

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING

4

COMMITTEE ON RULES

5

- - -

6

Room 696, City Hall
Philadelphia, Pennsylvania
Wednesday, November 12, 2002
9:55 a.m.

7

8

- - -

9

10 BILL 020590 - an Ordinance to amend the Philadelphia
11 Zoning Maps, by changing the zoning designations of
12 certain areas of land located within an area bounded
generally by Oregon Avenue, 20th Street, the Walt
Whitman Bridge Approach and I-76.

13

- - -

14

15

PRESENT:

16

COUNCIL PRESIDENT VERNA, Chair
COUNCILMAN FRANK DICICCO
17 COUNCILMAN DARRELL CLARKE
COUNCILMAN W. WILSON GOODE
18 COUNCILMAN MICHAEL NUTTER
COUNCILMAN ANGEL ORTIZ

19

20

21

- - -

22

23

V A R A L L O, INC.
Registered Professional Reporters
Eleven Penn Center
24 1835 Market Street, Suite 600
Philadelphia, Pennsylvania 19103
25 (215) 561-2220

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

	PAGE
BILL 020590	
JAMES CUORATO, Commerce Director	3
DAVID DISHY, Forest City	9
THOMAS CHAPMAN, City Planning Commission ...	17
JODY DELABARBARA (ph), Girard Estate Area	
Residents	18
JOHN FURY, Broad Street West Civic Assoc....	19

1 11/12/02 - RULES - BILL 020590

2 COUNCIL PRESIDENT VERNA: Good morning,
3 everyone. I apologize for the delay. It is my
4 understanding that Councilman Kenney who was to
5 Chair this committee is unable to do so. And I'm
6 appointing Councilman Goode to serve on the Rules
7 Committee today.

8 This is a public hearing of the Rules
9 Committee regarding Bill No. 020590. I would ask
10 Mr. Hawkins to please read the title of the bill.

11 THE CLERK: An ordinance to amend the
12 Philadelphia zoning maps by changing the zoning
13 designations of certain areas of land located within
14 an area bounded generally by Oregon Avenue, 20th
15 Street, the Walt Whitman Bridge approach and I-76.

16 COUNCIL PRESIDENT VERNA: Who is going
17 to be testifying on this bill?

18 Mr. Cuorato. Good morning. Please
19 identify yourself for the record and proceed with
20 your testimony.

21 MR. CUORATO: Good morning, Madam
22 President and Members of the Committee. My name is
23 James Cuorato, I'm a City Representative and
24 Director of Commerce for the City of Philadelphia,
25 and I'm here to testify in support of Bill No.

1 11/12/02 - RULES - BILL 020590

2 020590.

3 This bill will change the zoning
4 designation of a vacant lot that was part of the
5 former Defense Supply Center on Oregon Avenue from
6 Industrial to Area Shopping Center. The Defense
7 Supply Center is currently owned by the Philadelphia
8 Authority for Industrial Development which acquired
9 the property from the Department of Defense in
10 October of 2001. This property was among the
11 handful of former military installations in
12 Philadelphia closed by the Federal Government during
13 a series of base closures throughout the 1990s.
14 Under the federal law that closed these
15 installations, PAID was the designated recipient of
16 all defense assets in Philadelphia.

17 In 2001, the Philadelphia Industrial
18 Development Corporation acting on behalf of PAID
19 marked the site through a public developer selection
20 process. The size, location, and development ready
21 condition of this site combined to make it very
22 attractive to retail real estate developers from
23 across the country. In all, 13 real estate
24 developers expressed an interest in acquiring the
25 site. The developer of the site, Forest City Ratner

1 11/12/02 - RULES - BILL 020590

2 Companies, was selected as a result of the process
3 to redevelop the site into a 550,000 square foot
4 retail center.

5 Forest City is a national real estate
6 development company that has extensive experience
7 developing retail properties in cities throughout
8 the United States. Forest City has identified
9 Philadelphia as an attractive development location
10 and one of a handful of cities in which it will
11 target investment over the next several years.
12 Forest City estimates the total private investment
13 in this project alone will be more than \$90 million.
14 However, Forest City's acquisition of this site is
15 contingent on a change in its zoning designation to
16 Area Shopping Center.

17 This re-zoning will allow Forest City to
18 start construction early next year and open this
19 center in the spring of 2004. Forest City's
20 proposed project will have significant benefits for
21 the City of Philadelphia. It will provide a high
22 quality retail complex on Oregon Avenue, an
23 important neighborhood commercial district in this
24 City. This project will create more than 500
25 construction jobs over the course of the year it

11/12/02 - RULES - BILL 020590

will take to complete the center and more than 1200 new permanent jobs for Philadelphia residents when opened. This project will generate nearly \$1 million annually in additional wage tax revenue for the City. And finally, the sale of this property will generate revenue that, in accordance with federal law, will be reinvested into the continuing redevelopment of the nearby Philadelphia Naval Business Center.

With its local partners, Forest City has been working closely with Council President Verna's office and the residents of the surrounding neighborhoods through the Girard Estate Area Residents and the Broad Street West Civic Association to ensure that this project responds to the needs and desires of people that live in both of these communities. Local support of the proposed project is strong and the neighborhood residents anxiously await the start of construction and the opening of the center.

I ask that the Committee consider this bill favorably and that the Rules of Council be suspended to permit first reading at the next regularly meeting of City Council.

1 11/12/02 - RULES - BILL 020590

2 I'd just like to add as I complete my
3 testimony, on behalf of the developer, PIDC, and
4 Administration, we are very grateful to your office,
5 Madam President, for your help in coordinating the
6 communication between the developer and the
7 community groups to ensure that everyone is
8 satisfied with what will be developed.

9 I understand also that a representative
10 have Forest Center Ratner has submitted prepared
11 testimony. They, as well as representatives of PIDC
12 and myself are available to answer any questions.
13 And I thank you for the opportunity to testify in
14 support of this ordinance.

15 COUNCIL PRESIDENT VERNA: Thank you.
16 It's my understanding that the area residents were
17 very concerned about the traffic impact. A study
18 has been conducted and they're very pleased with the
19 outcome of that study. Do you understand that to be
20 the case?

21 MR. CUORATO: Yes, Madam President.

22 COUNCIL PRESIDENT VERNA: Thank you.
23 And you indicate that ground-breaking will probably
24 be sometime next year?

25 MR. CUORATO: My projection at this

1 11/12/02 - RULES - BILL 020590

2 point would be in the spring, the ground-breaking
3 would be in the spring. A representative from the
4 developer is here, so if that's not the case, they
5 will advise me. But spring would be the
6 ground-breaking date, yes.

7 COUNCIL PRESIDENT Verna: Fine. Thank
8 you.

9 Are there any questions from Members of
10 the Committee?

11 Someone from the Ratner is going to be
12 testifying?

13 MR. CUORATO: Madam President, they have
14 submitted prepared testimony and they would be glad
15 to testify if --

16 COUNCIL PRESIDENT Verna: I don't have a
17 copy of it. Maybe it's up here. As I said, Mr.
18 Kenney was supposed to be chairing this meeting.

19 I would like you to read it into the
20 record, Mr. Cuoroto.

21 Would you read your testimony into the
22 record please.

23 MR. CUORATO: David Dishy from Forest
24 City Ratner is here, Madam President and is prepared
25 to give his testimony.

1 11/12/02 - RULES - BILL 020590

2 COUNCIL PRESIDENT Verna: Fine. And
3 would you please read your testimony?

4 MR. Dishy: Sure. Good morning, Madam
5 President and Members of the Committee, and thank
6 you for the opportunity to speak here today. My name
7 is David Dishy, I'm a Vice President with Forest
8 City Ratner Companies. Forest City is one of the
9 nation's leading real estate development companies
10 with a particular focus on projects in the hearts of
11 American cities. We own and have developed several
12 residential and retail properties in the City of
13 Philadelphia and have been actively seeking to
14 expand our presence in the City, which we consider
15 to be a strong strategic market for future growth.

16 I am here today to testify in support of
17 Bill No. 020590. This bill will change the zoning
18 designation of a vacant lot that was part of the
19 former Defense Supply Center at 20th Street and
20 Oregon Avenue from Industrial to Area Shopping
21 Center. This bill will allow our company to proceed
22 with the development of a new 550,000 square foot
23 retail center on this vacant site. This project
24 will generate in the City of Philadelphia total
25 investment in excess of \$85 million. Once open, the

11/12/02 - RULES - BILL 020590

center is projected to generate 1200 permanent jobs, most of which are expected to be filled by residents of Philadelphia. In addition, development of the center is projected to directly generate nearly 500 construction related jobs.

As part of our development effort, we have been working during the past year with area residents to ensure that the final project becomes a welcome and successful addition to the South Philadelphia community. As part of this process, we have worked with representative of the Girard Estate Area Residents and the Broad Street West Civic Association to refine our plans for this project. Both groups have now formally expressed the support of this rezoning and I believe are looking forward to the opening of a new first-class Center that will attract national retailers to their community.

Thank you for your time and the opportunity to speak about the proposed zoning change for the vacant portion of the former Defense Supply Center, located at 20th Street and Oregon Avenue.

Forest City is extremely excited to commence the development of this important project,

1 11/12/02 - RULES - BILL 020590

2 and we respectfully request your support on the
3 proposed re-zoning. I'll be happy to answer any
4 questions you may have. Thank you.

5 COUNCIL PRESIDENT VERNA: Thank you. We
6 certainly welcome you into our community.

7 Can you tell us if leasing has started
8 at this site at all?

9 MR. DISHY: We're definitely actively
10 involved in the leasing process with a series of
11 tenants, all of whom are watching the zoning process
12 closely and are excited that we are moving ahead.

13 COUNCIL PRESIDENT VERNA: We certainly
14 wish you well.

15 MR. DISHY: Thank you.

16 COUNCIL PRESIDENT VERNA: Are there any
17 questions?

18 The Chair Councilman DiCicco.

19 COUNCILMAN DICICCO: Thank you, madam
20 Chair.

21 Good morning. Could either of you
22 answer the following question. One is a follow-up
23 on the Council President's question as to retailers.
24 Are you at liberty at this time to discuss or name
25 any of the retailers or tenants that you have that

1 11/12/02 - RULES - BILL 020590

2 either have leased or are presently in negotiations
3 for leasing?

4 MR. DISHY: If it's okay, I'd prefer to
5 give categories of leasing.

6 COUNCILMAN DICICCO: That would be fine.

7 MR. DISHY: Basically, we are talking
8 to -- the center is going to have two or three large
9 anchors, and those would be a home improvement
10 anchor, probably a department store, and a club of
11 some kind, BJ, Cosco, that kind of -- and then
12 you'll have smaller retailers, crafts, electronics,
13 fashion, clothing, other stuff like that, gathered
14 around the three anchors. And so we are getting
15 favorable response in all of those fronts. Though
16 we have not executed leases, it's somewhat pending
17 the process, we are moving ahead well.

18 COUNCILMAN DICICCO: Are you familiar
19 with the discussion or the desire for one of the
20 major furniture distributors to locate at the CSX
21 site at Delaware and Snyder?

22 MR. DISHY: Yeah, I'm well aware of
23 that.

24 COUNCILMAN DICICCO: Are you aware that
25 the developer of that site in addition to the

11/12/02 - RULES - BILL 020590

1
2 furniture distributor warehouse or whatever we refer
3 to that as, also would like that site rezoned so
4 they can do an additional retail aside from the
5 furniture distribution, for a lack of better way. I
6 don't if I'm describing it right. It's Ikea. Ikea
7 would like to locate at the CSX site, and I've been
8 working with Ikea from the first site that they
9 wanted. They're down to their third site now which
10 is Delaware and Snyder. But in addition to Ikea,
11 the developer -- are you aware that the developer
12 wants to develop the entire site as a retail
13 complex.

14 MR. DISHY: Yes.

15 COUNCILMAN DICICCO: In your opinion,
16 how will that impact on your development site? Do
17 you have an opinion on that?

18 MR. DISHY: Our opinion is that it is
19 sort of a sign of a positive belief for the retail
20 market in Philadelphia. It's ultimately a good
21 thing for our City.

22 COUNCILMAN DICICCO: So you think that
23 Philadelphia can support both sites.

24 MR. DISHY: Yes.

25 COUNCILMAN DICICCO: Is that a new

1 11/12/02 - RULES - BILL 020590

2 opinion? Because I know at one time I was being
3 told that Philadelphia will never be able support
4 both sites. Is that a recent survey, a recent
5 opinion? What is the change -- I didn't have a
6 conversation with you, but I had conversations with
7 other people over the last several months when we
8 were talking about the CSX site. Most folks in the
9 know thought that it would be too dense or
10 Philadelphia would not be able to support two retail
11 sites of that magnitude.

12 MR. DISHY: As I think with any real
13 estate developer, you prefer to have less
14 competition rather than more competition for your
15 sites. And so early on in the process, I believe
16 it's fair to say we were concerned about certain
17 sites moving ahead too quickly. I think ultimately
18 now as we move ahead there's greater comfort that we
19 could compete effectively with that site.

20 COUNCILMAN DICICCO: Because I've had a
21 few developments in my district which we worked very
22 hard at but, unfortunately, a couple of them didn't
23 happen. In your opinion, if we were to move forward
24 with the rezoning of the CSX site, you don't feel
25 that it will have any impact on the tenants that

1 11/12/02 - RULES - BILL 020590

2 you're looking to attract to your site?

3 And I use a case in point. When we were
4 doing the Penns Landing site and the Simon Group was
5 of the opinion that they were going to be able to
6 get Disney to do a Disney Quest at that site. At
7 some point in time, Disney then began to look at the
8 Eighth and Market site, as did other retailers who
9 were formerly looking at the Penns Landing site.
10 And as a result of that, we now have a hole -- well,
11 there's no longer a hole in the ground at Eighth and
12 Market. We filled that in in the last few weeks.
13 But the development did not happen there and it
14 didn't happen at Penns Landing. And I almost see a
15 similar scenario.

16 And I'm for economic development. I
17 would argue with anyone who would argue against
18 that. I've tried everything I possibly could to
19 create economic development, including the Penns
20 Landing site for over five years. I've come under a
21 lot of pressure lately to do the CSX site. And a
22 lot have been written and said about that site. But
23 one of my concerns has always been, can we sustain
24 two large retail complexes basically almost in the
25 same neck of the woods, in the South Philadelphia.

11/12/02 - RULES - BILL 020590

1
2 So that's the reason for my question. It's nothing
3 personal. I really want to see economic
4 development. Love to see your project, love the
5 CSX. Both compete with each other but both sustain
6 themselves and have high quality retail. My concern
7 is that we may be cannibalizing one location for the
8 other. I have no problem with Ikea, but I may have
9 some problems with some of the other retail that's
10 being proposed at the CSX site which kind of fits
11 into to what you're saying. You have a home
12 improvement box, without mentioning names, and we
13 already have one down on Delaware Avenue. I don't
14 know if we can sustain three of those types of home
15 improvement facilities.

16 So I wanted to get this on the record,
17 and I think it was an appropriate day because the
18 clock is ticking on CSX, as you know, and I need to
19 make a decision shortly. Thank you. Thank you for
20 your testimony.

21 COUNCIL PRESIDENT VERNA: Are there any
22 other questions from Members of the Committee?

23 (No response.)

24 COUNCIL PRESIDENT VERNA: I just want
25 ask that you please stay in close communication with

1 11/12/02 - RULES - BILL 020590

2 the area representatives so that they know exactly
3 what's happening as you go along. And I'm sure that
4 their input will be extremely helpful in making your
5 project a huge success.

6 MR. DISHY: I agree. Their input has
7 been tremendously helpful to date and we look
8 forward to continuing that dialog with them, they've
9 been great.

10 COUNCIL PRESIDENT VERNA: Wonderful.

11 MR. DISHY: And I appreciate your help
12 on that.

13 COUNCIL PRESIDENT VERNA: Thank you.

14 Do we have anyone else to testify on
15 this bill?

16 Please approach the table. Good
17 morning. Please identify yourself for the record.

18 MR. CHAPMAN: Good morning, Madam
19 President and Members of the Rules Committee, for
20 the City Planning Commission, my name is Thomas
21 Chapman.

22 Madam President, much of my testimony
23 would be repetitive to what's already been said
24 today, so I think rather burden the record I'll just
25 state for the record that the Planning Commission

1 11/12/02 - RULES - BILL 020590

2 considered and approved this amendment to the zoning
3 maps at its meeting of October 15, 2002. I'd be
4 more than happy to answer any questions of the
5 Committee.

6 COUNCIL PRESIDENT Verna: Thank you.

7 Are there any questions for Members of
8 the Committee?

9 (No response.)

