave, that's from the 9th Street location.
3 That's not from any of those other areas.

4 MR. MURPHY: That's correct.

5 CHAIRMAN CLARKE: So, when you did
6 your evaluation, did you base it on the 9th
7 Street location or did you base it on that
8 targeted area?

9 MR. MURPHY: Well, again, when we
10 did the evaluation, we considered several
11 factors. They included the number of
12 customers served by the site, the type of
13 traffic we had in the office, the number of
14 low income applications that we received at
15 the office.

16 And basically, we came up with a
17 matrix on all our sites. And this site and
18 the site up in the far northeast were chosen
19 to be closed down. Also, we looked at the
20 cost to operate the sites.

21 CHAIRMAN CLARKE: Cost to operate
22 the site? You didn't have a lease at that
23 site, right?

24 MR. MURPHY: No. We actually own
25 that site, sir.

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2 CHAIRMAN CLARKE: So... But you're
3 leasing this particular site.

4 MR. MURPHY: We are leasing this
5 particular site, that's correct.

6 CHAIRMAN CLARKE: And I'm assuming
7 that you took into play that you own the
8 site, so there was no lease associated with
9 the 9th Street site. And you're paying rent
10 probably on all the other locations.

11 MR. MURPHY: We rent three of the
12 existing customer service centers, and we own
13 three of the existing service centers.

14 CHAIRMAN CLARKE: Own three, rent
15 three.

16 So, what -- in terms of cost
17 effectiveness, what determines the cost
18 associated with the 9th Street site versus
19 the other sites?

20 MR. MURPHY: Well, we were under
21 mandate by the Public Utility Commission to
22 take a look at the operation of our customer
23 service centers. They believe that it would
24 be cost effective to shut down all of our
25 sites. We reviewed the sites that we had in

1 Pub. Property/Pub. Works - 4/4/05

2 place.

3 CHAIRMAN CLARKE: Say that again.

4 You're talking kind of fast.

5 MR. MURPHY: I'm sorry. We were
6 asked to review the operation of all of our
7 sites, potentially closing down all our sites
8 by the Public Utility Commission and a study
9 they had performed.

10 And when we studied all the sites,
11 we elected that we would shut down these two
12 sites in order to be -- to bring our
13 operation into a more cost effective mode.

14 CHAIRMAN CLARKE: How did you
15 determine that? What did you use? I mean,
16 employees or...

17 MR. MURPHY: Yeah. We had --

18 CHAIRMAN CLARKE: You clearly didn't
19 use the cost associated with the use of the
20 facility because the gas company owns the
21 facility. So, what's the cost associated
22 with the site?

23 MR. MURPHY: We actually reduced our
24 personnel who reported to the sites and
25 operated in that department.

1 Pub. Property/Pub. Works - 4/4/05

2 I believe we basically eliminated 13
3 or 14 positions from all our customer service
4 and our operations. And we pared down to our
5 existing service levels today. So, it was
6 actually --

7 CHAIRMAN CLARKE: So, you eliminated
8 customer service reps from that site. Did
9 you relocate or you just eliminated the
10 positions?

11 MR. MURPHY: We actually eliminated
12 the positions in our customer service center
13 department.

14 CHAIRMAN CLARKE: I'm still trying
15 to understand how -- In terms of cost
16 effectiveness, if you had eliminated the
17 employees in any position, you would have
18 decreased costs. I'm just trying to get a
19 sense at that particular site.

20 MR. MURPHY: This particular site
21 was based upon the volume of customers coming
22 into the site.

23 CHAIRMAN CLARKE: It's more the
24 volume, not the cost.

25 MR. MURPHY: Right. Right. Had the

1 Pub. Property/Pub. Works - 4/4/05
2 least number of customers coming to the site,
3 the least number of low income activity in
4 the site, which was a primary usage for our
5 customer service centers.

6 CHAIRMAN CLARKE: What were those
7 numbers?

8 MR. MURPHY: Offhand I don't have
9 them here with me, but I could provide them
10 to you.

11 CHAIRMAN CLARKE: Could you get
12 those numbers for us, please?

13 MR. MURPHY: Sure.

14 CHAIRMAN CLARKE: When was that
15 study done?

16 MR. MURPHY: We believe it was about
17 two-and-a-half, three years ago.

18 COUNCILMAN CLARKE: Have we done a
19 follow-up to determine the impact on that
20 community?

21 MR. MURPHY: We have not done any
22 follow-up. We basically did a lot of
23 outreach, as far as notifying the community,
24 that the site wouldn't be open.

25 And then we did open the site for

1 Pub. Property/Pub. Works - 4/4/05
2 the LIHEAP for the last two years with the
3 LIHEAP and crisis program for a two-month
4 period in February and March, in order to
5 take inbound traffic to get LIHEAP and crisis
6 applications.

7 CHAIRMAN CLARKE: Okay. How time
8 sensitive is this particular lease
9 arrangement?

10 MR. MURPHY: When you say "time
11 sensitive," can you be more specific?

12 CHAIRMAN CLARKE: In terms of your
13 getting the authorization to finalize this
14 lease arrangement.

15 MR. MURPHY: Well, unfortunately,
16 this lease has a little bit of history to it.
17 We've been attempting to negotiate this lease
18 since January of '03.

19 And we received the lease back from
20 the realtors, landlord -- or from the realtor
21 for the landlord in June of '04.

22 So, effectively this lease is
23 post-dated, and that is in effect as of
24 September 1st of '04. Excuse me. Of August
25 1st of '04. Apologize.

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2 CHAIRMAN CLARKE: Okay.

3 Councilwoman Miller.

4 COUNCILWOMAN MILLER: Are people
5 going to other locations if the offices are
6 closed on a particular day?

7 Are you finding that people will
8 actually go somewhere else or they'll just
9 wait and take care of their business the day
10 that the gas company neighborhood office is
11 open in their neighborhood?

12 MR. MURPHY: What we have found over
13 a period of time is that customers are now
14 waiting to go into the offices in their
15 neighborhood, albeit I'll say that someone
16 who has had their gas shut off for nonpayment
17 will typically go out and seek an office that
18 is open the next day, if they're desiring to
19 have their service restored.

20 COUNCILWOMAN MILLER: Okay. But
21 basically they're getting used to now the
22 fact that the offices are only opened on a
23 part-time basis?

24 MR. MURPHY: Yes, they are.

25 COUNCILWOMAN MILLER: Okay. All

1 Pub. Property/Pub. Works - 4/4/05

2 right. Okay. Thank you.

3 MR. MURPHY: You're welcome.

4 COUNCILMAN RIZZO: Stand by just a
5 minute, okay.

6 (Pause.)

7 CHAIRMAN CLARKE: Getting back to
8 the 9th Street site, I'm assuming at the time
9 when... I'm assuming -- I know at the time
10 that you did the evaluation the population in
11 that particular area was extremely low, based
12 on a number of things. There had been a
13 substantial amount of demolitions,
14 relocations. But in the last three or four
15 years there have been a substantial amount of
16 new housing starts in that area.

17 Richard Allen is back on line.

18 Cambridge Development is back on line.

19 A.P.M. has built two phases of for-sale
20 housing. Ludlow is on the now the third
21 phase of its development in that area.

22 Assuming that population in that
23 area will continue to increase dramatically
24 over the next several years, would there be
25 any thought to providing customer service in

1 Pub. Property/Pub. Works - 4/4/05
2 proximity to that site or at that particular
3 location, based on changes in population
4 trends and our mission to service our public,
5 our customers?

6 MR. MURPHY: Well, I can let you
7 know that, Councilman, we will be performing
8 an additional study, in order to evaluate the
9 effectiveness of all of our customer service
10 center operations. The Public Utility
11 Commission demands it and we will be
12 complying with their effort.

13 We'll take a look at it. And if
14 there is a reason that would lead us to
15 believe that it would be effective to have a
16 customer service center in that area, we'll
17 take that into consideration.

18 CHAIRMAN CLARKE: How does that
19 request get initiated? Does it get initiated
20 by you guys or from the public? How would --
21 You know, if I'm not sitting here having this
22 conversation with you right now, we wouldn't
23 even be talking about this. How does that
24 happen, given the population trends in that
25 area?

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2 MR. MURPHY: Well, again --

3 CHAIRMAN CLARKE: Is it citizens
4 request it or how does that happen?

5 MR. MURPHY: Well, I would think
6 that it would have to maybe come through our
7 board of directors, down through senior,
8 management to make that request.

9 But I can let you know that we are,
10 in fact, going to do an additional study, as
11 mandated by the Commission, on the
12 operations -- of the Public Utility
13 Commission, on the operation of our customer
14 service centers.

15 CHAIRMAN CLARKE: Well, I mean, if
16 you don't have a customer service center in
17 that location, you won't be doing an analysis
18 on that, right?

19 You're talking about existing
20 customer service center facilities. There's
21 no longer -- no longer any customer service
22 facility at that location, so you won't be
23 doing an analysis on that, per the
24 requirement of the Public Utilities
25 Commission.

1 Pub. Property/Pub. Works - 4/4/05

2 My question is about an opportunity
3 to have a new customer service facility in
4 that location. So, how do you determine
5 that?

6 MR. MURPHY: Well, once again, when
7 we do look at the operation of all of our
8 customer service centers, I don't think we're
9 limiting ourselves or I know we're not going
10 to be limiting ourselves just to the offices
11 of operation.

12 We're trying to determine methods
13 and ways to become more cost effective. And
14 I can't say I have all those ways at my
15 disposal right now.

16 But we have to do a full evaluation
17 of our customer service centers and determine
18 what the best ways to serve the public.

19 If there would be a need, and we
20 could demonstrate that need, well, then,
21 again, maybe there would be that
22 recommendation to put a customer service
23 center back in operation at the 9th Street
24 station.

25 CHAIRMAN CLARKE: So you give me the

1 Pub. Property/Pub. Works - 4/4/05

2 same answer.

3 MR. MURPHY: I just mixed it up a
4 little bit.

5 Well, let me just put it this way.
6 I will actually take your request here today,
7 and go back and talk to my senior managers
8 about it, and see if there would be any
9 reason they would want to go forward with
10 that request, based upon your questioning
11 here today.

12 CHAIRMAN CLARKE: That's a little
13 better answer.

14 MR. MURPHY: Okay.

15 CHAIRMAN CLARKE: At least tells me
16 that you're hearing me.

17 MR. MURPHY: I'm hearing you.

18 CHAIRMAN CLARKE: And that you're
19 interested in entertaining my request.

20 Thank you.

21 Councilwoman Tasco.

22 COUNCILWOMAN TASCO: Right. In
23 evaluating the need for service, I mean,
24 you're really looking at... The survey would
25 be whether not to close additional offices,

1 Pub. Property/Pub. Works - 4/4/05

2 right?

3 MR. MURPHY: Yeah. That's one of
4 our concerns about looking at our overall
5 structure of our offices.

6 Again, the Public Utility Commission
7 doesn't view our operations the way we view
8 our operations here in Philadelphia and how
9 we serve our constituents and our customers
10 at P.G.W.

11 And again, I think it's incumbent
12 upon P.G.W. to demonstrate the need for these
13 offices.

14 COUNCILWOMAN TASC0: So, the message
15 is coming from the P.U.C.

16 MR. MURPHY: That's correct.

17 COUNCILWOMAN TASC0: About the
18 offices and the need for those offices.

19 MR. MURPHY: That's correct. They
20 don't see any other utilities in the State of
21 Pennsylvania having customer service centers.
22 I don't think they recognize the unique needs
23 of our citizens here in Philadelphia.

24 COUNCILWOMAN TASC0: And your
25 analysis would include a review of all of the

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2 new customers you have that... I guess, the
3 targeted area because there are new houses.
4 I'd be interested to know how many of them do
5 use gas.
6 MR. MURPHY: Current new customers
7 within that area?
8 COUNCILWOMAN TASC0: Mm-hmm.
9 COUNCILMAN RIZZ0: Point of
10 information.
11 CHAIRMAN CLARKE: Councilman Rizzo.
12 COUNCILMAN RIZZ0: P.E.C.O. energy
13 has been pretty successful. They've closed
14 everything, correct?
15 MR. MURPHY: That's correct.
16 COUNCILMAN RIZZ0: Thank you.
17 CHAIRMAN CLARKE: Any other
18 questions for this witness?
19 (No response.)
20 CHAIRMAN CLARKE: There being
21 none --
22 COUNCILWOMAN TASC0: I want to make
23 a comment about that. P.E.C.O. and P.G.W.
24 are not similar in the base customers that
25 they serve, nor do you have some of the same

1 Pub. Property/Pub. Works - 4/4/05
2 problems that P.G.W. -- does not have some of
3 the same problems that P.G.W. may have. And
4 certainly when they closed the Bustleton
5 office -- you closed that office, right. You
6 have a Frankford office and a Bustleton
7 office.

8 MR. MURPHY: Yes, we closed the
9 Bustleton office, that's correct.

10 COUNCILWOMAN TASCO: Right.

11 I mean, certainly your decline or
12 lack of participation of those people in the
13 northeast in the LIPEAP program is
14 nonexistent, I mean, really nonexistent
15 because you don't have an office there where
16 people can go get service.

17 MR. MURPHY: There are fewer
18 customers using our -- signing up for our low
19 income program in the northeast. And most of
20 these customers now are using our Frankford
21 office.

22 COUNCILWOMAN TASCO: But you would
23 say that the participation is not what you
24 would like.

25 MR. MURPHY: In the customer

1 Pub. Property/Pub. Works - 4/4/05

2 assistance program?

3 COUNCILWOMAN TASC0: Mm-hmm.

4 MR. MURPHY: No. In some areas it's

5 definitely not what we would like it to be.

6 We like to see an increase in the program.

7 COUNCILWOMAN TASC0: Mm-hmm. Thank

8 you.

9 CHAIRMAN CLARKE: Thank you. Any

10 other questions of this witness?

11 (No response.)

12 CHAIRMAN CLARKE: Thank you for your

13 testimony.

14 COUNCILWOMAN TASC0: Guess you want

15 to know what that has to do with this lease,

16 right?

17 MR. MURPHY: Excuse me?

18 COUNCILMAN TASC0: Thought it was

19 going to be simple.

20 MR. MURPHY: Yeah. Right. Thank

21 you.

22 CHAIRMAN CLARKE: You're welcome.

23 Clerk will please read the title of

24 the next bill.

25 COUNCIL CLERK: Bill Number 050106,

1 Pub. Property/Pub. Works - 4/4/05
2 An Ordinance authorizing the Commissioner of
3 Public Property, on behalf of the City of
4 Philadelphia, to enter into a Sublease
5 Agreement to lease from the Philadelphia
6 Municipal Authority portions of the building
7 located at 701 Market Street, for use by the
8 City and affiliated agencies as office space,
9 under certain terms and conditions.

10 CHAIRMAN CLARKE: Please proceed.

11 COMMISSIONER SCHLOTTERBECK: My name
12 is Joan Schlotterbeck. I'm the Commissioner
13 for the Department of Public Property.

14 I'm here today representing Public
15 Property and to testify in support of Bill
16 Number 50106, an ordinance authorizing me as
17 Commissioner on behalf of the City to enter
18 into a lease agreement to lease from PAID
19 portions of -- I'm sorry -- Philadelphia
20 Municipal Authority -- portions of buildings
21 located at 701 Market Street in Philadelphia,
22 under certain terms and conditions.

23 This bill will permit the City to
24 lease certain office space located at the
25 Mellon Independence Center, for use as the

1 Pub. Property/Pub. Works - 4/4/05
2 new location for the Office of Behavioral
3 health, MH/MR.

4 The Department of Public Property
5 supports this measure. And accordingly, I
6 respectfully ask that City Council approve
7 Number 50106.

8 I also ask that the rules be
9 suspended so that the ordinance may be passed
10 upon second reading at Council. Thank you.

11 CHAIRMAN CLARKE: Thank you.
12 Councilwoman Tasco.

13 COUNCILWOMAN TASC0: Is this
14 additional space for C.B.H. or are they going
15 to move their entire operation over there?

16 COMMISSIONER SCHLOTTERBECK: Yes.

17 COUNCILWOMAN TASC0: Yes what?

18 COMMISSIONER SCHLOTTERBECK: I'm
19 sorry.

20 COUNCILWOMAN TASC0: Is this
21 additional space for C.B.H.?

22 COMMISSIONER SCHLOTTERBECK: No, no.
23 I'm sorry. This is just City of Philadelphia
24 Behavioral Health. Health Department
25 Behavioral Health.

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2 COUNCILWOMAN TASC0: I know, but
3 aren't they across the street? Are they
4 moving their entire operation there or is
5 this additional space?

6 COMMISSIONER SCHLOTTERBECK: No.

7 MR. HENWOOD: No. This is the
8 office space that was formally located at
9 15th and Chestnut. It's relocating from that
10 building to 701 Market.

11 COUNCILWOMAN TASC0: Isn't C.B.H. at
12 714 Market Street?

13 COMMISSIONER SCHLOTTERBECK: They
14 may be. I'm not a hundred percent sure.

15 COUNCILWOMAN TASC0: Okay. Thank
16 you.

17 CHAIRMAN CLARKE: Thank you.

18 Any other questions by members of
19 the committee?

20 (No response.)

21 CHAIRMAN CLARKE: There being none,
22 well, thank you.

23 Will the clerk please read the title
24 of the next bill.

25 COUNCIL CLERK: Bill Number 050132,

1 Pub. Property/Pub. Works - 4/4/05
2 An Ordinance authorizing the Commissioner of
3 Public Property, on behalf of the City of
4 Philadelphia, to acquire by condemnation or
5 by purchase in lieu of condemnation a certain
6 underground easement through 3111 West
7 Allegheny Avenue, for sewer and drainage
8 purposes, under certain terms and conditions.

9 MR. McCLUSKEY: Good afternoon, Mr.
10 Chairman, members of the committee.

11 CHAIRMAN CLARKE: Good afternoon.

12 MR. McCLUSKEY: My name is Paul
13 McCluskey. I water work for the Water
14 Department.

15 Bill Number 050132 authorizes the
16 Commissioner of Public Property on behalf of
17 the Water Department to condemn a
18 50-foot-wide right-of-way through the
19 property located at 3111 West Allegheny
20 Avenue for the construction of the Dobson's
21 Run storm water relief sewer.

22 The Water Department proposes to
23 proposed reconstruct the lower end of the
24 Dobson's Run storm water relief sewer in the
25 East Falls area of the City.

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2 Currently the industrial businesses
3 in the area are experiencing severe flooding,
4 due to surcharging of storm water sewer.

5 The existing sewer is in the bed of
6 former Ontario Street which has been retained
7 because of drainage right-of-way. From
8 Ontario Street it runs east and west between
9 Scotts Lane and the C.S.X. Transportation
10 Railroad.

11 The existing sewer begins at the
12 Schuylkill River. It travels eastward to
13 Henry Avenue and beyond. Between 32nd and
14 Ridge Avenue most of the sewer has warehouses
15 and factory buildings built directly on top
16 of it.

17 In order to avoid condemning these
18 businesses, we plan to redirect the drainage
19 in a new sewer and a proposed right-of-way on
20 a line with 32nd Street produced from Ontario
21 Street southward to Willow Street, then
22 continuing at 32nd Street from Willard to
23 Allegheny Avenue.

24 Then continuing the sewer in
25 Allegheny Avenue from 32nd Street to Ridge

1 Pub. Property/Pub. Works - 4/4/05
2 Avenue, then continuing beneath the Laurel
3 Hill Cemetery to Kelly Drive and onward to
4 the Schuylkill River.

5 The sewer will be constructed
6 totally in total as not to disrupt the
7 community or its properties.

8 The 50 foot right-of-way required
9 through 3111 West Allegheny Avenue on the
10 line of 32nd Street produced from Willard to
11 south of the C.S.X. Transportation Railroad.

12 The right-of-way will cross the main
13 employee's parking lot of Pep Boys. The
14 existing surface elevation varies from 107 to
15 67 City datem. The right-of-way will begin
16 at elevation 55 and extend downward to
17 elevation zero. No disruption of property or
18 its business will occur.

19 I recommend that this bill be
20 reported favorably out of committee, and also
21 respectfully ask that the rules be suspended.

22 CHAIRMAN CLARKE: Thank you.

23 Councilman Nutter.

24 COUNCILMAN NUTTER: Thank you, Mr.
25 Chairman.

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2 Mr. Chairman, I just want to put on
3 the record that I have worked with Mr.
4 McCluskey and his team on this particular
5 matter, and I'm in full support of it. And I
6 appreciate their hard work to quickly try to
7 resolve the issues over in that community.

8 CHAIRMAN CLARKE: Thank you.

9 Any other questions by members of
10 the committee on this particular bill?

11 (No response.)

12 CHAIRMAN CLARKE: Anyone else to
13 testify on this bill?

14 (No response.)

15 CHAIRMAN CLARKE: There being none,
16 thank you, sir.

17 MR. MCCLUSKEY: Thank you very much.

18 CHAIRMAN CLARKE: Bill Number 041059
19 is being held at the request of the sponsor.

20 Will the clerk please read the title
21 of the next bill.

22 COUNCIL CLERK: Bill Number 050183,
23 Resolution approving the City of Philadelphia
24 Amended 9-1-1 Plan, and authorizing the
25 Commissioner of Public Property, on behalf of

1 Pub. Property/Pub. Works - 4/4/05
2 the City of Philadelphia, to submit the
3 Amended 9-1-1 Plan to the Pennsylvania
4 Emergency Management Agency ("PEMA") for
5 review and approval, as required by the
6 Pennsylvania Public Safety Emergency
7 Telephone Act.

8 COMMISSIONER SCHLOTTERBECK: I'm
9 going to ask the Deputy Commissioner Joe
10 James take the hearings from here.

11 CHAIRMAN CLARKE: Thank you,
12 Commissioner.

13 COMMISSIONER SCHLOTTERBECK: Thank
14 you.

15 CHAIRMAN CLARKE: Deputy, please
16 read your name for the record.

17 MR. JAMES: Afternoon, Chairman and
18 members of the committee. My name is Joseph
19 James. I'm the Deputy Commissioner for the
20 Department of Public Property.

21 I am appearing before the committee
22 today to recommend adoption of Resolution
23 050183, which amends the City's current 9-1-1
24 plan, as required by the Pennsylvania Public
25 Safety Emergency Telephone Act, Act 78.

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2 The Act 78 requires the filing of a
3 9-1-1 plan every three years with
4 Pennsylvania Emergency Management Agency or
5 P.E.M.A.

6 The amended plan is the first plan
7 filed by the City since the last amended plan
8 was filed in 1999.

9 The purpose of the amended plan is
10 to document the costs associated with running
11 of the City's 9-1-1 system, the technical
12 capabilities of the existing system and
13 future plans for improving the system.

14 Once the City provides the
15 information to P.E.M.A. in the form of the
16 amended plan, a copy of the amended plan is
17 forwarded by P.E.M.A. to the Pennsylvania
18 Public Utility Commission which reviews the
19 costs associated with the 9-1-1 system and
20 determines if continued collection of the
21 9-1-1 surcharge rate is permissible.

22 The amended 9-1-1 plan is different
23 from the last amended 9-1-1 plan filed by the
24 City in 1999 with several differences.

25 The present plan provides more

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2 information regarding technical aspects of
3 the City's 9-1-1 system and provides
4 descriptive information regarding the current
5 and planned technical upgrades to be made to
6 the system; number two, updates information
7 regarding the telephony costs, radio system
8 costs, labor costs, operational costs and
9 capital costs; and three, the City's policy
10 and regulations for the management of
11 competitive local exchange carriers; and
12 four, and detailed information to costs
13 related to the City's implementation of the
14 new 800 megahertz radio system.

15 The amended 9-1-1 plan contains
16 monetary figures for justification of the
17 continued collection of the City's \$1 per
18 month per line surcharge rate.

19 The Act 78 places a cap on the
20 recovery of the costs to \$1 of the cities of
21 the first class, despite the fact that the
22 City expends at least \$3.30 per access line
23 per month to provide 9-1-1 access to
24 residents, business organizations and
25 visitors seeking emergency services.

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2 The funds collected are used to pay
3 the salary and the operations costs of the
4 city's 9-1-1 center and the capital cost to
5 build the previously approved 800 megahertz
6 radio system.

7 In conclusion, the amended 9-1-1
8 plan as submitted is reflective of changes
9 and modifications from the original plan and
10 is the form acceptable to the department.

11 I'm available for any questions you
12 might have at this time.

13 CHAIRMAN CLARKE: Thank you.

14 Given the disparity in the costs
15 associated with our operation of the system
16 versus what we capture, per the state cap, is
17 it the understanding of the City -- It's my
18 understanding that the City is interested in
19 having that cap lifted or altered to
20 authorize the additional surcharge for 9-1-1.

21 MR. JAMES: Yes. It's been before
22 the state many times. When any amendments to
23 Act 78 have been proposed, the City has
24 always attempted to try to get a better cost
25 justification of the \$1 surcharge and try to

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2 bring it more in line to what the actual
3 costs are for the cities of at least our size
4 or we have demonstrated historically what the
5 actual line rate subsidy ought to be. So far
6 we have not been successful.

7 However, one difference that has
8 occurred recently when the passage of Act 56
9 which amended Act 78 established the wireless
10 surcharge rate plan which allows us now to
11 recover those costs for handling wireless
12 calls that we seem to be becoming more and
13 more prevalent, as opposed to the traditional
14 wire line call, as more citizens are using,
15 of course, wireless cell phones.

16 I believe the Police Department has
17 estimated that 30 percent of their calls,
18 their call volume, is just wireless calls.

19 CHAIRMAN CLARKE: So, we currently
20 get no revenue from wireless calls?

21 MR. JAMES: Not at the present.
22 Well, at the present time, now that the act
23 has been passed, we are now able to seek a
24 reimbursement from the state for the cost for
25 us to provide wireless 9-1-1 service. That

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2 was just passed about a year ago.

3 CHAIRMAN CLARKE: Year ago?

4 MR. JAMES: Yes. We just met with
5 representatives of Pennsylvania Emergency
6 Management, who is charged with implementing
7 the wireless statewide plan.

8 Now that the planning process has
9 begun, we have submitted a wireless
10 submission to the state as part of the
11 application process which was due April 1st,
12 which will allow to us recoup what they
13 consider to be Phase I costs.

14 That determination will be made by
15 July 1st. By July 1st we will know what part
16 of the wireless funds will be made available
17 to the City to cover what we consider to be
18 Phase I costs.

19 And Phase I costs allows us to at
20 least identify the phone number and maybe the
21 tower location of the caller.

22 The second part of it is a Phase II
23 will allow to us actually identify within a
24 certain amount of distance where the actual
25 caller is when they placed the call.

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2 The way the act was established, it
3 allows both the municipalities and the
4 wireless carriers to seek reimbursements for
5 their wireless calls.

6 However, the plan establishes that
7 everyone must be at what they consider Phase
8 I first. So, the cost for Phase I for the
9 counties and the wireless carriers are paid
10 first out of the fund before we get to Phase
11 II, where we then pay for the cost for Phase
12 II costs.

13 After Phase II costs are recovered,
14 then municipalities and the carriers can seek
15 reimbursement for their operating costs.

16 The plan that's been established is
17 sunset in 2009. It's projected that it will
18 take at least three to four years for
19 everyone to be at Phase II.

20 CHAIRMAN CLARKE: When you say
21 everyone...

22 MR. MURPHY: Wireless carriers, as
23 well as all of the counties.

24 CHAIRMAN CLARKE: All of the other
25 counties?

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2 MR. MURPHY: Yes.

3 CHAIRMAN CLARKE: Throughout the
4 state?

5 MR. MURPHY: Throughout the state.

6 CHAIRMAN CLARKE: All right.

7 MR. JAMES: Now, of the 67 counties
8 that are in the Commonwealth, not all of them
9 are even at basic E 9-1-1, let alone Phase I
10 or Phase II, and they may not achieve that by
11 2009.

12 So, there is some consideration in
13 the future for trying to extend that Sunset
14 so it doesn't end at 2009, to allow everyone
15 to get to that particular Phase II threshold.

16 CHAIRMAN CLARKE: Okay. In earlier
17 information provided to us, there was a...
18 from fiscal 2000 through to 2003, I think the
19 number was approximately \$45 million in
20 revenue generated from 9-1-1 calls.

21 Based on that number, is the
22 assumption that if you're based on Act 58's
23 passage -- Is it 58 or 56?

24 MR. JAMES: 56.

25 CHAIRMAN CLARKE: 56, that with the

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2 30 percent of calls that we currently get no
3 revenue from, we can essentially anticipate a
4 30 percent increase in revenue?

5 MR. MURPHY: The way the wireless
6 was established, the state receives all the
7 monies, not the counties.

8 CHAIRMAN CLARKE: And then we don't
9 get any reimbursement?

10 MR. JAMES: What we get is
11 reimbursed for our expense; but instead of
12 getting the money first, the wireless money
13 comes directly to the City.

14 The way wireless is, all the money
15 goes and is held by the state. We then
16 submit invoices, and we submit amended 9-1-1
17 plans for those expenses. And then they tell
18 us what they can fund, and they then send us
19 a check for that money.

20 CHAIRMAN CLARKE: So, our estimation
21 is that we're essentially three, what, \$3.30
22 per?

23 MR. JAMES: Yes.

24 CHAIRMAN CLARKE: Is that what we
25 would submit?

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2 MR. JAMES: No. What we would
3 submit -- We have to submit our actual
4 expenses. So, what we would take is, that we
5 plan in our amended 9-1-1 plan to do upgrades
6 to certain parts of our 9-1-1 system.

7 We would identify -- Let's say if it
8 cost \$5 million to upgrade the telephone
9 systems in all of our 9-1-1 centers, we can
10 submit 30 percent of that \$5 million to the
11 state to be funded from the wireless plan.

12 CHAIRMAN CLARKE: So we're really
13 getting no surcharge.

14 MR. JAMES: No. No. But we have
15 the ability, if we ever get to the point
16 where we get to the operating costs, that we
17 might be, since we're not getting all of our
18 operating costs paid under the wire line
19 plan, we would at least pick up 30 percent
20 addition maybe funding from the wireless plan
21 to pay some of the operating costs. So, it
22 would give us closer to where we are.

23 But I think at no point in time we
24 are actually going to get to the point where
25 we're actually covering dollar for dollar or

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2 what it costs us and what we actually spend.

3 CHAIRMAN CLARKE: What are we
4 requesting? What's the number we're
5 requesting for land lines?

6 MR. JAMES: Right now the land
7 line --

8 CHAIRMAN CLARKE: We're asking for
9 an alteration in the cap which is a dollar.
10 What are we requesting?

11 MR. JAMES: Well, we've asked for
12 them to consider what we actually have
13 submitted which is \$3, which I don't think
14 they're going to consider. But that's what
15 we've submitted. And we've submitted in
16 every plan that we have.

17 CHAIRMAN CLARKE: So, we've always
18 gone with the \$3.

19 MR. JAMES: It generally comes out
20 about \$3.75 or \$3.30. It's within that
21 ballpark range.

22 CHAIRMAN CLARKE: Are we locked into
23 that request or is it essentially they
24 approve \$3.30, they approve the costs?

25 MR. JAMES: Mm-hmm.

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2 CHAIRMAN CLARKE: Or is that --

3 MR. JAMES: What they approve --

4 CHAIRMAN CLARKE: -- and we get \$2?

5 I mean --

6 MR. JAMES: No. What the state
7 actually approves is our ability to
8 collect -- to continue to collect a dollar
9 surcharge.

10 CHAIRMAN CLARKE: Right.

11 MR. JAMES: That's all they approve,
12 because the Act 78 is not amended any other
13 way that you can approve any other amount.

14 So, cities of the first class,
15 you're capped at \$1. They basically allow
16 you to reauthorize to continue collection of
17 that \$1.

18 They know what our cost is. We
19 submitted it every time we submit our plan,
20 but there has been no modification or changes
21 to it. So what they're going to authorize is
22 at least the ability to continue to collect
23 \$1.

24 CHAIRMAN CLARKE: Right. Okay.

25 Councilman Rizzo.

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2 COUNCILMAN RIZZO: Just a quick
3 follow-up.

4 CHAIRMAN CLARKE: Councilman Rizzo.

5 COUNCILMAN RIZZO: You're not
6 suggesting that we're asking for more than \$1
7 from the consumer.

8 MR. JAMES: What we're suggesting is
9 that the cost for us and what it costs to
10 process 9-1-1 is more than \$1 that we
11 currently collect from the consumers today.

12 COUNCILMAN RIZZO: But you're just
13 asking the state to give you more money.
14 You're not asking them to up the surcharge.

15 MR. JAMES: No. No. What we would
16 like considered is, if you're going to
17 consider what it actually costs us for 9-1-1,
18 then you ought to up the surcharge to allow
19 us to recover what it actually costs us.

20 Now, that is probably why it's never
21 been approved because no one is supportive of
22 that kind of system where the surcharge --
23 the consumer covers the entire cost of the
24 surcharge.

25 So, we asked, we document, we show

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2 you what our costs are. We said, if you were
3 really trying to collect what it actually
4 costs us, you would collect \$3.

5 COUNCILMAN RIZZ0: So, for the
6 record, this administration is recommending
7 that the surcharge be increased from \$1 to
8 what amount again? \$3.30?

9 MR. JAMES: What we are recommending
10 is a resolution to allow us to continue to
11 collect the surcharge.

12 And we would -- we would -- What
13 we're recommending is that if the state ever
14 reconsidered the scheme that they charge
15 today for consumers to cover the surcharge,
16 it would be more than \$1. But our cost is
17 \$3.

18 COUNCILMAN RIZZ0: But you said
19 statewide. So --

20 MR. JAMES: Some counties --

21 COUNCILMAN RIZZ0: -- there doesn't
22 necessarily have to be a level playing field.
23 There's a lot of revenue being generated in
24 the rest of the counties throughout the state
25 that aren't being used to support an

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2 emergency 9-1-1 system.

3 MR. JAMES: The way the act works,
4 each municipality submits a plan. They
5 identify what that municipality's cost is for
6 delivering 9-1-1. And then they are allowed
7 to collect a surcharge based on their locale
8 and their population.

9 We're capped at \$1 because we're a
10 city of the first class. We're the only city
11 of the first class in the Commonwealth.

12 Other municipalities charge \$.75,
13 \$.50. Some of them may get to \$1.

14 COUNCILMAN RIZZIO: My final question
15 is, this dollar surcharge that Philadelphia
16 businesses and residents pay is not a fee
17 that will -- if not paid, will not -- will
18 not result in a termination of telephone
19 service. This is not a mandatory fee, is it?

20 MR. JAMES: I believe the way the
21 act is written, it is a mandatory fee, that
22 everyone is charged the same \$1.

23 Now, there are some consumers who
24 refuse to pay the \$1 surcharge. If they
25 refuse to pay the \$1 surcharge, we don't not

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2 take their 9-1-1 calls. We don't treat them
3 any differently than anyone else.
4 We tell them what the act says. And
5 it says that they have an obligation, if
6 they're billed the \$1 surcharge, what the
7 purpose of it is for, and that they should be
8 pay it.
9 COUNCILMAN RIZZO: An obligation is
10 different than a requirement. The law is the
11 law. I hate to ask --
12 MR. JAMES: I believe the phone
13 company won't turn anybody off if they don't
14 pay.
15 COUNCILMAN RIZZO: In other words,
16 if people don't pay.
17 MR. JAMES: Nobody's going to lose
18 their service, and we're going to continue to
19 take their 9-1-1 calls, but they are not
20 contributing to the 9-1-1 surcharge.
21 COUNCILMAN RIZZO: I understand.
22 CHAIRMAN CLARKE: Assuming, which we
23 probably feel is not going to happen,
24 assuming that the state authorized or
25 basically lifted the cap and incorporated a

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2 \$3.30 cap for cities of the first class,
3 would you then be required to come back to
4 Council to actually set that cost?

5 MR. JAMES: Yes. I believe that the
6 state gives us the authorization to allow us
7 to collect. I think we still as -- We would
8 have to amend our plan and submit the amended
9 plan to you to say that now we're collecting
10 \$3.30.

11 CHAIRMAN CLARKE: So, if you decided
12 that although you got state authorization to
13 lift the cap, we don't feel comfortable with
14 \$3.30 -- we feel comfortable with \$1.50 --
15 then City Council in the passage of the
16 amended plan would have the ability to do
17 that.

18 MR. JAMES: I believe that City
19 Council's part of the process by which --

20 CHAIRMAN CLARKE: When you say you
21 believe, that leaves you some wiggle room.

22 MR. JAMES: City Council is part of
23 the authorization process for the 9-1-1 plan.
24 So if City Council disagreed with the
25 administration's position that we want to

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2 submit a plan for a \$3 surcharge, and City
3 Council felt that there would be a \$1.50
4 surcharge, I don't think we could submit our
5 plan without your approval. So --

6 CHAIRMAN CLARKE: But you're
7 submitting a plan now based on --

8 MR. JAMES: We're submitting our
9 plan based on the \$1 and what we demonstrated
10 our costs of what we submitted.

11 CHAIRMAN CLARKE: Right. But what
12 I'm trying to understand, you're submitting a
13 plan now.

14 MR. JAMES: Yes.

15 CHAIRMAN CLARKE: First for
16 reauthorization. And additionally you're
17 asking for an increase or recommending your
18 ability to increase that cap.

19 MR. JAMES: No. Let me restate what
20 we are saying. We're submitting an amended
21 9-1-1 plan to reauthorize the \$1 surcharge.

22 CHAIRMAN CLARKE: Right.

23 MR. JAMES: The purpose of telling
24 you the \$3.30 is not a recommendation that we
25 ought to submit a \$3.30 recommendation.

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2 What we're saying is so people
3 understand what it actually costs us, we're
4 documenting and we're letting you know in our
5 testimony that it actually costs us more than
6 what we're allowed to collect.

7 CHAIRMAN CLARKE: To support your
8 argument, at a minimum you should get the \$1.

9 MR. JAMES: Right. So that we
10 should at least be able to collect the \$1.
11 It does cost us more.

12 CHAIRMAN CLARKE: Okay.

13 MR. JAMES: That means the operating
14 budgets are actually absorbing the additional
15 cost, you know.

16 In fairness to everyone, so they can
17 understand, the magnitude of it, it's not
18 like we're collecting \$1 and it costs us
19 \$.25.

20 CHAIRMAN CLARKE: Just wanted to
21 clarify that.

22 Councilwoman Tasco.

23 COUNCILWOMAN TASC0: I forgot now
24 where I was going to... The \$3.30 per access
25 line per month, is that the cost of staffing

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2 personnel and equipment and all of that?
3 That's what you calculate as your cost.

4 MR. JAMES: Yes. We take all of our
5 operating costs from all of our departments
6 and their budgets and salaries, and of course
7 when they get increases in, you know, wages,
8 we add all that up with overtime costs.
9 That's how we calculate.

10 COUNCILWOMAN TASC0: That's how you
11 came to the \$3.30?

12 MR. JAMES: Yes, ma'am.

13 COUNCILWOMAN TASC0: What is the
14 responsibility of the City to provide a 9-1-1
15 call system?

16 MR. JAMES: The responsibility of
17 the City?

18 COUNCILWOMAN TASC0: Mm-hmm.

19 MR. JAMES: Well, as part of the
20 City's responsibility for public safety and
21 welfare of the citizens, it's our
22 responsibility, through the state act, that
23 we have to enable three digit dialings for
24 citizens to be able to reach the 9-1-1 center
25 so that they can place their emergency calls

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2 and we can be able to respond to those
3 emergency calls.

4 And that gives the citizens and
5 visitors to the City a uniform manner by
6 which they can expect to be able to access
7 9-1-1 calling which they can call from pay
8 phones and they can call just about from
9 anywhere at no cost to them, so that no
10 matter where they are they will always get
11 the same level -- minimal level of service to
12 be able to reach the Police Department and
13 Fire Department to report an emergency.

14 COUNCILWOMAN TASC0: Okay. Thank
15 you.

16 COUNCILMAN RIZZ0: Could you please
17 provide to the Chair... Could you break out
18 how you get the \$3.30? Because I'm thinking
19 that this new 800 trunking radio system which
20 we're going to be talking about in the next
21 few minutes has significantly inflated the
22 operating costs to bring it to \$3.30, because
23 you indicate that the capital cost of the
24 system's in that figure.

25 MR. JAMES: We can certainly provide

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2 to the Chair how we calculated the \$3 rate
3 and explain how we calculated it and how we
4 come to that figure. I'm not sure if it's
5 just the radio system that brought us to that
6 number. I think there's other costs that
7 were --

8 COUNCILMAN RIZZ0: I mean, triple
9 plus, there's obviously something cooking
10 here.

11 MR. JAMES: Well, in the past and I
12 think in our 1999 plan we documented it was
13 actually \$3.75. So, it's actually a little
14 less than what it was in 1999.

15 COUNCILMAN RIZZ0: But that's when
16 the radio system was also being considered in
17 1999.

18 MR. JAMES: Right. And I think
19 that's how we calculated -- when you do the
20 calculations, back in 1999 where we had the
21 \$15 million in the bank of money to be able
22 to fund it, we didn't have to --

23 COUNCILMAN RIZZ0: I'd be interested
24 to see...

25 MR. JAMES: Sure.

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2 COUNCILMAN RIZZO: ...see where...

3 MR. JAMES: I'll provide that to the
4 Chair.

5 COUNCILMAN RIZZO: Thank you.

6 COUNCILWOMAN TASC0: Let me ask you
7 a question while the Chair is coming back.

8 Some time ago we put in a resolution
9 about the 3-1-1. I know this isn't it, but
10 what are your thoughts about that as
11 another -- to keep the 9-1-1 lines open,
12 3-1-1 for non-emergency?

13 MR. JAMES: I think 3-1-1 is an
14 effective strategy that they use in other
15 jurisdictions to able to get to citizens and
16 visitors and understand the difference
17 between what's urgent and what's an
18 emergency, and also to understand that they
19 can access City services the same -- in the
20 same manner with dialing three digits and be
21 able to do that in a 24 by 7 manner, not
22 having to call a 9-1-1 because they feel
23 that's the only place that's open in the City
24 24 hours a day, you know, 365 days.

25 So the 3-1-1 has been used. It

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2 started out in some jurisdictions, Baltimore,
3 I believe, in the early '80s as a means to
4 offload 9-1-1 calls. And they used a lot of
5 uniform officers who are not able to work out
6 in the field to be able to take those calls.

7 I think in Philadelphia we've seen
8 the kind of migration, as just a strategy for
9 reducing 9-1-1 calls, as more as a holistic
10 way of how do we deal with citizens in
11 providing them a good quality customer
12 service and is something that we have been
13 working on.

14 We had it as part of our operating
15 budget testimony that we continue to work in
16 that vein. And hopefully some day we'll be
17 able to implement the 3-1-1 here in
18 Philadelphia.

19 But it is a very effective tool to
20 at least get people's mindsets, because
21 they're used to, you know, 9-1-1 is for
22 everything. And that means that somebody
23 else is not getting service because they're
24 calling about things that are really just
25 general City services.

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2 COUNCILWOMAN TASC0: You'd have to
3 have a separate system for that?

4 MR. JAMES: Yes. Yes.

5 COUNCILWOMAN TASC0: Okay. Thank
6 you.

7 CHAIRMAN CLARKE: Thank you.

8 Are there ever any opportunities
9 when there's an overlap on 9-1-1 calls? A
10 person just outside of the City of
11 Philadelphia makes a 9-1-1 call and the
12 response comes from the City's response team
13 or vice versa? How does that work?

14 MR. JAMES: For wire line customers,
15 it's driven by your phone number, that drives
16 you to the particular public safety answering
17 point that actually takes your call.

18 And in most cases that's pretty well
19 99 percent reliable, that if you call from
20 Philadelphia you're going to get the
21 Philadelphia 9-1-1 system.

22 And if you call from, you know,
23 Cheltenham or Jenkintown or borders around
24 us, you're going to go to Montgomery County,
25 you're going to go to the right county 9-1-1

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2 center.

3 CHAIRMAN CLARKE: The right county.

4 MR. JAMES: Right.

5 I think what the issue has been in
6 the wireless caller, the wireless caller,
7 depending on where they call, they may be on,
8 let's say, Cheltenham Avenue that borders the
9 city and dial 9-1-1 and end up in Cheltenham
10 township, as opposed to they were really
11 calling about an incident in Philadelphia,
12 because the tower that actually took the
13 transmission was on the opposite side of the
14 line. So, by that, that land line then hit
15 the ground and sent it to Cheltenham.

16 Just like some people driving on
17 I-95 or on the Ben Franklin Bridge and may
18 dial 9-1-1, and may end up in Camden; may end
19 up in Philadelphia.

20 Part of what we're trying to do with
21 the wireless 9-1-1 initiative, when we get to
22 that, we'll be able to make that more
23 reliable, and make that so that when they're
24 calling we can at least know where they're
25 calling from, depending on where their

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2 incident is, and find out where they are, and
3 be able to know whether it should be a Camden
4 issue or a Philadelphia issue or Montgomery
5 County or Bucks issue.

6 And the statewide plan is, the idea
7 is to incorporate that so if police are in
8 pursuit of someone who is driving through a
9 township, and they're on a wireless phone,
10 we'll be able to track them and be able to
11 consistently handle that call from county to
12 county.

13 CHAIRMAN CLARKE: Okay. Thank you.

14 COUNCILMAN RIZZO: Can I add
15 something to that?

16 CHAIRMAN CLARKE: Absolutely.

17 COUNCILMAN RIZZO: I have to
18 compliment Montgomery County. I had an
19 incident exactly like you described. I
20 received Montgomery County radio when I was
21 in the northwest.

22 And they were so courteous, and I
23 hope we are in our police radio. They
24 immediately transferred the call when I told
25 them that I needed 9-1-1 for Philadelphia.

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2 They immediately transferred the call to
3 Philadelphia police radio.

4 So, I would hope that we provide
5 such a similar service in the event they hit
6 a cell site that's located within the County
7 of Philadelphia.

8 MR. JAMES: I'm sure they do.

9 COUNCILMAN RIZZO: We do?

10 MR. JAMES: I'm sure we do as well.

11 COUNCILMAN RIZZO: Okay.

12 COUNCILWOMAN TASC0: Let me ask one
13 other question. The funds generated from the
14 9-1-1 surcharge go into the General Fund?

15 MR. JAMES: No. They go into a
16 special 9-1-1 account, as mandated by the
17 state act, so they don't get commingled with
18 the General Fund dollars.

19 They go into a 9-1-1 grants fund
20 account, and then that money is divided
21 between capital costs and operating costs.

22 COUNCILWOMAN TASC0: For the Police
23 Department.

24 MR. JAMES: Well, it covers the
25 Police and Fire Department for emergency

1 Pub. Property/Pub. Works - 4/4/05

2 services, yes.

3 COUNCILWOMAN TASC0: Okay. Thank
4 you.

5 MR. JAMES: Yes.

6 CHAIRMAN CLARKE: Any other
7 questions of this witness.

8 (No response.)

9 CHAIRMAN CLARKE: Thank you. Thank
10 you, Mr. James.

11 COUNCILMAN RIZZ0: Doesn't cover our
12 P.A. system.

13 CHAIRMAN CLARKE: Right.

14 MR. JAMES: Sorry. It doesn't cover
15 your P.A.

16 CHAIRMAN CLARKE: Why am I not
17 surprised?

18 Thank you, Mr. James.

19 (Public hearing concluded at 3:58
20 p.m.)

21

22

23

24

25

1 Pub. Property/Pub. Works - 4/4/05

2 CERTIFICATE

3

4 I HEREBY CERTIFY that the proceedings and
5 evidence are contained fully and accurately in the
6 stenographic notes taken by me upon the public
7 hearing of The Philadelphia City Council, taken on
8 April 4, 2005, and that this is a true and correct
9 transcript of same.

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12

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15 _____
DAVID A. DEIK, RPR and

16 Commissioner of Deeds

17

18

19 (The foregoing certification of
20 this transcript does not apply to any
21 reproduction of the same by any means,
22 unless under the direct control and/or
23 supervision of the certifying reporter.)

24

25

1 Pub. Property/Pub. Works - 4/4/05

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC MEETING

4

COMMITTEE ON PUBLIC PROPERTY and PUBLIC WORKS

5

- - -

6

Room 400, City Hall

Philadelphia, Pennsylvania

7

Monday, April 4, 2005, 3:58 p.m.

- - -

8 041080 - An Ordinance authorizing the Commissioner
9 of Public Property to execute and deliver to the
10 Philadelphia Authority for Industrial Development,
11 for nominal consideration, a deed conveying fee
12 simple title to a certain tract of City-owned land
with the buildings and improvements thereon,
situate in an area generally located at the
intersection of Wheatsheaf Lane and Sepviva Street
for further conveyance at fair market value.

13 041082 - An Ordinance authorizing the Commissioner
14 of Public Property to execute and deliver to the
15 Philadelphia Authority for Industrial Development
16 a deed for nominal consideration conveying fee
17 simple title to certain tracts of City-owned land
located at 837-839 Montrose Street, with the
buildings and improvements thereon, for further
conveyance at fair market value.

18 041083 - An Ordinance authorizing the Commissioner
19 of Public Property to execute and deliver to the
20 Philadelphia Authority for Industrial Development
21 a deed conveying, for nominal consideration, fee
simple title to certain tracts of City-owned land
and located at 626-36 North Delaware Avenue, with
the buildings and improvements thereon, fur
further conveyance at fair market value.

22

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23

V A R A L L O Incorporated

Litigation Support Services

24

1835 Market Street, Suite 600

Philadelphia, Pennsylvania 19103

25

215.561.2220

215.567.2670

1 Pub. Property/Pub. Works - 4/4/05

2 041084 - An Ordinance authorizing the Commissioner
3 of Public Property to execute and deliver to the
4 Philadelphia Authority for Industrial Development,
5 for nominal consideration, a deed conveying fee
6 simple title to a certain tract of City-owned land
7 with the buildings and improvements thereon,
8 situate in a rectangular area generally bounded by
9 Ruth Street on the northwest, Clearfield Street on
10 the northeast, Emerald Street on the southeast,
11 and Orleans Street on the southwest, generally
12 under and subject to the terms and conditions of
13 the Philadelphia Industrial and Commercial
14 Development Agreement between The City of
15 Philadelphia, the Philadelphia Authority for
16 Industrial Development, and the Philadelphia
17 Industrial Development Corporation.

18 041085 - An Ordinance authorizing the Commissioner
19 of Public Property to execute and deliver to the
20 Philadelphia Authority for Industrial Development
21 a deed conveying, for nominal consideration, fee
22 simple title to certain tracts of City-owned
23 improvements thereon, for further conveyance at
24 fair market value.

25 050061 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
Philadelphia Authority for Industrial Development
a deed conveying, for nominal consideration, fee
simple title to certain tracts of City-owned land
located at 3300-02 North Front Street, with the
buildings and improvements thereon, for further
conveyance at fair market value.

050066 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
Philadelphia Authority for Industrial Development
a deed conveying, for nominal consideration, fee
simple title to certain tracts of City-owned land
located at 1826-34 South 10th Street, with the
improvements thereon, for further conveyance at
fair market value.

- 1 Pub. Property/Pub. Works - 4/4/05
- 2 050105 - An Ordinance approving a Lease Agreement
3 between Philadelphia Gas Works by Philadelphia
4 Facilities Management Corporation, solely in its
5 capacity as operator and manager of the City-owned
6 Philadelphia Gas Works, and Greater Germantown
7 Housing Development Corporation for certain
8 premises located at 212-14 West Cheltenham Avenue.
- 9 050106 - An Ordinance authorizing the Commissioner
10 of Public Property, on behalf of the City of
11 Philadelphia, to enter into a Sublease Agreement
12 to lease from the Philadelphia Municipal Authority
13 portions of the building located at 701 Market
14 Street, for use by the City and affiliated
15 agencies as office space, under certain terms and
16 conditions.
- 17 050132 - An Ordinance authorizing the Commissioner
18 of Public Property, on behalf of the City of
19 Philadelphia, to acquire by condemnation or by
20 purchase in lieu of condemnation a certain
21 underground easement through 3111 West Allegheny
22 Avenue, for sewer and drainage purposes, under
23 certain terms and conditions.
- 24 041059 - Resolution authorizing City Council's
25 Committee on Public Property and Public Works to
26 hold public hearings on the development and
27 implementation of public and private strategies
28 for the renovation and use of the underutilized
29 areas of City Hall.
- 30 050153 - Resolution authorizing City Council's
31 Committee on Public Property and Public Works to
32 hold public hearings on the status of land lines
33 and other means to support the need of the City
34 for data transmission, communication, and public
35 safety and security; and, in furtherance of such
36 hearing, authorizing the issuance of subpoenas to
37 compel the attendance of witnesses and the
38 production of documents to the full extent
39 authorized under section 2-401 of the Home Rule
40 Charter.

1 Pub. Property/Pub. Works - 4/4/05

2 050183 - Resolution approving the City of
3 Philadelphia Amended 9-1-1 Plan, and authorizing
4 the Commissioner of Public Property, on behalf of
5 the City of Philadelphia, to submit the Amended
6 9-1-1 Plan to the Pennsylvania Emergency
7 Management Agency ("PEMA") for review and
8 approval, as required by the Pennsylvania Public
9 Safety Emergency Telephone Act.

10 PRESENT:

11 COUNCILMAN DARRELL L. CLARKE, Chair
12 COUNCIL PRESIDENT ANNA C. VERNA
13 COUNCILMAN FRANK DI CICCIO
14 COUNCILWOMAN DONNA REED MILLER
15 COUNCILMAN MICHAEL A. NUTTER
16 COUNCILMAN FRANK RIZZO
17 COUNCILWOMAN MARIAN B. TASCO

1 Pub. Property/Pub. Works - 4/4/05

2 - - -

3 P R O C E E D I N G S

4 - - -

5 CHAIRMAN CLARKE: All right. What
6 we're going to do now, we're going to go into
7 the public meeting and vote the ordinances
8 out of committee that are on the calendar,
9 and then go back into our public hearing and
10 talk in hear Resolution Number 050153.

11 Okay. We will now go into the
12 public meeting. I would ask Councilwoman
13 Miller to make the motion on Bill Number
14 040180.

15 COUNCILWOMAN MILLER: I move that
16 Bill Number 040180 be reported out of this
17 committee with a favorable recommendation;
18 and furthermore, that the rules of Council be
19 suspended so as to permit first reading at
20 our next session.

21 COUNCIL PRESIDENT VERNA: Second.

22 CHAIRMAN CLARKE: All in favor?

23 (Chorus of "ayes.")

24 CHAIRMAN CLARKE: All opposed?

25 (No response.)

1 Pub. Property/Pub. Works - 4/4/05

2 CHAIRMAN CLARKE: Bill Number 041080
3 is reported out of committee with a favorable
4 recommendation; rules suspension, allowing
5 first reading at the next session of Council.

6 Councilwoman Miller.

7 COUNCILWOMAN MILLER: I move that
8 Bill Number 041082 be reported out of this
9 committee with a favorable recommendation;
10 and further move that the rules of Council be
11 suspended so as to permit first reading at
12 our next session.

13 COUNCILWOMAN TASC0: Second.

14 CHAIRMAN CLARKE: There's a motion
15 that Bill Number 041082 be reported out of
16 committee.

17 All in favor?

18 (Chorus of "ayes.")

19 CHAIRMAN CLARKE: All opposed?

20 (No response.)

21 CHAIRMAN CLARKE: Let the record
22 reflect that Bill Number 041082 will be
23 reported out of committee with a favorable
24 recommendation; rule suspension so as to
25 allow first reading next session of Council.

1 Pub. Property/Pub. Works - 4/4/05

2 Councilwoman Miller.

3 COUNCILWOMAN MILLER: I move that
4 041083 be reported out of this committee with
5 a favorable recommendation; and further move
6 that the rules of Council be suspended so as
7 to permit first reading at our next session.

8 UNIDENTIFIED COUNCIL PERSON:

9 Second.

10 CHAIRMAN CLARKE: All in favor?

11 (Chorus of "ayes.")

12 CHAIRMAN CLARKE: All opposed?

13 (No response.)

14 CHAIRMAN CLARKE: Bill Number 041083
15 will be reported out of committee with
16 favorable recommendation; request for rules
17 suspension to allow first reading next at the
18 next session of Council.

19 Councilwoman Miller.

20 COUNCILWOMAN MILLER: I move that
21 Bill Number 041084 be reported out of this
22 committee with a favorable recommendation;
23 and further move that the rules of Council be
24 suspended so as to permit first reading at
25 our next session.

1 Pub. Property/Pub. Works - 4/4/05

2 UNIDENTIFIED COUNCIL PERSON:

3 Second.

4 CHAIRMAN CLARKE: All in favor?

5 (Chorus of "ayes.")

6 CHAIRMAN CLARKE: All opposed?

7 (No response.)

8 CHAIRMAN CLARKE: Bill Number 041084

9 is reported out of committee with a favorable
10 recommendation; with rule suspension as to
11 allow first reading at our next session of
12 Council.

13 Councilwoman Miller.

14 COUNCILWOMAN MILLER: I move that
15 Bill Number 041085 be reported out of this
16 committee with a favorable recommendation;
17 and further recommend that the rules of
18 Council be suspended so as to permit first
19 reading at our next session.

20 COUNCIL PRESIDENT VERNA: Second.

21 CHAIRMAN CLARKE: All approved?

22 (Chorus of "ayes.")

23 CHAIRMAN CLARKE: Those opposed?

24 (No response.)

25 CHAIRMAN CLARKE: Bill Number 041085

1 Pub. Property/Pub. Works - 4/4/05
2 will be reported out of committee with a
3 favorable recommendation and a rule
4 suspension to allow first reading at the next
5 session of Council.

6 Councilwoman Miller.

7 COUNCILWOMAN MILLER: Okay. I move
8 that Bill Number 050061 be reported out of
9 this committee with a favorable
10 recommendation; and further move that the
11 rules of Council be suspended so as to permit
12 first reading at our next session of Council.

13 COUNCILWOMAN TASC0: Second.

14 CHAIRMAN CLARKE: All in favor?

15 (Chorus of "ayes.")

16 CHAIRMAN CLARKE: All opposed?

17 (No response.)

18 CHAIRMAN CLARKE: Bill Number 050061
19 will be reported out of committee with a
20 favorable recommendation; with rule
21 suspension to allow first reading at our next
22 session of Council.

23 Councilwoman Miller.

24 COUNCILWOMAN MILLER: I move that
25 Bill Number 050066 be reported out of this

1 Pub. Property/Pub. Works - 4/4/05
2 committee with a favorable recommendation;
3 and further move that the rules of Council be
4 suspended so as to permit first reading at
5 our next session.

6 COUNCIL PRESIDENT Verna: Second.

7 CHAIRMAN CLARKE: All in favor?

8 (Chorus of "ayes.")

9 CHAIRMAN CLARKE: Opposed?

10 (No response.)

11 CHAIRMAN CLARKE: Bill Number 050066
12 is reported out of committee with a favorable
13 recommendation; with rules suspension as to
14 allow first reading at the next session of
15 Council.

16 Councilwoman Miller.

17 COUNCILWOMAN MILLER: I move that
18 050105 be reported out of this committee with
19 a favorable recommendation; and further move
20 that the rules of Council be suspended so as
21 to permit first reading at our next session.

22 COUNCILWOMAN TASC0: Second.

23 CHAIRMAN CLARKE: Those approved?

24 (Chorus of "ayes.")

25 CHAIRMAN CLARKE: Those opposed?

1 Pub. Property/Pub. Works - 4/4/05

2 (No response.)

3 CHAIRMAN CLARKE: Bill Number 050105

4 is reported out of committee with a favorable
5 recommendation; with rules suspension as to
6 allow first reading at the next session of
7 Council.

8 Councilwoman Miller.

9 COUNCILWOMAN MILLER: I move that
10 Bill Number 050106 be reported out of this
11 committee with a favorable recommendation;
12 and further move that the rules of Council be
13 suspended so as to permit first reading at
14 our next session.

15 UNIDENTIFIED COUNCIL PERSON:

16 Second.

17 COUNCILMAN CLARKE: Those approved?

18 (Chorus of "ayes.")

19 COUNCILMAN CLARKE: Those opposed?

20 (No response.)

21 COUNCILMAN CLARKE: Ayes have it.

22 Bill Number 050106 is reported out of
23 committee with a favorable recommendation;
24 with rules suspension as to allow first
25 reading at our next session of Council.

1 Pub. Property/Pub. Works - 4/4/05

2 Councilwoman Miller.

3 COUNCILWOMAN MILLER: I move that
4 Bill Number 050132 be reported out of this
5 committee with a favorable recommendation;
6 and further move that the rules of Council be
7 suspended so as to permit first reading at
8 our next question.

9 COUNCILWOMAN TASC0: Second.

10 CHAIRMAN CLARKE: Those approved?

11 (Chorus of "ayes.")

12 CHAIRMAN CLARKE: Those opposed?

13 (No response.)

14 CHAIRMAN CLARKE: Bill Number 050132
15 is reported out of committee with a favorable
16 recommendation; with rules suspension so as
17 to allow first reading at the next session of
18 Council.

19 Bill Number 041059 is being held at
20 the request of the sponsor.

21 Councilwoman Miller.

22 COUNCILWOMAN MILLER: I move that
23 Bill Number 050183 be reported out of this
24 committee with a favorable recommendation;
25 and further move that the rules of Council be

1 Pub. Property/Pub. Works - 4/4/05
2 suspended so as to permit first reading at
3 our next Council session.

4 COUNCILWOMAN TASC0: Second.

5 COUNCILWOMAN MILLER: We don't need
6 a rule suspension. That's a resolution.

7 I just move that Bill Number 050183
8 be reported out of this committee with a
9 favorable recommendation.

10 COUNCIL PRESIDENT VERNA: Second.

11 CHAIRMAN CLARKE: Those approved?

12 (Chorus of "ayes.")

13 CHAIRMAN CLARKE: Those opposed?

14 (No response.)

15 CHAIRMAN CLARKE: Resolution 050153
16 is reported out of committee with a favorable
17 recommendation.

18 COUNCILWOMAN MILLER: 83.

19 CHAIRMAN CLARKE: I'm sorry. Let
20 the record reflect 83. I'm sorry.

21 (Public meeting concluded at 5:00
22 p.m.)

23

24

25

1 Pub. Property/Pub. Works - 4/4/05

2 CERTIFICATE

3

4 I HEREBY CERTIFY that the proceedings and
5 evidence are contained fully and accurately in the
6 stenographic notes taken by me upon the public
7 meeting of The Philadelphia City Council, taken on
8 April 4, 2005, and that this is a true and correct
9 transcript of same.

10

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21 reproduction of the same by any means,
22 unless under the direct control and/or
23 supervision of the certifying reporter.)

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25

1 Pub. Property/Pub. Works - 4/4/05

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON PUBLIC PROPERTY and PUBLIC WORKS

5

- - -

6

Room 400, City Hall

Philadelphia, Pennsylvania

7

Monday, April 4, 2005, 5:00 p.m.

- - -

8 041080 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
9 Philadelphia Authority for Industrial Development,
for nominal consideration, a deed conveying fee
10 simple title to a certain tract of City-owned land
with the buildings and improvements thereon,
11 situate in an area generally located at the
intersection of Wheatsheaf Lane and Sepviva Street
12 for further conveyance at fair market value.

13 041082 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
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a deed for nominal consideration conveying fee
15 simple title to certain tracts of City-owned land
located at 837-839 Montrose Street, with the
16 buildings and improvements thereon, for further
conveyance at fair market value.

17

041083 - An Ordinance authorizing the Commissioner
18 of Public Property to execute and deliver to the
Philadelphia Authority for Industrial Development
19 a deed conveying, for nominal consideration, fee
simple title to certain tracts of City-owned land
20 and located at 626-36 North Delaware Avenue, with
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21 further conveyance at fair market value.

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215.561.2220

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1 Pub. Property/Pub. Works - 4/4/05

2 041084 - An Ordinance authorizing the Commissioner
3 of Public Property to execute and deliver to the
4 Philadelphia Authority for Industrial Development,
5 for nominal consideration, a deed conveying fee
6 simple title to a certain tract of City-owned land
7 with the buildings and improvements thereon,
8 situate in a rectangular area generally bounded by
9 Ruth Street on the northwest, Clearfield Street on
10 the northeast, Emerald Street on the southeast,
11 and Orleans Street on the southwest, generally
12 under and subject to the terms and conditions of
13 the Philadelphia Industrial and Commercial
14 Development Agreement between The City of
15 Philadelphia, the Philadelphia Authority for
16 Industrial Development, and the Philadelphia
17 Industrial Development Corporation.

