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COUNCIL OF THE CITY OF PHILADELPHIA

3

PUBLIC HEARING AND PUBLIC MEETING

4

BEFORE THE COUNCIL COMMITTEE ON FINANCE

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, June 17, 1998
9:40 a.m.

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11 Resolution No. 980427 - A resolution approving the
12 action of the Boards of the Philadelphia
13 Industrial Development Corporation and the
14 Philadelphia Authority for Industrial Development
15 to sell Parcel F-11, in the Eastwick Urban Renewal
16 Area - State "A" Industrial, containing
17 approximately two acres of ground to Piazza
18 Management or its nominees.

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18 PRESENT: COUNCILWOMAN ANNA CIBOTTA VERNA, Chair
19 COUNCILMAN DAVID COHEN
20 COUNCILWOMAN HAPPY FERNANDEZ
21 COUNCILWOMAN MARIAN B. TASCO
22 COUNCILMAN FRANK DICICCO

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2 I N D E X

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5 Paul Deegan. 3
6 Philadelphia Industrial Development Corporation

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

3 COUNCILWOMAN VERNA: Good morning.

4 This is the public hearing on the Committee of
5 Finance. I would ask the Clerk to please read the
6 title of Resolution No. 980427.

7 THE CLERK: Resolution No. 980427, a
8 resolution approving the action of the Boards of
9 the Philadelphia Industrial Development
10 Corporation and the Philadelphia Authority for
11 Industrial Development to sell Parcel F-11, in the
12 Eastwick Urban Renewal Area - State "A"
13 Industrial, containing approximately two acres to
14 Piazza Management or its nominees.

15 COUNCILWOMAN VERNA: Thank you. I
16 would like the record to note that a quorum is
17 present. To my left, we have Councilmembers
18 Tasco, Cohen, Fernandez. And to my right is
19 Councilman DiCicco.

20 Good morning. Please identify yourself
21 for the record.

22 MR. DEEGAN: Good morning. Paul
23 Deegan, PIDC.

24 This resolution authorizes PIDC to sell
25 two acres of ground to Piazza Management, 6915

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2 Essington Avenue. Piazza Management is to improve
3 this lot for parking for the Honda dealership.
4 The sale will result in the increase of 20 jobs at
5 the dealership.

6 The Eastwick Project Committee, on
7 March 19, 1998, considered this proposal and
8 recommended its approval, under the condition that
9 it is not to be used for airport valet parking,
10 but that it be used for Honda employees and
11 storage of automobiles for the dealership. And
12 PIDC will include this condition in the deed of
13 conveyance to Piazza Management.

14 COUNCILWOMAN VERNA: Thank you.

15 MR. DEEGAN: I also ask that the
16 committee consider the resolution favorably and
17 ask that it be approved at the next regularly
18 scheduled session of City Council.

19 Thank you.

20 COUNCILWOMAN VERNA: Thank you, Mr.
21 Deegan. Can you tell us what Philadelphia Honda
22 is paying for the parcel of ground.

23 MR. DEEGAN: Yes, they're buying two
24 parcels of land at \$40,000 per acre.

25 COUNCILWOMAN VERNA: And has this been

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2 brought before the Eastwick PAC?

3 MR. DEEGAN: Yes. PIDC and
4 representatives of Piazza Management were at the
5 meeting, and that's when the issue was raised
6 about the valet parking that the PAC feels there
7 could be too much traffic going in and out of the
8 auto mall area by the airport. So they would
9 rather see the land restricted to the use of the
10 company's industrial park and then the auto mall.

11 COUNCILWOMAN VERNA: And this parking
12 lot will be used for employees and customers?

13 MR. DEEGAN: Yes. They'll also keep
14 inventory there. They're right across the street
15 from the parcel, and they can light it and secure
16 it and keep an eye on it during the evening hours.

17 COUNCILWOMAN VERNA: Thank you.

18 Are there any questions from members of
19 the committee? The Chair recognizes the Chair
20 recognizes Councilwoman Fernandez.

21 COUNCILWOMAN FERNANDEZ: There's some
22 people concerned about the environmental issues
23 surrounding runoff when you have big paved areas.
24 Do you know if there are any provisions made
25 dealing with the runoff? I'm not familiar with

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2 the area to know what's drainage and how you deal
3 with that.

