

1

2

COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE ON RULES

4

- - -

5

Room 400, City Hall
Philadelphia, Pennsylvania
Monday, December 8, 2008
10:10 a.m.

6

7

- - -

8

9

PRESENT:

10

COUNCILMAN JAMES F. KENNEY, CHAIR

COUNCILMAN DARRELL L. CLARKE

11

COUNCILMAN FRANK DiCICCO

COUNCILMAN W. WILSON GOODE, JR.

12

COUNCILMAN WILLIAM GREENLEE

COUNCILWOMAN DONNA REED MILLER

13

14

15

BILL 080881 - An ordinance to amend the
Philadelphia Zoning Maps by changing the
zoning designations of certain areas of land
located within an area bounded by Spring
Garden Street, Broad Street, Buttonwood Street
and 15th Street.

16

17

18

19

20

21

- - -

22

23

V A R A L L O Incorporated

Litigation Support Services

Eleven Penn Center

24

1835 Market Street, Suite 600

Philadelphia, Pennsylvania 19103

25

215.561.2220 215.567.2670

1

2

COUNCILMAN KENNEY: Good

3

morning, ladies and gentlemen. The

4

Committee on Rules is now in session to

5

hear testimony on Bill No. 080881.

6

The quorum consists of

7

Councilmembers Clarke, Greenlee, Goode

8

and DiCicco.

9

Bill No. 080881, an ordinance

10

to amend the Philadelphia Zoning Maps by

11

changing the zoning designations of

12

certain areas of land located within an

13

area bounded by Spring Garden Street,

14

Broad Street, Buttonwood Street and 15th

15

Street.

16

The Administration, please.

17

(Witness approached witness

18

table.)

19

MR. KRAMER: Good morning,

20

Councilmember Kenney and members of the

21

Rules Committee. I am William Kramer,

22

Division Director of the Development

23

Division of the Philadelphia City

24

Planning Commission. I am here today to

25

testify on Bill No. 080881, which was

1 12/8/08 - RULES - BILL 080881
2 introduced into City Council on November
3 13, 2008.

4 Bill No. 080881 will amend the
5 Philadelphia Zoning Maps by changing
6 certain zoning parcels bounded by Spring
7 Garden Street, Broad Street, Buttonwood
8 Street and 15th Street.

9 This bill will change the
10 zoning designations of the property
11 located in the block indicated in the
12 ordinance from its current designation of
13 "G-2" General Industrial to a zoning
14 designation of "C-5" Commercial. The
15 site is the location of the former State
16 Office Building. Tower Investments is
17 requesting the zoning change so that they
18 will be able to convert the office
19 building into residential and commercial
20 use and to construct a building addition.
21 In the entire project, there will be 474
22 dwellings units, 86,275 square feet of
23 retail space and 127 parking spaces.

24 The Philadelphia City Planning
25 Commission is scheduled to consider Bill

1 12/8/08 - RULES - BILL 080881

2 No. 080881 at its meeting of December 16,
3 2008. This bill will be presented with a
4 staff recommendation of approval.

5 This concludes my testimony.

6 I'd be happy to answer any questions of
7 the Committee.

8 COUNCILMAN KENNEY: Thank you
9 very much for your testimony.

10 Any questions for Mr. Kramer?

11 (No response.)

12 COUNCILMAN KENNEY: Seeing
13 none, who else is here to testify on the
14 bill?

15 Councilman Clarke.

16 COUNCILMAN CLARKE: Mr. Kramer,
17 with respect to the number projected of
18 parking spaces available versus the
19 number of units?

20 MR. KRAMER: The plan that we
21 have seen are 127 parking spaces. I'm
22 not certain if that's the existing number
23 or whether there are proposed to put
24 additional.

25 COUNCILMAN CLARKE: We'll just

1 12/8/08 - RULES - BILL 080881

2 ask --

3 MR. KRAMER: The architects are
4 here to answer those questions.

5 COUNCILMAN CLARKE: Okay.
6 Thank you.

7 COUNCILMAN KENNEY: Thank you
8 very much.

9 (Witnesses approached witness
10 table.)

11 COUNCILMAN KENNEY: Please
12 identify yourself.

13 MR. PRIMAVERA: For the record,
14 Carl Primavera, representing Tower
15 Investments. With me is Bart Blatstein
16 and also James Templeton from H2L2, who
17 will show you some of the concept plans
18 for the project.

19 Before I introduce Bart,
20 basically the concept here is that the
21 State, as we all know, is relocating
22 their offices and they placed this
23 property up for sale. Tower Investments
24 was the successful bidder, and they've
25 been working to creatively come up with a

1 12/8/08 - RULES - BILL 080881

2 reuse plan.

3 The building will not be
4 demolished. It's going to be restored,
5 but they're trying to give it a little
6 more excitement, because this is a
7 gateway to the City. So there will be an
8 addition, as well as ground floor retail.
9 That will really excite that whole area
10 between Community College, 1500 Spring
11 Garden Building where we have CBS and a
12 lot of other tenants.

13 This is something that really
14 will produce hopefully not only a
15 tremendous amount of tax ratables, but
16 just give the City in that neighborhood
17 more of a vibe. We have a
18 transit-oriented development, because we
19 do have the subway and the bus. There's
20 the parking lot next door. Ultimately,
21 there's the big lot next door, which will
22 be a mixed-use development, which will
23 probably contain some type of structured
24 parking.

25 So we believe that we have all

1 12/8/08 - RULES - BILL 080881

2 the components here for a successful
3 project.

4 And, Bart, would you like to
5 add to that, talk a little bit about why
6 you acquired the property and what you
7 intend to do.

8 MR. BLATSTEIN: I acquired the
9 property because --

10 COUNCILMAN KENNEY: Please
11 identify yourself for the record.

12 MR. BLATSTEIN: Bart Blatstein,
13 Tower Investments. Good morning,
14 Councilpeople.

15 COUNCILMAN KENNEY: Good
16 morning.

17 MR. BLATSTEIN: Councilpeople.

18 COUNCILMAN KENNEY: We are
19 people, contrary to popular opinion.

20 MR. BLATSTEIN: I bought the
21 property because I was the highest
22 bidder. The property is situated at the
23 corner of Broad and Spring Garden. It's
24 a major intersection in North
25 Philadelphia.

1 12/8/08 - RULES - BILL 080881

2 Currently, there are three
3 vacant lots of the four corners.

4 COUNCILMAN CLARKE: Excuse me.
5 Mr. Blatstein, where did you say that was
6 again? North Philadelphia?

7 MR. BLATSTEIN: North
8 Philadelphia. My father is from
9 Strawberry Mansion. That makes me from
10 North Philadelphia also. And that's
11 North Philly. In fact, all of our
12 development right now is in North
13 Philadelphia. Second and Girard is still
14 North Philadelphia.

15 It's a great opportunity for a
16 reuse of, we believe, an historic
17 building to convert into residential
18 units, affordable residential units,
19 meaning that first-time renters or buyers
20 could easily afford that building. Also,
21 that neighborhood is very underserved by
22 retail. There's a dearth -- I love that
23 word -- a dearth of retail in that area.
24 There's 34,000 students at Community
25 College up the street, SmithKline

1 12/8/08 - RULES - BILL 080881

2 French -- SmithKline. It's not French
3 anymore -- SmithKline up the street, the
4 School Board next door, and there's very,
5 very little retail. North Philadelphia
6 needs a huge amount of retail to service
7 the community. And we're planning on
8 building another tower behind the
9 existing building at some point in the
10 future. We're waiting for the State to
11 vacate so we can settle on the property,
12 and we'll start as soon as they vacate.

13 COUNCILMAN KENNEY: What was
14 the purchase price?

15 MR. BLATSTEIN: \$25,200,000.

16 COUNCILMAN KENNEY: Are the
17 parking spaces all structured below
18 ground or above?

19 MR. BLATSTEIN: That's correct,
20 underground parking.

21 COUNCILMAN KENNEY: So the 127
22 currently exists underground?

23 MR. BLATSTEIN: Yes.

24 COUNCILMAN KENNEY: What would
25 be the -- since they're affordable, I

1 12/8/08 - RULES - BILL 080881

2 guess condos they are?

3 MR. BLATSTEIN: Well, to start,
4 we're planning on rental.

5 COUNCILMAN KENNEY: Do you have
6 a price range in mind?

7 MR. BLATSTEIN: For rentals?

8 COUNCILMAN KENNEY: Yes, just
9 to get an idea.

10 MR. BLATSTEIN: Sure. We
11 normally go -- in an area like that,
12 we'll go in the upper \$1 a foot per
13 month, so like a \$1.70 a month for an
14 apartment, which could be, if it's an 800
15 square foot apartment, \$1,200.

16 COUNCILMAN KENNEY: What's the
17 State's timetable on getting out, on
18 vacating?

19 MR. BLATSTEIN: They were
20 supposed to be out last month. We're not
21 quite sure.

22 COUNCILMAN KENNEY: From the
23 date of vacation, of their vacation, how
24 long of a renovation period are you going
25 to need?

1 12/8/08 - RULES - BILL 080881

2 MR. BLATSTEIN: Well, we'll
3 start work the day after they vacate, and
4 renovations normally take 18 months.

5 COUNCILMAN KENNEY: I mean,
6 it's affected everybody, but what's the
7 effects of the economic situation on the
8 project? Has it slowed it? Has it kept
9 it the same?

10 MR. BLATSTEIN: Well,
11 fortunately for me and my company, Tower
12 Investments, we still have access to
13 money. We're still borrowing money.
14 We're not caught up in the condo
15 depression that's out there right now.

16 COUNCILMAN KENNEY:
17 Over-extension.

18 MR. BLATSTEIN: No, we're not
19 over-extended.

20 COUNCILMAN KENNEY: No, no;
21 condo over-extension. That's a nicer way
22 than depression.

23 MR. BLATSTEIN: Yeah.

24 COUNCILMAN KENNEY: Councilman
25 Greenlee.

1 12/8/08 - RULES - BILL 080881

2 COUNCILMAN GREENLEE: Thank
3 you, Mr. Chairman.

4 This sounds like certainly a
5 great plan, but I just had a question on
6 the parking spots, just parking spaces,
7 just so I'm clear. One hundred
8 twenty-seven for 474 sounds a little low.
9 I mean, are there other places --
10 Mr. Primavera made reference to another
11 parking area.

12 MR. BLATSTEIN: Yes. There are
13 reasons with that ratio, with that
14 number. We have experienced -- in
15 Northern Liberties, we have over 400
16 residential units to date. We use maybe
17 30 percent of -- maybe 30 percent of our
18 tenants have cars.

19 COUNCILMAN GREENLEE: Really?

20 MR. BLATSTEIN: Everybody is
21 moving away from cars. CarShare has been
22 a great boom to people living in the
23 City, and it's moving further and further
24 away from the needs for cars, just like
25 New York.

1 12/8/08 - RULES - BILL 080881

2 COUNCILMAN GREENLEE: And that
3 is a good location for public
4 transportation.

5 MR. BLATSTEIN: It's wonderful.

6 COUNCILMAN GREENLEE: That's
7 good to hear, that more people are
8 getting away from cars.

9 MR. BLATSTEIN: Yeah. It's a
10 wonderful location for public
11 transportation. That subway stop is one
12 of the busiest in the City.

13 MR. PRIMAVERA: And the parking
14 lot is next door.

15 MR. BLATSTEIN: And the parking
16 lot is next door.

17 COUNCILMAN GREENLEE: What was
18 that? I'm sorry.

19 MR. PRIMAVERA: There is a
20 parking lot next door. My comment was
21 that, like this site, is a great gateway
22 site. I've already heard from a lot of
23 developers who would like to acquire it
24 with the next building cycle, not right
25 away. And ultimately I'm sure there'll

1 12/8/08 - RULES - BILL 080881

2 be an opportunity to expand on that. So
3 there will be more than enough parking,
4 structured, surface, on site,
5 PhillyCarShare and also the whole
6 transit-oriented component to this.

7 COUNCILMAN KENNEY: Is CarShare
8 there now in the State Building?

9 MR. BLATSTEIN: No.

10 COUNCILMAN KENNEY: So do you
11 intend to dedicate spots?

12 MR. BLATSTEIN: And, again,
13 we've experimented. In Northern
14 Liberties, we have bicycle racks, we have
15 places for motorcycles and Vespas.

16 COUNCILMAN KENNEY: But you
17 specifically are going to cordon off some
18 spots for CarShare or something like
19 that?

20 MR. BLATSTEIN: Absolutely.

21 COUNCILMAN GREENLEE: Thank
22 you.

23 COUNCILMAN KENNEY: Councilman
24 DiCicco.

25 COUNCILMAN DiCICCO: Thank you.

1 12/8/08 - RULES - BILL 080881

2 Good morning. The second
3 tower, is that a Phase 2 section or is
4 that --

5 MR. BLATSTEIN: That's correct.
6 It's a Phase 2, which would happen within
7 five years.

8 COUNCILMAN DiCICCO: How many
9 units?

10 MR. BLATSTEIN: The total of
11 approximately 500 units includes both
12 buildings.

13 COUNCILMAN DiCICCO: How many
14 units will be in the existing building?

15 MR. BLATSTEIN: How many in the
16 existing building?

17 MR. TEMPLETON: The existing
18 building is about 290 units.

19 MR. PRIMAVERA: Councilman
20 DiCicco, the tower is the addition --

21 COUNCILMAN KENNEY: I'm sorry.
22 Could you just give the microphone back.

23 MR. TEMPLETON: James
24 Templeton. I'm with H2L2 Architects.
25 I'm the architect on the project.

1 12/8/08 - RULES - BILL 080881

2 The existing building will have
3 approximately 290 units. The new
4 building will have approximately 185, 190
5 units to it. And the new building, which
6 is the one I think in that view to your
7 right, is the -- that's all new addition.

8 MR. BLATSTEIN: And that helps
9 reestablish 15th Street also. It's a
10 dead zone right there now.

11 COUNCILMAN DiCICCO: And your
12 intention on the new building is to
13 create housing, not office?

14 MR. BLATSTEIN: No; housing.

15 COUNCILMAN DiCICCO: I have no
16 questions. Thanks.

17 COUNCILMAN KENNEY: Any other
18 questions for these witnesses?

19 (No response.)

20 COUNCILMAN KENNEY: Anyone else
21 to testify on the bill?

22 (No response.)

23 COUNCILMAN KENNEY: Seeing
24 none, we will conclude our public hearing
25 and enter into a public meeting.

1 12/8/08 - RULES - BILL 080881

2 The Chair recognizes

3 Councilmember Clarke for a motion on Bill

4 No. 080881.

5 COUNCILMAN CLARKE: Thank you,

6 Mr. Chairman. I move that Bill 080881 be

7 reported out of Committee with a

8 favorable recommendation and a request

9 for a rules suspension as to allow

10 reading at the next session of Council.

11 (Duly seconded.)

12 COUNCILMAN KENNEY: It's been

13 moved and seconded.

14 All in favor?

15 (Aye.)

16 COUNCILMAN KENNEY: There are

17 none opposed. Bill No. 080881 will be

18 reported out of this Committee with a

19 favorable recommendation and a request

20 made for a rules suspension to allow for

21 first reading at our next Council

22 session.

23 Thank you for your attendance

24 today and thank you for your continued

25 investment in the City.

1 12/8/08 - RULES - BILL 080881

2 MR. BLATSTEIN: Thank you very
3 much.

4 (Committee on Rules adjourned
5 at 10:20 a.m.)

6 - - -

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter on December 8, 2008, and that
this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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