18 041085 - An Ordinance authorizing the Commissioner
19 of Public Property to execute and deliver to the
20 Philadelphia Authority for Industrial Development
21 a deed conveying, for nominal consideration, fee
22 simple title to certain tracts of City-owned
23 improvements thereon, for further conveyance at
24 fair market value.

25 050061 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
Philadelphia Authority for Industrial Development
a deed conveying, for nominal consideration, fee
simple title to certain tracts of City-owned land
located at 3300-02 North Front Street, with the
buildings and improvements thereon, for further
conveyance at fair market value.

050066 - An Ordinance authorizing the Commissioner
of Public Property to execute and deliver to the
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a deed conveying, for nominal consideration, fee
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improvements thereon, for further conveyance at
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- 1 Pub. Property/Pub. Works - 4/4/05
- 2 050105 - An Ordinance approving a Lease Agreement
3 between Philadelphia Gas Works by Philadelphia
4 Facilities Management Corporation, solely in its
5 capacity as operator and manager of the City-owned
6 Philadelphia Gas Works, and Greater Germantown
7 Housing Development Corporation for certain
8 premises located at 212-14 West Cheltenham Avenue.
- 9 050106 - An Ordinance authorizing the Commissioner
10 of Public Property, on behalf of the City of
11 Philadelphia, to enter into a Sublease Agreement
12 to lease from the Philadelphia Municipal Authority
13 portions of the building located at 701 Market
14 Street, for use by the City and affiliated
15 agencies as office space, under certain terms and
16 conditions.
- 17 050132 - An Ordinance authorizing the Commissioner
18 of Public Property, on behalf of the City of
19 Philadelphia, to acquire by condemnation or by
20 purchase in lieu of condemnation a certain
21 underground easement through 3111 West Allegheny
22 Avenue, for sewer and drainage purposes, under
23 certain terms and conditions.
- 24 041059 - Resolution authorizing City Council's
25 Committee on Public Property and Public Works to
hold public hearings on the development and
implementation of public and private strategies
for the renovation and use of the underutilized
areas of City Hall.
- 050153 - Resolution authorizing City Council's
Committee on Public Property and Public Works to
hold public hearings on the status of land lines
and other means to support the need of the City
for data transmission, communication, and public
safety and security; and, in furtherance of such
hearing, authorizing the issuance of subpoenas to
compel the attendance of witnesses and the
production of documents to the full extent
authorized under section 2-401 of the Home Rule
Charter.

1 Pub. Property/Pub. Works - 4/4/05

2 050183 - Resolution approving the City of
3 Philadelphia Amended 9-1-1 Plan, and authorizing
4 the Commissioner of Public Property, on behalf of
5 the City of Philadelphia, to submit the Amended
6 9-1-1 Plan to the Pennsylvania Emergency
7 Management Agency ("PEMA") for review and
8 approval, as required by the Pennsylvania Public
9 Safety Emergency Telephone Act.

6

7 PRESENT:

8

9 COUNCILMAN DARRELL L. CLARKE, Chair
10 COUNCIL PRESIDENT ANNA C. VERNA
11 COUNCILMAN FRANK DI CICCIO
12 COUNCILWOMAN DONNA REED MILLER
13 COUNCILMAN MICHAEL A. NUTTER
14 COUNCILMAN FRANK RIZZO
15 COUNCILWOMAN MARIAN B. TASCO

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1 Pub. Property/Pub. Works - 4/4/05

2 - - -

3 P R O C E E D I N G S

4 - - -

5 CHAIRMAN CLARKE: This concludes the
6 public meeting. We will now go back into the
7 public hearing.

8 Will the clerk please read the title
9 of the resolution.

10 COUNCIL CLERK: Resolution 050153, a
11 resolution authorizing City Council's
12 committee on Public Property and Public Works
13 to hold public hearings on the status of land
14 lines and other means to support the need of
15 the City for data transmission, communication
16 and public safety and security; and in
17 furtherance of such hearing, authorizing the
18 issuance of subpoenas to compel the
19 attendance of witnesses and the production of
20 documents, to the full extent authorized
21 under section 2-401 of the Home Rule Charter.

22 CHAIRMAN CLARKE: Thank you.

23 Councilman Rizzo, would you like to
24 make an opening statement?

25 COUNCILMAN RIZZO: Thank you.

1 Pub. Property/Pub. Works - 4/4/05

2 The first people that we're going to
3 call to the table is Joe James and Frank
4 Punzo of the City Department of Public
5 Property's Communication Division.

6 While they're doing that, I want to
7 thank everyone attending today and watching
8 this process that you watched today here
9 during the Public Property committee.

10 I'd like to start off by again
11 thanking representatives from Motorola that
12 are here today, even though they won't be
13 testifying, to observe and listen to what is
14 said here today.

15 The reason I've asked Commissioner
16 James and Mr. Punzo to come to the table is
17 that I would like them to outline... The
18 reason we've asked -- And I appreciate the
19 fact that Verizon has come today to report
20 out on some of the issues that have affected.

21 For the record, Motorola's name is
22 on the system but there are lots of
23 technology that support it and keep the
24 system in the up mode, the way it should be.

25 So when we discuss Motorola, we need

1 Pub. Property/Pub. Works - 4/4/05
2 to be clear that not every issue is the
3 responsibility of the Motorola Company. And
4 we have had -- And I'll use a number, and I
5 think we've agreed -- that we've had nine
6 incidents that have been significant and have
7 caused some disruption to the system.

8 And whether the number be three or
9 four, we have had various incidents that have
10 been... have... I don't want to use the word
11 blame, but we've identified the fact that
12 Verizon Communications has had some
13 involvement in what created the difficulties
14 for the 800 megahertz radio system.

15 So, what I would like to do today is
16 ask Commissioner James or Mr. Punzo to
17 identify the various issues that have
18 occurred, and then for the record have
19 Verizon report out what they've done to
20 improve our communications. And when I say
21 "communications," I mean just a dialogue
22 between your department, the communications
23 department of Public Property and their
24 company.

25 So, if you could just take us

1 Pub. Property/Pub. Works - 4/4/05
2 briefly through the scenarios that have
3 affected the system and have pretty much
4 eliminated Motorola as the responsible party
5 for the down or whatever going into the
6 backup mode of our system.

7 Mr. James.

8 CHAIRMAN CLARKE: Please read your
9 name into the record.

10 COMMISSIONER JAMES: Sure. Again,
11 my name is Joseph James. I'm Deputy
12 Commissioner for the Department of Public
13 Property.

14 With me is Frank Punzo,
15 Communications Superintendent in the
16 Communications Division for the Department of
17 Public Property.

18 Mr. Punzo speaks specifically to the
19 Councilman's last point about the incidents
20 in question which bring us to today.

21 I'd just like to make a brief
22 opening statement in general that the 800
23 megahertz system, since the last hearing
24 we've had, Councilman, was in February,
25 continues to operate and perform to spec and

1 Pub. Property/Pub. Works - 4/4/05
2 we believe performing in a way that we're
3 very comfortable that the problems that we
4 experienced last summer are behind us, and
5 that we have worked closely together with
6 both Motorola and Verizon to put together the
7 right kind of procedures and protocols to be
8 able to quickly identify issues as they may
9 come up, determine who is the responsible
10 agency to correct them, and then to implement
11 a resolution as quickly as possible.

12 And as you well understand, when we
13 built the system back in 1999 when we
14 started, our original design was to have as
15 much redundancy in the system as possible
16 because a large communications system with
17 this radio system is going to have issues
18 from time to time.

19 It's a very complex system. It's
20 operating in both a radio frequency in the
21 R.F. world, as well as it's operating in a
22 traditional land line world which is part of
23 the issues that we're going to talk about
24 today.

25 And there's a number of complexities

1 Pub. Property/Pub. Works - 4/4/05
2 to that which from time to time may cause the
3 system not to perform at its primary level.
4 And that's why we've built those redundant
5 levels into the system, so that the public
6 safety folks who are using the system, that
7 their lifeline is always going to be there.
8 It's always going to be operating. It may
9 not be operating in the first preference but
10 it will be operating in such a way that their
11 life will not be in jeopardy.

12 I think the other point we wanted to
13 make is that over this time it's been a
14 lesson learned on how to put together the
15 right kind of procedures because I think
16 anything of this size, no one has a lot of
17 first-hand experience.

18 We certainly have not implemented
19 one of these systems before. So, there was a
20 lot of growing that had to occur on all -- I
21 think on all parties involved.

22 But to get you to your final point,
23 Councilman, there are three parties that are
24 really at the primary heart of maintaining
25 this radio system: The Department of Public

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2 Property, Motorola and Verizon.

3 And I think you'll hear a
4 commitment, and you've heard the commitment
5 from Motorola. You'll continue to hear
6 commitment from The Department of Public
7 Property and the administration that we're
8 working very hard every day to make sure the
9 system is operating as it should.

10 And I think you'll hear comments
11 today from Verizon who can speak to their
12 particular role that they have to play.

13 I'd like Mr. Punzo to take us the
14 through the four incidents that are directly
15 related to Verizon's activity in this
16 project.

17 CHAIRMAN CLARKE: Are there
18 representatives from all the aforementioned
19 entities today?

20 COMMISSIONER JAMES: Yes.

21 CHAIRMAN CLARKE: Verizon, Motorola
22 and the City?

23 MR. JAMES: Yes.

24 CHAIRMAN CLARKE: All right. Thank
25 you. Please proceed.

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2 MR. PUNZO: Hi. My name is Frank
3 Punzo, as identified, Communications
4 Superintendent for the City of Philadelphia's
5 Department of Public Property communications.

6 The four incidents that Councilman
7 Rizzo referenced occurred throughout 2004 and
8 one incident in 2005.

9 The dates that Verizon will be
10 discussing are July 20, 2004; November 14,
11 2004; December 17, 2004; and most recently
12 February 23, 2005.

13 Each one of these incidents was
14 attributable to, you know, failures or
15 systems that were impacted on the Verizon
16 side that did have impact on the radio
17 system.

18 COMMISSIONER JAMES: One other
19 comment for Councilman. I do have that
20 answer to your previous discussion on the
21 9-1-1 is Page 74-3 of the 9-1-1 plan, but I
22 will make a copy and give it to you directly.

23 COUNCILMAN RIZZO: The amount of
24 money?

25 COMMISSIONER JAMES: Yeah. How we

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2 calculated it.

3 COUNCILMAN RIZZO: Thank you.

4 CHAIRMAN CLARKE: I'm assuming
5 there's at least one Council member on this
6 committee that is interested in some
7 questions.

8 COUNCILMAN RIZZO: Well, no. I'm
9 pretty -- I'm satisfied with the fact that
10 with the July 20th, November 14th, December
11 17th and February 23rd. I won't -- Unless
12 you want to, I understood with of these dates
13 there was a little bit of back and forth
14 between Verizon and Motorola on who was at
15 the end responsible.

16 So, I guess I'll just wait for
17 Verizon to respond to that particular event
18 because it's still not clear to me whether we
19 had a Motorola event or a Verizon event or a
20 combination of both. I don't know.

21 COMMISSIONER JAMES: Okay.

22 COUNCILMAN RIZZO: So, I'll let
23 Verizon do that.

24 Thank you, Commissioners and thank
25 you, Mr. Punzo. I think we're ready for

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2 Verizon.

3 CHAIRMAN CLARKE: Any other
4 questions from members of the committee on
5 these witnesses?

6 (No response.)

7 CHAIRMAN CLARKE: There being none,
8 thank you, gentlemen, and please hang around.

9 COMMISSIONER JAMES: Thank you.

10 CHAIRMAN CLARKE: Anyone else to
11 testify on this particular bill?

12 COUNCILMAN RIZZO: Yes. Verizon.

13 MS. MAGUIRE: Good afternoon.

14 CHAIRMAN CLARKE: Good afternoon.

15 MS. MAGUIRE: Chairman and members
16 of the Committee, my name is Karen Maguire.
17 My business address is 1095 Avenue of
18 Americas, 36th Floor, New York, New York
19 10036.

20 I am the Vice President of Customer
21 Service for the Enterprise Service Group in
22 Verizon. I am responsible for providing
23 customer service to over 5,000 large business
24 and institutional customers on the east
25 coast, including the City of Philadelphia.

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2 My team's responsibilities include
3 service management, project management,
4 service ordering, provisioning and
5 maintenance. I have over 15 years experience
6 in Verizon. I assumed my current
7 responsibilities in December 2003.

8 Prior to my current position I was
9 Executive Director of Telecom Process
10 Assurance, responsible for strategy,
11 operations excellence, metrics and resource
12 plans.

13 Prior to that I was Executive
14 Director of Wholesale Customer
15 Infrastructure, responsible for providing
16 co-location, SONET, switch services to
17 wholesale customers across the country.
18 Prior to that I held several jobs in customer
19 service and network planning.

20 I have been asked to appear here to
21 address three specific incidents which
22 occurred last year when the backup police
23 radio system had to be brought on line
24 because the Verizon infrastructure supporting
25 the City of Philadelphia's Police

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2 Department's 800 megahertz digital radio
3 system experienced problems that affected the
4 operation of the system.

5 This radio system itself, as you
6 know, is provided to the City by Motorola.
7 Verizon provides the high capacity and
8 fiberoptic telecommunication services to the
9 City that support the radio system.

10 My testimony today will address the
11 three specific service incidents which
12 occurred in 2004. In addition, I will
13 provide details regarding a recent service
14 incident affecting the network that occurred
15 on February 23, 2005.

16 I will also review the pro-active
17 steps Verizon has taken in conjunction with
18 Motorola and the City of Philadelphia, that
19 we have already taken and will continue to
20 take to significantly reduce and hopefully
21 eliminate the likelihood of similar
22 incidents, as well as minimize the impact of
23 any 800 megahertz system failures that may
24 occur in the future.

25 To set the stage for explaining

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2 these four incidents, first let me provide
3 you with a very high level description of the
4 system's network design and configuration.

5 As I mentioned earlier, the Motorola
6 equipment utilized in the City's 800
7 megahertz system is connected throughout the
8 City via Verizon high capacity circuits.
9 These circuits commonly referred to as T1s,
10 feed off fiber based technology backbone
11 networks known as SONET rings.

12 This SONET fiber backbone is
13 engineered in ring configurations in order to
14 provide survivability against service
15 interruptions in the event of a fiber cut or
16 other types of impediment.

17 So, if a cut or problem occurs which
18 prevents traffic routing over one direction
19 of the ring, the system is designed to
20 automatically reroute the traffic in the
21 other direction so that the transmission of
22 communications is not interrupted.

23 In addition, the equipment
24 incorporated in SONET technology is also
25 manufactured to guard against service

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2 interruptions which might result from a
3 transmission failure of one location or node
4 on a ring.

5 Therefore, if one node goes down,
6 the system has backup functions built in
7 which protect the overall system's
8 transmission capability.

9 The network architecture and
10 equipment designed for the connectivity of
11 the City's 800 megahertz radio system is
12 comprised of two SONET rings and 86 T1s.

13 Verizon has deployed this same SONET
14 technology for many of today's Fortune 1000
15 networks with great success and proven
16 operational reliability.

17 The SONET fiber technology used in
18 the 800 megahertz system was originally put
19 in place by Verizon to provide data
20 connectivity to hundreds of City of
21 Philadelphia sites and has been in operation
22 for many years, with enhancements made as
23 technology has evolved.

24 The City's fiber infrastructure was
25 expanded to incorporate the T1 circuit

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2 requirements for the Motorola provided 800
3 megahertz system.

4 Verizon networks are pro-actively
5 monitored 24 hours a day 7 days a week. Our
6 service performance for these types of
7 networks, including the one provided to the
8 City, is excellent.

9 In fact, the 86 T1 circuits Verizon
10 provides to the City of Philadelphia for the
11 800 megahertz network has a measured overall
12 reliability rate, determined on the basis of
13 operating versus down time, of over 99.9
14 percent for the past six months.

15 With this information as a backdrop,
16 I will now address the service incidents that
17 were identified by this committee as
18 occurring on July 20, 2004; November 14,
19 2004; and December 17, 2004, as well as the
20 additional incident that took place on
21 February 23, 2005.

22 Under separate cover Verizon has
23 provided the Department of Public Property's
24 Communication Division a detailed root cause
25 analysis that explained each incident in

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2 detail, that includes a chronology of all
3 pertinent events.

4 I will provide a brief overview of
5 each of these incidents and then will be
6 happy to address any follow-up questions you
7 might have.

8 The first incident identified as
9 occurring on July 20, 2004, involved an
10 outage of the primary radio system for the
11 police console west division from
12 approximately 1:15 a.m. until 10:00 a.m.

13 The City had called a trouble report
14 in to Verizon at approximately 5:10 on the
15 evening of July 19th, after Motorola had
16 notified the City that Motorola's monitoring
17 system was picking up errors for two of our
18 T1 circuits.

19 Verizon immediately conducted a
20 number of remote tests for the circuits which
21 did not reveal any problems.

22 At approximately 8:15 p.m., the City
23 requested that Verizon dispatch a technician
24 for further testing. Verizon arranged for
25 the dispatch and our technician arrived on

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2 site at 750 Race Street roughly one hour
3 later or around 9:15 p.m.

4 The technician performed a number of
5 tests on both circuits. The technician's
6 tests did not reveal any problems on the
7 circuits, and the technician closed out the
8 trouble report with the City system manager
9 at approximately 10:40 on the evening of the
10 19th.

11 When the technician left the site,
12 he believed the circuits were fully
13 operational. The technician confirmed with
14 the City contact that the circuits were
15 testing okay.

16 However, approximately an
17 hour-and-a-half later at 1:15 a.m. a service
18 disruption occurred which affected the
19 primary radio system.

20 The City reported the problem to
21 Motorola, who dispatched one of its
22 technicians to clear the trouble.

23 At approximately 10:00 a.m. on July
24 20th, Verizon was advised of the service
25 interruption. The Motorola technician who

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2 resolved the trouble indicated that the
3 downed circuit had been left in the test
4 rather than the normal operating mode. This
5 apparently occurred due to an error by the
6 Verizon technician who had done the testing
7 at the site the previous night.

8 Since the Motorola technician
9 corrected the problem, a dispatch of a
10 Verizon technician was not needed.

11 However, this incident was covered
12 with the Verizon technician who had serviced
13 the circuit the previous night to ensure that
14 care would be taken to avoid a recurrence of
15 this problem on the technician's future
16 dispatches.

17 The next incident occurred on
18 November 14, 2004, when the police channels
19 of the radio system were interrupted for
20 approximately four hours and had to revert to
21 backup procedures during this period.

22 The primary radio system service
23 interruption occurred as a result of a
24 planned power shutdown at a City center
25 commercial building which drained the backup

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2 batteries powering the SONET fiber ring
3 equipment and the T1 circuits feeding off of
4 that ring.

5 As I previously explained, the SONET
6 ring technology is engineered to switch to a
7 secondary path in the event that a failure
8 occurs on the primary path.

9 However, in this incident the
10 components on the secondary path for one of
11 the locations of the SONET ring did not
12 function properly, causing the service
13 interruption.

14 At approximately 7:20 a.m.
15 commercial power for the building was
16 restored and about two minutes later the
17 primary radio system became operational.

18 Recent tests conducted on March 30,
19 2005, have recreated this incident, with no
20 failure occurring on the SONET network or
21 radio system.

22 The next incident occurred on
23 December 17, 2004. At approximately 7:45
24 a.m., the City reported to Verizon that the
25 800 megahertz radio system was experiencing

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2 intermittent problems with transmission loss
3 of every third or fourth word.

4 Verizon opened a trouble ticket and
5 dispatched a technician. The Verizon
6 technician arrived on site at City Hall at
7 8:50 a.m. and obtained the city's permission
8 to conduct intrusive testing on the reported
9 circuits.

10 The technician performed the
11 intrusive test at approximately 10:30 a.m.
12 In order to perform an intrusive test, the
13 circuit must be taken off line. As a result,
14 the primary 800 megahertz radio system was
15 down for the duration of the test of
16 approximately one minute.

17 This test did not indicate that
18 there were any problems with the Verizon
19 circuits. Additional non-intrusive testing
20 performed by our technician confirmed these
21 results.

22 Verizon did not receive any further
23 troubles on these circuits or its system in
24 connection with the intermittent radio
25 transmission losses that triggered the

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2 intrusive testing.

3 The last incident which occurred on
4 February 23, 2005, resulted in lost
5 communication for the primary 800 megahertz
6 radio system for two 15-second intervals.
7 These two intervals are the delay time needed
8 for the primary system to switch to the
9 secondary backup system.

10 As a result of two separate
11 incidents of human error by our maintenance
12 center testers, a trouble ticket requesting
13 intrusive testing was inadvertently prepared
14 for a City net T1 circuit which was actually
15 intended for work on a different circuit that
16 was not part of the City net and served
17 another Verizon customer.

18 Because intrusive testing for the
19 City net circuit was not required and the
20 City did not expect any interruption to the
21 primary radio system, the switch to the
22 backup system and associated two 15-second
23 interval service interruptions were
24 unanticipated.

25 If this testing of a City T1 circuit

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2 had been anticipated and planned, the City
3 would have been able to take the necessary
4 steps to switch the primary radio system to
5 one of the redundant T1 circuits available
6 and a service interruption would not have
7 occurred.

8 Three of these four incidents were
9 caused by Verizon human error or equipment
10 failures and should not have happened.

11 Verizon is committed to providing
12 excellent service to our customers, and we
13 regret any inconvenience and problems that
14 the City and its public safety personnel
15 experienced as a result of these incidents.

16 We have taken a number of measures
17 to prevent reoccurrences of these problems
18 and minimize the risk of future service
19 interruptions.

20 For each of the radio system service
21 interruptions resulting from a Verizon
22 personnel or equipment failure, Verizon has
23 taken corrective actions to remedy the root
24 cause of each problem.

25 The goal of these corrective actions

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2 is to prevent possible future service
3 interruptions that might occur as a result of
4 the same or similar incidents.

5 Verizon has also implemented a
6 comprehensive action plan which includes
7 pro-active troubleshooting activities to find
8 and fix Verizon equipment problems that
9 potentially could contribute to a breakdown
10 or degradation of Verizon's high capacity T1
11 circuits and the SONET fiber optic backbone
12 network ring that provide the Citywide
13 connectivity for the 800 megahertz radio
14 system.

15 In addition, Verizon has taken
16 pro-active steps to improve Verizon's
17 internal service dispatch and service manager
18 and notification processes to shorten repair
19 response times for any service interruptions
20 that occur going forward.

21 Verizon is firmly committed to
22 working with Motorola and the City to ensure
23 that the City's radio net system is as
24 problem free, reliable and dependable as
25 possible.

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2 We recognize the extreme importance
3 of this critical support system which is
4 vital to the efficient operation of the
5 City's public safety personnel and the
6 protection and the well-being of its
7 citizens.

8 As part of this commitment, Verizon,
9 in conjunction with Motorola and the City,
10 has developed a rigorous test plan and agreed
11 to implement the plan to perform more
12 extensive and rigorous testing of the entire
13 radio system and its ancillary support
14 facilities.

15 Verizon has already begun
16 cooperative testing activities with these
17 partners to thoroughly investigate and
18 identify possible sources for intermittent
19 service interruptions and other operational
20 failures that might jeopardize the integrity
21 of the radio system.

22 Implementation of the first phase of
23 this test plan began on February 9, 2005.
24 This phase entailed the thorough testing of
25 each of the 86 high capacity T1 circuits, in

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2 accordance with the test plans
3 specifications.

4 The actual testing activities were
5 completed on March 11, 2005. A thorough
6 analysis of the test results by our technical
7 support personnel is under way and should be
8 finalized later this month.

9 Phase II of the test plan began last
10 week. This phase entails a comprehensive and
11 thorough testing of the SONET backbone
12 facilities which support the individual T1
13 circuits.

14 Although additional testing for
15 other portions of the backbone is planned,
16 preliminary results from last week's testing
17 were very encouraging.

18 This test involved a simulation on
19 the same SONET ring of the same type of
20 events which led to the service interruption
21 that occurred last November.

22 The testing indicated that all
23 backup and other functions worked properly
24 and smoothly. Once the additional SONET
25 testing is completed, these test results will

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2 also be thoroughly analyzed to confirm the
3 system's reliability.

4 Verizon's testing has been conducted
5 with Motorola and Verizon representatives
6 present at the sites of the circuits. This
7 testing is comprised of both non-intrusive
8 and intrusive testing in accordance with
9 timetables prescribed by the City.

10 Non-intrusive testing includes the
11 verification of options at various nodes in
12 the network, retrieval of performance history
13 or error registers, visual inspections, and a
14 one-hour test for any time slips in the
15 network.

16 Intrusive testing includes a
17 40-minute end to end stress test by the
18 technicians at both ends of the circuit.

19 To facilitate a smooth testing
20 procedure, a conference bridge has been set
21 up for each test with the following parties
22 participating: A Verizon maintenance center
23 testing coordinator, Verizon technicians for
24 each end location, a Motorola representative
25 for each end location, and a City

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2 representative.

3 Testing for each site is considered
4 complete only after Motorola and the City
5 have verified that the tested circuits are
6 back in service.

7 Verizon is hopeful that these
8 pro-active measures to perform rigorous,
9 thorough and intensive cooperative testing
10 with Motorola and the City will prevent and
11 minimize potential problems that might
12 jeopardize the performance of the critical
13 and vital 800 megahertz radio system.

14 By taking these steps, the
15 cooperative testing team may identify
16 underlying problems or weaknesses in the
17 complex system which can be corrected before
18 a system problem occurs.

19 Verizon reaffirms its strong
20 commitment to continuing this important
21 preventive work with the City and Motorola to
22 ensure that the City's radio system is highly
23 dependable and reliable.

24 I will be happy to take -- to answer
25 any questions members of the committee may

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2 have. And I apologize for the length of that
3 opening statement.

4 COUNCILMAN RIZZO: That's good.

5 CHAIRMAN CLARKE: Very thorough
6 report.

7 Any questions from members of the
8 committee?

9 Councilman Rizzo.

10 COUNCILMAN RIZZO: Like Commissioner
11 James and Punzo said, that I was confident
12 also, that Verizon would be stepping forward
13 to do what you've described today here.
14 That's impressive.

15 And the only question that I would
16 like is some clarification for the record.
17 You talked about three events that were
18 definitely either technical or human error.

19 Would you just elaborate on the one
20 event? What occurred in the one event that
21 Verizon apparently is not at issue? Could
22 you just explain where we are with that one,
23 and which one are you referring to again?

24 MS. MAGUIRE: Well, the one that I'm
25 referring to -- And just let me make sure I

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2 find it. In paragraph 11 -- I think we've
3 provided you with a copy of the testimony.

4 COUNCILMAN RIZZO: Okay. December
5 17th?

6 MS. MAGUIRE: That's correct. We
7 had been asked to open up a trouble ticket on
8 a T1 circuit and we worked with Motorola and
9 the City to test that circuit and did not
10 find any errors.

11 Now, that said, that doesn't
12 necessarily mean that there weren't any
13 errors. We just -- We weren't able to
14 pinpoint what exactly happened, to have them
15 request a trouble ticket to us in the first
16 place.

17 I think in that particular instance,
18 we tested the circuits thoroughly. And, in
19 fact, we did a retest of all of the T1
20 circuits that support the network, and we see
21 that things are operating as they ought to.

22 If there are issues in the future, I
23 think we've got good processes in place to
24 react very quickly.

25 So, the bottom line on that

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2 particular incident is, we could not isolate
3 a problem to the Verizon part of the network,
4 and have since tested every single circuit on
5 the network and have not been able to uncover
6 that problem.

7 COUNCILMAN RIZZO: Thank you for
8 that.

9 As part of your work, have you
10 critiqued the system? I'm sure you have?
11 And made any recommendations to our
12 communication people on how the relationship
13 with Verizon and Motorola could even be
14 enhanced and better understand that we have
15 some of this equipment in a rental space, and
16 there was some difficulty associated with the
17 power going out and the access to the
18 building.

19 MS. MAGUIRE: Right.

20 COUNCILMAN RIZZO: Would you also
21 consider making some recommendations? The
22 system's going to be hopefully here for a
23 long time. And I'm not suggesting that we
24 have to make all these changes in the next
25 months or years.

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2 But if there is a better way to make
3 your life easier in servicing and also
4 supporting this technology... If there are
5 recommendations that there's a better way,
6 from your perspective, of supporting this
7 system, have you done that or would you do
8 that?

9 MS. MAGUIRE: In answer to your
10 question, we have done that to the extent
11 that I think -- I would say that all three
12 parties are working very well together and
13 have jointly identified troubleshooting
14 procedures, how we can better work together
15 on that.

16 And we've all agreed to it, and it's
17 part of our new operating procedure. And in
18 the future we would certainly do that, if any
19 other issues are uncovered, as we go through
20 future phases of testing or if somebody comes
21 up with another bright idea.

22 COUNCILMAN RIZZO: Upgrades in
23 technology --

24 MS. MAGUIRE: Exactly.

25 COUNCILMAN RIZZO: -- to support the

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2 system which happens by the minute.

3 MS. MAGUIRE: To the extent we would
4 know about it, sure.

5 COUNCILMAN RIZZ0: The issue of --
6 The issue of the human side of this, which we
7 always have that.

8 MS. MAGUIRE: Mm-hmm.

9 COUNCILMAN RIZZ0: Is everything
10 being done to assure, whether it's computer
11 access or it's just physical walking into a
12 room and going up to test the T1 line, to
13 make sure that the technician knows -- Are
14 there boots or are there blocks or are there
15 red flags that say to your staff, stay away
16 from it? If you're not here to work on a
17 City of Philadelphia safety security line,
18 don't touch this one?

19 Is there any way that you can be --
20 you could even do more to assure that your
21 techs know your equipment -- our equipment,
22 our 60-some, whatever the number, 80-some T1
23 lines are ours and not some company?

24 I understand that they mixed up
25 another organization with ours. How can you

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2 prevent that from happening?

3 MS. MAGUIRE: Well, we have... To
4 your point, there are always going to be
5 humans touching this. So, there's no way to
6 make it, frankly, a hundred percent human
7 error proof.

8 We have put in training procedures
9 for -- Let's say -- The incidents that we've
10 had have created an incredibly heightened
11 awareness within Verizon of the Philadelphia
12 City network. So we've gone through and done
13 retraining for anybody that could potentially
14 impact this network, from that standpoint.

15 We are continuously looking at ways
16 to make sure, to your point, to block this
17 network from others' hands. And, frankly, a
18 lot of stuff is done remotely.

19 There are test access -- that people
20 have access to the circuits remotely, and
21 that's actually a good thing because it helps
22 us to resolve problems when there are
23 problems.

24 So, the best I can say is, we've
25 done a lot of retraining of the individuals

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2 that are impacted with this, and we've
3 actually made a few personnel changes as
4 well.

5 COUNCILMAN RIZZ0: I use an
6 expression, coming from the utility industry,
7 electric utility industry, if you get on the
8 wrong circuit sometimes you're dead.

9 MS. MAGUIRE: Right.

10 COUNCILMAN RIZZ0: And there were a
11 lot of safeguards at the remote access to let
12 our technicians know that they are on a
13 certain line and they needed to enter it not
14 once, not twice, but three times in some
15 cases to read the document back.

16 Are there some flags that you could
17 put on the computer to make sure the people
18 testing know that they are potentially not on
19 a, b, c company in Center City, Philadelphia
20 T1, that they're on a public safety...

21 MS. MAGUIRE: We have put those
22 identifiers on the network. Again, there are
23 human ways around that, if people are not
24 doing what they're supposed to be doing. So,
25 we put identifiers on the network.

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2 We've actually also made sure that
3 each circuit is identified as a priority, you
4 know, so whenever a trouble ticket or
5 anything does happen on the circuits, it's
6 right to the top of the priority list.

7 So from that standpoint we've
8 prioritized it. We do have the ability to
9 identify the circuits and mark them as City
10 of Philadelphia, don't touch; you know, call
11 service manager before you do anything.

12 The reason I'm being cautious is,
13 these methods are not a hundred percent human
14 error proof. But we have put in a lot of
15 procedures to make it as human error proof as
16 we could possibly make it.

17 COUNCILMAN RIZZO: Well, again, I
18 know that just by reading your testimony and
19 hearing you deliver it today, that a lot of
20 work has gone on to make our system as
21 dependable as humanly possible.

22 Because in all fairness to the
23 manufacturer of this equipment, there are so
24 many issues that can affect the reputation,
25 and we just want to make sure that we're

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2 doing everything we can do humanly possible,
3 and now Verizon likewise, just to make sure
4 that this investment of over \$60 million now
5 of taxpayer's money.

6 MS. MAGUIRE: Right.

7 COUNCILMAN RIZZO: Which I'm dying
8 to hear how much of that \$3.30 is that.

9 MS. MAGUIRE: Not very much of it's
10 Verizon's, but okay.

11 COUNCILMAN RIZZO: But I'm pleased
12 to hear all the initiatives, all the work
13 that has gone into this process. And I thank
14 you.

15 MS. MAGUIRE: Well, thank you. I'm
16 accountable for emergency services on the
17 East Coast for state and local government.
18 So, I am incredibly concerned. And these are
19 the kinds of things that keep me up at night.
20 So, you have our attention.

21 COUNCILMAN RIZZO: Thank you.

22 MS. MAGUIRE: Thank you.

23 CHAIRMAN CLARKE: Thank you. Thank
24 you for your testimony.

25 MS. MAGUIRE: Thank you.

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2 CHAIRMAN CLARKE: Are there any
3 interested parties from Motorola that would
4 like to make some statements for the record?

5 COUNCILMAN RIZZ0: Since you've sat
6 through this whole thing, we just wanted to
7 give you an opportunity.

8 Because again, we thank you in the
9 past for your support that you've given us.
10 So, we want to give you an opportunity to
11 make one more statement because we hope this
12 is the last statement we are ever going to
13 hear on this issue.

14 (Laughter.)

15 COUNCILMAN RIZZ0: Mr. McFadden,
16 it's not clear who you represent now.

17 MR. MCFADDEN: I'm the spokesperson
18 for Motorola for the City of Philadelphia. I
19 was for 28 years a vice president with
20 Motorola. My team is the team that sold this
21 system to the City.

22 28 years worth of public safety
23 experience. I understand these networks.
24 And the commitment by Motorola to the City
25 was, even though I had retired, that I would

1 Pub. Property/Pub. Works - 4/4/05
2 stay involved with the City because of the
3 seriousness of the matter and the issues that
4 we're addressing here.

5 We really didn't come today to
6 prepared to make a statement. However, I can
7 answer questions, if you like. We are
8 totally committed. We do work with Verizon
9 on this.

10 It is very serious for us, as it is
11 for Verizon. And we will continue to do what
12 we've been doing. We have somebody there 24
13 hours a day 7 days a week and we're
14 monitoring this system.

15 And we want to get to the point
16 where you tell us that you're happy with
17 what's going on, and we don't have to be here
18 any longer discussing this, and you're
19 totally happy. That's our goal.

20 COUNCILMAN RIZZO: Go ahead, Mr.
21 Chairman.

22 CHAIRMAN CLARKE: Thank you. Any
23 questions?

24 COUNCILMAN RIZZO: Yes. That's an
25 interesting point. Is there any -- Have you

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2 gotten a feel for how much longer? Because
3 I'm sure this is a burden on your company to
4 be there 24/7. Has there been any indication
5 how long that will continue?

6 And like I said to Verizon, Mr.
7 McFadden, I would hope Motorola has looked at
8 this system from top to bottom and is
9 satisfied with the initial install that
10 occurred here.

11 And if there are any recommendations
12 on making this system even more reliable, I
13 hope that you step forward and make sure that
14 the Commissioner and Mr. Punzo are aware of
15 anything that can be done to improve.

16 You know, there's many times when
17 there's initial installation of anything done
18 that you look back and say, I wish I would
19 have done it this way instead of that way.

20 And this system is so important,
21 such a big investment, that we want to get it
22 right. And if there's anything that needs to
23 be changed or improved or more money spent to
24 make it better -- we shouldn't have to say
25 that -- but I think now is the time to get it

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2 accomplished. So, if there is anything like
3 that, I'd appreciate it, and I'm sure they
4 would.

5 MR. McFADDEN: No. I believe at
6 this time our feeling on the system is that
7 it's extremely stable. It really hasn't had
8 any incidents. We have someone there 24/7
9 for customer satisfaction, quite frankly.
10 We're very, very comfortable with the way the
11 system is operating today.

12 COUNCILMAN RIZZO: How much longer?

13 MR. McFADDEN: We could take that
14 person away today, in fact.

15 COUNCILMAN RIZZO: Wait a minute.
16 Frank Punzo just got pale.

17 MR. McFADDEN: But it is a courtesy
18 to keep that person there. We don't have
19 them there because we don't have confidence
20 in the system.

21 It is a customer satisfaction issue.
22 It really -- It's more of a courtesy at this
23 point. We believe the system is that stable.

24 COUNCILMAN RIZZO: We'll let you and
25 the experts work that out, and they'll

1 Pub. Property/Pub. Works - 4/4/05
2 certainly let us know when we don't have that
3 24/7 coverage.

4 But again, to end this, I want to
5 thank you. You guys stepped forward, and
6 Verizon was as candid as can be today. They
7 didn't try to smooth anything over. They
8 assumed the responsibility where it was
9 theirs, and likewise in the past you have.

10 So, I think the men and women that
11 work in the City and the citizens and
12 visitors will now start to see the benefit of
13 this system.

14 I understand the technology. I know
15 it's better than we had. And these glitches
16 were unfortunate. But I think once we -- now
17 that we're beyond that, that I think that
18 this City will be a better City because of
19 this system.

20 MR. McFADDEN: I agree. Thank you
21 very much, Councilman.

22 CHAIRMAN CLARKE: Thank you for your
23 testimony.

24 Any other witnesses to testify on
25 this particular resolution.

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2 (No response.)

3 CHAIRMAN CLARKE: There being none,
4 thank you very much for your time. This
5 concludes the Committee on Public Property
6 and Public Works.

7 Thank you all very much.

8 (Public hearing concluded at 4:40
9 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings and evidence are contained fully and accurately in the stenographic notes taken by me upon the public hearing of The Philadelphia City Council, taken on April 4, 2005, and that this is a true and correct transcript of same.

DAVID A. DEIK, RPR and
Commissioner of Deeds

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