10 COUNCIL PRESIDENT Verna: Thank you very
11 much.

12 I note that we do have two members of
13 the community here. If they wouldn't mind, please,
14 taking the witness table.

15 Good morning. Please identify yourself
16 for the record.

17 MS. DELABARBARA: My name is Jody
18 DelaBarbara, I'm the president of Girard Estate Area
19 Residents.

20 COUNCIL PRESIDENT Verna: And what is
21 your position on this bill?

22 MS. DELABARBARA: Just to reiterate,
23 we've gone through a long process working with PIDC,
24 yourself, of course, other representatives of the
25 community. We've come to an agreement with Forest

1 11/12/02 - RULES - BILL 020590

2 City, and I think everything's worked out. And
3 there's a letter on record from our attorney Mr.
4 Scandone that we approve of the project as it stands
5 now.

6 COUNCIL PRESIDENT VERNA: And you are
7 also satisfied with the traffic impact study.

8 MS. DELABARBARA: Yes, we are.

9 COUNCIL PRESIDENT VERNA: Thank you.
10 Mr. Fury.

11 MR. FURY: Good morning, Madam Chair and
12 Members of Council. My name is John Fury, President
13 of Broad Street West Civic Association, and I share
14 Jody's sentiments. We're working with our attorney
15 and with the developer. Everything is moving along.
16 We're satisfied with the project so far. We're glad
17 to see that we have the local developer Mr. Grasso
18 involved. We trust his judgment and we're working
19 well with him on other matters, so we're looking
20 forward now to taking a look at the tenants and make
21 sure that we get top grade tenants. Also, that we
22 have competition. We don't have too many similar
23 businesses. We'd like to have, you know, a Lowes at
24 one end of Oregon Avenue and a Home Depot at the
25 other end, but not two or three Home Depots. I

1 11/12/02 - RULES - BILL 020590

2 agree with Councilman DiCicco. We can't get
3 overloaded. We need competition, but we need some
4 high-end competition and no dollar stores.

5 COUNCIL PRESIDENT VERNA: Thank you.

6 And I just want to publicly thank you both for your
7 time, effort, and energy that you've put into this
8 project. You're to be applauded for it. Thank you
9 very much.

10 Anyone else to testify on this bill?

11 (No response.)

12 COUNCIL PRESIDENT VERNA: Seeing none,
13 this will conclude the public hearing.

14 - - -

15

16

17

18

19

20

21

22

23

24

25

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC MEETING

4

COMMITTEE ON RULES

5

- - -

6

Tuesday, November 12, 2002

7

- - -

8

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

10

BILL 020590.

11

- - -

12

13

PRESENT:

14

COUNCIL PRESIDENT VERNA, Chair

15

COUNCILMAN FRANK DICICCO

COUNCILMAN DARRELL CLARKE

COUNCILMAN W. WILSON GOODE

COUNCILMAN MICHAEL NUTTER

16

COUNCILMAN ANGEL ORTIZ

17

18

- - -

19

20

21

22

23

24

25

1 11/12/02 - RULES - MEETING

2 COUNCIL PRESIDENT Verna: We will now go
3 into the public meeting. The Chair recognizes
4 Councilman Clarke.

5 COUNCILMAN CLARKE: Thank you, Madam
6 Chair. Madam Chair, I make a motion that Bill No.
7 020590 be reported out with favorable recommendation
8 and a request for suspension of rules as to allow
9 first reading at the next meeting.

10 (Duly seconded.)

11 COUNCIL PRESIDENT Verna: It has been
12 moved and seconded that Bill No. 020590 be reported
13 out of Committee with a favorable recommendation,
14 also a recommendation that the Rules of Council be
15 suspended so as to permit first reading at our next
16 Council Session.

17 All in favor will signify by saying aye.

18 (Aye.)

19 COUNCIL PRESIDENT Verna: Those opposed?

20 (No response.)

21 COUNCIL PRESIDENT Verna: The ayes have
22 it. The motion carries. And I thank you all again.
23 And I apologize for the delay in starting the
24 hearing. Thank you so much.

25 (Council adjourned at 10:15 a.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 November 12, 2002, were reported
fully and accurately by me, and that this is a
correct transcript of the same.

RE: COMMITTEE ON RULES

Lisa C. Bradley, RPR
and Notary Public