4 MR. DEEGAN: All the plans for
5 development in Eastwick have to be approved by the
6 Water Department. Normally, if there is a runoff
7 problem, detention basins are put in when so most
8 of the properties here have detention basins. Or
9 if the sewer capacity is adequate, the Water
10 Department will allow the runoff to go into the
11 sewer.

12 We restrict the land coverage and also
13 have the large protected wetlands that are near
14 Meissner Chevrolet. We created a wetlands area
15 basically to absorb most of the water flow, and
16 that will never be built upon.

17 COUNCILWOMAN FERNANDEZ: Thank you.

18 COUNCILWOMAN VERNA: Thank you. Are
19 there any other questions commence from members of
20 the committee?

21 The Chair recognizes Councilwoman
22 Tasco.

23 COUNCILWOMAN TASCO: Good morning.

24 MR. DEEGAN: Good morning,
25 Councilwoman.

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2 COUNCILWOMAN TASC0: You said it's
3 \$40,000 per acre?

4 MR. DEEGAN: Yes. Councilwoman.

5 COUNCILWOMAN TASC0: Is that the
6 appraised value of the land? Are we getting a
7 good price for it?

8 MR. DEEGAN: Yes, Councilwoman. It's
9 appraised every three years. We're required by
10 agreement with the City to have an independent
11 real estate appraisal every three years of the
12 industrial parks.

13 The location is good but because of the
14 soil conditions, it's too costly to build here.
15 There's really a penalty to building in Eastwick
16 because of the soil conditions, but the rate is
17 established by two independent real estate
18 appraisers every three years.

19 COUNCILWOMAN TASC0: They established
20 this rate?

21 MR. DEEGAN: I'm sorry, Councilwoman?

22 COUNCILWOMAN TASC0: They established
23 this rate that we're getting for this land, this
24 cost?

25 COUNCILWOMAN VERNA: It's at

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2 fair-market value?

3 MR. DEEGAN: Yes, Councilwoman. It
4 doesn't permit any commercial use. Obviously,
5 commercial land in the area would be at a higher
6 rate, but this is restricted to industrial use.

7 COUNCILWOMAN TASC0: Did you get an
8 appraisal during this transaction, or are you
9 basing this cost on the last appraisal which may
10 have been two, three years ago?

11 MR. DEEGAN: Based on its appraisal
12 every two, three years, we set a value for the
13 park as a whole. Then we would sell the land for
14 that price. It's more or less the sticker price,
15 I guess, for the industrial park for those three
16 years.

17 COUNCILWOMAN TASC0: I guess my
18 question is, when was the last appraisal?

19 MR. DEEGAN: We'll probably reappraise
20 this park this summer. We haven't sold any land
21 here in three years either, so I don't think we're
22 undervaluing it. I think it's a good value.

23 COUNCILWOMAN TASC0: So you think the
24 conditions are the same as it was three years ago,
25 when it was last appraised?

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2 MR. DEEGAN: Yeah. I don't think there
3 would be much of an increase since I think it's
4 three years since we've sold any of the industrial
5 land in Eastwick.

6 COUNCILWOMAN TASCO: Thank you.

7 COUNCILWOMAN VERNA: Are there any
8 other questions or comments from members of the
9 committee?

10 (No questions.)

11 COUNCILWOMAN VERNA: Is there anyone
12 else here to testify on this resolution?

13 (No response.)

14 COUNCILWOMAN VERNA: Seeing none, this
15 concludes the Finance Committee's public hearing.

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17 COUNCILWOMAN VERNA: We will now go
18 into our public meeting.

19 The Chair recognizes Councilwoman
20 Fernandez for a motion on Resolution 980427.

21 COUNCILWOMAN FERNANDEZ: Thank you,
22 Madame Chair, I move that we vote Resolution No.
23 980427 out of this committee with a favorable
24 recommendation.

25 (Duly seconded.)

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2 COUNCILWOMAN Verna: It's been properly
3 moved and seconded that this resolution be
4 reported out of committee with a favorable
5 recommendation.

6 All in favor, signify by saying aye.

7 The motion is so carried. This
8 concludes the public meeting of the Finance
9 Committee meeting. Thank you very much.

10 MR. DEEGAN: Thank you very much,
11 Madame Chairwoman.

12 COUNCILWOMAN Verna: Thank you.

13 (Adjourned at 9:47 a.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Wednesday, June 17, 1998, were
reported and accurately by me, and that this is a
correct transcript of same.

RE: COUNCIL COMMITTEE ON FINANCE
RESOLUTION NO. 980427

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter