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COUNCIL OF THE CITY OF PHILADELPHIA

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COMMITTEE ON COMMERCE & ECONOMIC DEVELOPMENT

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Thursday, June 16, 2005
9:25 a.m.

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Room 400, City Hall
Philadelphia, Pennsylvania

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BILL NO. 050337 - An Ordinance authorizing the
Commissioner of Public Property and the
Director of Commerce to enter into a least
agreement with Tinicum Township, Delaware
County.

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PRESENT:

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COUNCILMAN W. WILSON GOODE, JR., Chair
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN JUAN F. RAMOS
COUNCILMAN FRANK RIZZO
COUNCILMAN FRANK DiCICCO
COUNCILMAN MICHAEL A. NUTTER
COUNCILWOMAN DONNA REED MILLER
COUNCILWOMAN MARIAN B. TASCO

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1 BILL NO. 050337 - 6/16/05

2 COUNCILMAN GOODE: This is a Public
3 Hearing, Committee on Commerce and Economic
4 Development, on Bill No. 050337.

5 My name is W. Wilson Goode, Jr.,
6 Chair of this committee. I note that a quorum
7 is present. To my left, Councilwoman Marian
8 Tasco, also Councilman Frank Rizzo, Councilman
9 Frank DiCicco, and Councilwoman Donna Reed
10 Miller.

11 The title of Bill No. 050337, an
12 Ordinance authorizing the Commissioner of
13 Public Property and the Director of Commerce,
14 acting on behalf of the City of Philadelphia
15 to enter into a lease agreement with Tinicum
16 Township, Delaware County, for the lease from
17 Tinicum Township of an approximately 21.8 acre
18 parcel of land adjacent to Philadelphia
19 International Airport which is currently
20 intended for use as a safety area at the end
21 of a runway, under certain terms and
22 conditions.

23 I will ask Mr. Isdell to approach
24 the witness table. Good morning. Please
25 state your name for the record and proceed

1 BILL NO. 050337 - 6/16/05

2 with your testimony.

3 MR. CHARLES J. ISDELL: Good
4 morning, Mr. Chair and members of the
5 committee. My name is Charles Isdell,
6 Director of Aviation.

7 And on my right is Mark Gale, Deputy
8 Director of Aviation for Operations And
9 facilities; on my left is James Tyrrell,
10 Deputy Director For Property and Business
11 Development.

12 I want to ask Mr. Gale to read the
13 testimony, with your permission, as this
14 runway safety area project has literally
15 spanned his entire 20-year career with the
16 airport and he is intimately familiar with
17 Philadelphia's airfield better than anyone
18 else.

19 So, Mark, if you will.

20 MR. MARK GALE: Thank you, Charlie.
21 Good morning, Mr. Chairman and members of the
22 committee. As Charlie stated, my name is Mark
23 Gale. I am the Deputy Director of Aviation
24 Operations and Facilities at Philadelphia
25 International Airport, and I am pleased to

1 BILL NO. 050337 - 6/16/05

2 appear before you today to testify in support
3 of Bill No. 050337.

4 This bill will authorize the City of
5 Philadelphia, through its Department of
6 Commerce, Division of Aviation, and the
7 Department of Public Property, to lease
8 approximately 21.8 acres of real property
9 located adjacent to the western end of
10 Philadelphia International Airport's Runway 9
11 right and the Delaware River from Tinicum
12 Township for use as a runway safety area that
13 would meet current FAA standards.

14 The property will be leased through
15 an agreement that was negotiated by the law
16 department and Tinicum Township's legal
17 counsel.

18 The lease agreement provides for a
19 ten-year lease term, with the option to renew
20 the lease agreement for an additional ten-year
21 term.

22 The lease contains the appropriate
23 four-year termination clause as is required by
24 Section 8-200 of the Home Rule Charter.

25 The rent for the property will be

1 BILL NO. 050337 - 6/16/05
2 \$85,000 per year, subject to adjustments set
3 forth in the lease agreement. The rent will
4 be paid with monies from the aviation fund and
5 will have no General Fund impact.

6 FAA regulations require airports to
7 provide a safety area for each runway and
8 taxiway. A runway safety area, or RSA, is
9 generally described as an area that is cleared
10 and graded, free of ruts, humps, depressions,
11 and other surface variations, and should be
12 capable of supporting the occasional passage
13 of aircraft, firefighting equipment, and
14 snow-removal equipment without resulting in
15 damage to these vehicles.

16 The RSA is primarily intended to
17 provide a measure of safety in the event of an
18 aircraft's excursion from the runway by
19 significantly reducing the extent of personal
20 injury and aircraft damage during overruns,
21 undershoots, and veer-offs.

22 At the time of its construction in
23 1970, Runway 9 right complied with the
24 standards of the Federal Aviation
25 Administration. However, in 1988, the FAA

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2 changed its regulations and placed greater
3 emphasis on upgrading airport runway safety
4 standards.

5 In 1990, a study conducted by the
6 FAA found that only 35 percent of runways used
7 by air carriers met the new standards.
8 Another study conducted by the FAA in 2000
9 increased the compliance number to 55 percent,
10 but also found that 86 percent of the surveyed
11 airports had the potential to achieve standard
12 RSAs. Philadelphia International Airport
13 falls into this category.

14 In order to comply with the FAA's
15 current regulations, we are seeking to lease
16 the property and develop it into a standard
17 RSA with grant monies provided by the FAA.

18 Since 1981, the Division of Aviation
19 has sought to increase the dimensions of the
20 Runway 9 right safety area. However, the
21 approximate 21.8 acres needed by the airport
22 to establish the standard RSA was owned by
23 Viacom as part of a much larger parcel,
24 encompassing more than 100 acres. Viacom was
25 not willing to subdivide the parcel to satisfy

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2 our needs.

3 Tinicum Township recently acquired
4 the parcel and was willing to negotiate a
5 lease for the property.

6 If this ordinance is voted out of
7 your committee today with a positive
8 recommendation, the Division of Aviation, in
9 consultation with the law department in
10 Tinicum Township, intends to enter into a
11 one-year lease for the property.

12 This will enable the Division of
13 Aviation to gain access to the property for
14 preliminary design work pending approval of
15 the long-term lease contemplated by this
16 ordinance by City Council in the fall.

17 We have made safety and security of
18 our traveling passengers the foremost priority
19 of our airport. This lease of this property
20 will serve as a valuable, necessary
21 improvement to the safety of those who use our
22 airport, as well as our neighbors in Tinicum
23 Township.

24 There have been several instances in
25 the recent past at other airports where

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2 airplanes have slid off or overshot runways,
3 resulting in personal injury and extensive
4 property damage. We wish to avoid that type
5 of incident in Philadelphia.

6 In order to improve the safety area
7 at the airport and comply with the current FAA
8 regulations, I urge the committee to approve
9 the lease of the property for use as a runway
10 safety area.

11 I greatly appreciate the opportunity
12 to speak to you today in support of Bill No.
13 050337, and my colleagues and I will be happy
14 to answer any questions that you may have.
15 Thank you.

16 COUNCILMAN GOODE: Thank you for
17 your testimony.

18 Let me note for the record that
19 Councilwoman Reynolds Brown and Councilman
20 Nutter are also present, and Councilman Ramos.

21 The Chair now recognizes Councilman
22 Rizzo.

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

25 You explained that this was owned by

1 BILL NO. 050337 - 6/16/05

2 Viacom and now acquired by Tinicum Township;
3 correct?

4 MR. GALE: That's correct.

5 COUNCILMAN RIZZO: It is unlikely
6 that this piece of ground could ever be
7 developed, correct, because it is at the end
8 of an airport runway?

9 MR. GALE: That's correct.

10 COUNCILMAN RIZZO: It is not really
11 desirable. It is kind of like throw-away
12 land.

13 MR. GALE: It most likely would not
14 be developed, Councilman, due to its location
15 of the runway and restrictions that are placed
16 on development of land that close in, height
17 restrictions and noise restrictions and
18 whatnot.

19 COUNCILMAN RIZZO: Now, you are
20 leasing it for a term, the first term, with a
21 renewable of what? To be able to renew it,
22 how many years, the first lease?

23 MR. ISDELL: The first term is ten
24 years, and then there is a ten-year option.

25 COUNCILMAN RIZZO: It is unlikely

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2 that we are ever going to need to give this
3 back. You have a runway there. Are you
4 planning to close 9 right at some point?

5 In other words -- I guess I will get
6 right to the point -- why aren't we just
7 buying this? Why would we get involved in a
8 lease that is required for safety purposes for
9 an airport? Why would we lease it? It
10 doesn't make any sense.

11 Why don't we just outright buy it,
12 unless you plan to close this runway 20 years
13 from now?

14 MR. ISDELL: We would prefer to buy
15 it, but the township is not willing to sell
16 the property, is my understanding, Councilman.

17 COUNCILMAN RIZZO: Well, do they
18 have it as hostage here, they know we need it?
19 And 80,000 a year to lease a piece of land
20 that can never be built on, it seems to me
21 that -- I mean, I don't blame them, to squeeze
22 us for as much as they can here.

23 But, are you confident that we have
24 tried to buy this land?

25 MR. ISDELL: Oh, absolutely.

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2 And we do have representatives from
3 the law department who can give more detail
4 about the very extensive and lengthy
5 negotiations that have led us to the point
6 where we are today.

7 We do believe that the economics are
8 in the best interest of both the airport and
9 the city, and that our ability to accomplish
10 this project would be a tremendous safety
11 enhancement both for the airport and Tinicum
12 Township, as well, Councilman.

13 COUNCILMAN RIZZO: Let's talk about
14 just for a second now, I don't want to belabor
15 this, you made the effort with Viacom. And
16 they said no because they were a business that
17 potentially -- and I can't see how they would
18 even ever utilize it, even legally to park
19 cars on it, it didn't seem to be appropriate.

20 Now, here is my question: Once it
21 became the custody of Tinicum Township, I
22 would like to hear about how serious the
23 negotiation was to buy it, we own it, we're
24 not involved in leases at 80,000 a year.

25 Because I can't imagine per acre,

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2 the value being more than -- I mean, I don't
3 even know the value. But it would be, I
4 think, to your advantage to own it; correct?

5 MR. ISDELL: Yes. We would prefer
6 to own it, Councilman. But we reached a point
7 where we felt that that was an impossibility.

8 And I would like, if possible, Jim
9 Tyrrell could probably give you more detail
10 about how -- what our efforts were to
11 accomplish that.

12 And I just did want to clarify. We
13 have been talking about Viacom. Viacom
14 basically inherited the property, because it
15 previously belonged to Westinghouse as part of
16 the Westinghouse plant that was located in
17 that area. And Viacom ultimately, I guess,
18 bought all of Westinghouse's assets or
19 something.

20 So they weren't planning on using it
21 for any, you know, entertainment-related
22 purpose, as far as I know.

23 COUNCILMAN RIZZO: Do the same
24 standards apply to 9 left and 27 right and
25 also the other end of the runway? Now, will

1 BILL NO. 050337 - 6/16/05

2 all the standards be equal in every possible
3 safety area?

4 MR. ISDELL: Yes.

5 COUNCILMAN RIZZO: This is the only
6 area that you don't have a safety area that
7 complies with the new regulation?

8 MR. ISDELL: That's correct.

9 So with four runways, we have eight
10 safety areas. Seven of them are compliant
11 with FAA regulations today, and this would be
12 the eighth one.

13 COUNCILMAN RIZZO: The only thing I
14 would like to hear from, the question of how
15 serious did we negotiate with Tinicum just to
16 buy it outright?

17 MR. JAMES TYRRELL: Mr. Councilman,
18 we actually made Tinicum a series of offers to
19 purchase this property. And, in fact, we
20 agreed to buy three or four different sized
21 parcels, whichever would work best for the
22 township. And, quite frankly, they declined
23 our offers on each and every count.

24 COUNCILMAN RIZZO: Other than
25 financial, that it is a better deal for them

1 BILL NO. 050337 - 6/16/05

2 to grab the 80,000 a year, what would be their
3 motivation not to sell it?

4 They are never going to be able to
5 utilize this for anything; am I right?

6 MR. TYRRELL: They have indicated
7 they would utilize part of the parcel for
8 parking of automobiles. I'm not sure how much
9 of the 21.8 acres they could actually use to
10 park cars, but they did insinuate that use.

11 COUNCILMAN RIZZO: So if you had to
12 come up with a rationale, that would be a good
13 one, that you would use it for a parking lot.

14 MR. ISDELL: Also, if I could add,
15 my personal impression is that there is a
16 general sense in the township, there is a
17 general opposition, if you will, to the notion
18 of expansion of the airport, per se, by actual
19 acquisition of land.

20 And this lease, essentially, was a
21 compromise that would enable us to make the
22 safety enhancement at what we thought was a
23 reasonable economic price without literally
24 selling us the land and ultimately defying the
25 will of their populous, if you would.

1 BILL NO. 050337 - 6/16/05

2 COUNCILMAN RIZZO: But this
3 expansion you really couldn't do much with
4 because the next step is the river?

5 MR. ISDELL: It is true; that is
6 true.

7 COUNCILMAN RIZZO: Thank you.

8 COUNCILMAN GOODE: Are there any
9 other questions from members of the committee?
10 Thank you.

11 Is there anyone else to testify on
12 this bill? Good morning.

13 MR. JOHN HERZINS: Good morning, Mr.
14 Chairman, members of the Committee on Commerce
15 and Economic Development. My name is John
16 Herzins, Deputy Commissioner of the Department
17 of Public Property.

18 I am here today on behalf of the
19 Commissioner, in support of this bill
20 authorizing the City of Philadelphia, through
21 its Department of Commerce, Division of
22 Aviation, and Department of Public Property to
23 control approximately 21.8 acres of real
24 property located adjacent to the Philadelphia
25 Airport for expansion of the safety area at

1 BILL NO. 050337 - 6/16/05

2 the end of the runway.

3 Rent will be paid with monies from
4 the aviation fund, with no General Fund
5 impact.

6 The Department of Public Property
7 supports this measure. And, accordingly, I
8 respectfully ask that the City Council
9 Committee on Commerce and Economic Development
10 approve Bill No. 050337. Thank you.

11 COUNCILMAN GOODE: Any questions
12 from members of the committee?

13 Is there anyone else to testify on
14 this bill?

15 Seeing none, we will move from our
16 Public Hearing into a public meeting to
17 consider Bill No. 050337.

18 (Public Hearing concluded.)

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COUNCIL OF THE CITY OF PHILADELPHIA

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PUBLIC MEETING

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of the

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COMMITTEE ON COMMERCE & ECONOMIC DEVELOPMENT

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Thursday, June 16, 2005

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Public Meeting conducted by the

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Committee on Commerce & Economic Development,

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held in Room 400, City Hall, Philadelphia,

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Pennsylvania, on the above date, to consider

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action on the following:

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BILL 050337

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PRESENT:

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COUNCILMAN W. WILSON GOODE, JR., Chair

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COUNCILWOMAN BLONDELL REYNOLDS BROWN

19

COUNCILMAN JUAN F. RAMOS

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COUNCILMAN FRANK RIZZO

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COUNCILMAN FRANK DiCICCO

22

COUNCILMAN MICHAEL A. NUTTER

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COUNCILWOMAN DONNA REED MILLER

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COUNCILWOMAN MARIAN B. TASCIO

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1 PUBLIC MEETING - 6/16/05

2 COUNCILMAN GOODE: And I will ask
3 Councilman DiCicco for a motion on the bill.

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

6 I move that Bill No. 050337 be
7 reported out of this committee with a
8 favorable recommendation and a further
9 recommendation that the Rules of Council be
10 suspended.

11 (Duly seconded.)

12 COUNCILMAN GOODE: All those in
13 favor?

14 Those opposed?

15 Bill No. 050337 is reported out of
16 committee with a favorable recommendation, and
17 further recommendation that Rules of Council
18 be suspended so as to permit first reading of
19 this bill at our next Council session.

20 This concludes our public meeting.
21 Thank you very much.

22 (Public Meeting concluded at 9:40
23 a.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the
foregoing proceedings of the Council of the
City of Philadelphia of Thursday, June 16,
2005, were reported fully and accurately by
me, and that this is a correct transcript of
same.

RE: COMMITTEE ON COMMERCE & ECONOMIC
DEVELOPMENT

DEBRA A. WHITEHEAD