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COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON RULES

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, March 23, 2011
10:05 a.m.

PRESENT:

- COUNCIL PRESIDENT ANNA C. VERNA
- COUNCILMAN DARRELL CLARKE
- COUNCILMAN FRANK DiCICCO
- COUNCILMAN W. WILSON GOODE, JR.
- COUNCILMAN WILLIAM K. GREENLEE
- COUNCILMAN CURTIS JONES, JR.
- COUNCILMAN JAMES KENNEY
- COUNCILWOMAN DONNA REED MILLER
- COUNCILWOMAN BLONDELL REYNOLDS BROWN

BILLS 100610, 100611, 110181, 110083, 110133
and 110134

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COUNCIL PRESIDENT VERNA: Good morning, everyone. Can we have your attention, please. Thank you.

This is a public hearing of the Rules Committee.

I would ask the Clerk to please read the title of Bill No. 110133.

THE CLERK: Bill No. 110133, an Ordinance to amend the Philadelphia Zoning Maps by changing the zoning designations of certain areas of land located within an area bounded by Warfield Street, the Schuylkill Expressway, Reed Street, a Railroad R.O.W., and Moore Street.

COUNCIL PRESIDENT VERNA: Thank you.

This bill is going to be continued until the call of the Chair.

The Clerk will please read the title of Bill No. 110134.

THE CLERK: Bill No. 110134, an Ordinance amending Title 14 of The Philadelphia Code, entitled "Zoning and

1 3/23/11 - RULES - BILL 100610, ETC.

2 Planning," by adding a new Section
3 prohibiting the issuance of any permit
4 for the construction of buildings,
5 additions or roof decks, exceeding a
6 certain height, on certain properties
7 within the Point Breeze area of the City
8 and providing that such prohibition shall
9 expire after a specified period of time,
10 all under certain terms and conditions.

11 COUNCIL PRESIDENT VERNA: Thank
12 you.

13 Mr. Greenberger.

14 (Witness approached witness
15 table.)

16 COUNCIL PRESIDENT VERNA: Good
17 morning.

18 MR. GREENBERGER: Good morning.

19 COUNCIL PRESIDENT VERNA:
20 Please identify yourself for the record
21 and proceed with your testimony.

22 MR. GREENBERGER: Alan
23 Greenberger, Deputy Mayor for Economic
24 Development. Good morning, President
25 Verna and Councilmembers. I appreciate

1 3/23/11 - RULES - BILL 100610, ETC.

2 the opportunity to present testimony on
3 Bill No. 110134, which was introduced by
4 Councilwoman Tasco on behalf of the
5 Council President. Bill No. 110134
6 proposes the imposition of a one-year
7 moratorium on the issuance of any permit
8 for the construction of buildings,
9 additions or roof decks, exceeding two
10 stories in height, in the area bounded by
11 Washington Avenue, Broad Street, Moore
12 Street and 25th Street. The City
13 Planning Commission considered this bill
14 at its March 15th meeting and recommended
15 that the bill not be approved by Council.

16 The Administration has a number
17 of serious concerns with this bill and
18 opposes the adoption of this measure.

19 The primary concern with this
20 legislation is the extreme negative
21 effect that the proposed moratorium will
22 have on property values in the Point
23 Breeze neighborhood and adjacent
24 communities. In addition to the private
25 homeowners that will see their property

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2 values artificially suppressed by this
3 measure, the proposed moratorium will
4 interfere with public investment in the
5 neighborhood, specifically through the
6 Neighborhood Stabilization Program, which
7 is often referred to as NSP2,
8 administered by the Redevelopment
9 Authority.

10 The goal of NSP2 is the
11 stabilization of property values in
12 selected neighborhoods through investment
13 in affordable homeownership, housing
14 rehabilitation, foreclosure prevention
15 and weatherization programs. With the
16 aid of federal dollars, the City has
17 targeted the Point Breeze neighborhood to
18 receive significant investment in the
19 next two years. Over \$7 million in NSP2
20 funding has been allocated to Point
21 Breeze, representing \$12 million worth of
22 real estate development in the
23 neighborhood.

24 The NSP2 program mandates
25 results and provides only a three-year

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2 timeline to prove that property values
3 have stabilized or increased. The U.S.
4 Department of Housing and Urban
5 Development, HUD, requires that 50
6 percent of NSP2 funds be spent by
7 February 2012 and the balance by February
8 2013. If the program goals are not
9 achieved, the RDA must repay the funds to
10 the federal government.

11 The proposed moratorium would
12 seriously impact planned NSP2 projects in
13 Point Breeze and jeopardize the City's
14 ability to meet the program's mandates.
15 For example, a three-story development
16 has been proposed for 17th and Federal
17 Streets as part of NSP2. This
18 development consists of 11 units of
19 affordable homeownership row houses. The
20 developers, Community Ventures with South
21 Philadelphia HOMES, was chosen through a
22 competitive City-issued RFP process. The
23 project has not yet received building
24 permits and, under this proposed
25 ordinance, would be prohibited from

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2 building the proposed three-story homes.

3 I would also note that the City
4 currently owns over 200 surplus
5 properties in the area covered by this
6 bill, ten of which are currently for sale
7 under the Public Property pre-approved
8 sale program. As you know, reducing the
9 City's property inventory has been an
10 important goal of the Administration.
11 Passage of this measure could serve as a
12 serious impediment in getting City-owned
13 Point Breeze properties back on the tax
14 rolls.

15 Another major concern with the
16 legislation is the wide breadth of the
17 bill, both geographically and
18 contextually. The legislative text
19 states that the purpose of the moratorium
20 is to preserve the uniformity of the
21 streetscape in portions of the Point
22 Breeze neighborhood. However, the
23 proposed moratorium 11 blocks wide and
24 eight blocks long is extremely large,
25 consisting of over 100 City blocks and

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2 thousands of properties. Moreover, the
3 stated goal of the legislation is
4 preservation of a purportedly
5 characteristically two-story residential
6 neighborhood. However, many of the
7 blocks that are included in this
8 moratorium are, and historically have
9 been, three-story blocks.

10 Additionally, the bill contains
11 certain ambiguities which have triggered
12 concerns among local businesses.
13 Specifically, the legislation purports to
14 cover all residentially zoned properties,
15 but contains a provision that states
16 "notwithstanding any underlying zoning
17 classification." This seemingly internal
18 contradiction makes the scope of this
19 measure unclear and can further chill
20 commercial development in the Point
21 Breeze area.

22 The Philadelphia Zoning Code
23 Commission has heard concerns regarding
24 contextual design of new construction and
25 renovation in neighborhoods. The

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2 proposed new Zoning Code attempts to
3 address these concerns by requiring a
4 third floor setback for new construction
5 or additions on two-story block faces.
6 Proponents of this measure have been
7 active participants in the Zoning Code
8 reform process and have repeatedly urged
9 the codification of the prohibition of
10 three-story buildings or additions to the
11 Zoning Code. The ZCC staff has
12 repeatedly expressed similar concerns
13 that I'm talking to you about regarding
14 this proposal to these proponents.

15 Since the proposed measure was
16 introduced, City Planning Commission
17 staff has received a significant amount
18 of community feedback on the bill. While
19 there are persons in support of the
20 measure, we found that there are many
21 more community groups and organizations
22 with the geographic boundaries of this
23 bill that stand in opposition.

24 While the Administration
25 appreciates the contextual design

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2 concerns that this bill attempts to
3 address, the harmful effects of this
4 overly restrictive proposal far outweigh
5 the notional benefit. This bill will not
6 preserve the character of Point Breeze,
7 but rather ensure the suppression of
8 property values and the drain of
9 investment in the neighborhood.

10 In light of these foregoing
11 concerns, the Administration requests
12 that this bill be held in Committee or
13 withdrawn from further consideration.

14 Thank you for the opportunity
15 to testify. I'll be happy to answer your
16 questions.

17 COUNCIL PRESIDENT VERNA: Thank
18 you, Mr. Greenberger.

19 I believe you testified that
20 there are over 200 properties in the area
21 that are surplus properties owned by the
22 City.

23 MR. GREENBERGER: Correct.

24 COUNCIL PRESIDENT VERNA: And
25 that ten of them currently are for sale.

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2 Does the City have plans to sell the
3 remaining 190 properties in the near
4 future, and, if so, can you tell us when?

5 MR. GREENBERGER: I don't know
6 the answer to the "when" part, but the
7 City is very interested in selling
8 surplus properties. So the answer is
9 yes. We're trying to organize a uniform
10 system that would enable us to sell these
11 properties efficiently.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 You also mention that the
15 proposed new Zoning Code addresses the
16 matter of three-story construction on
17 two-story block faces. Could you explain
18 that further to the Committee, please.

19 MR. GREENBERGER: Yeah. In
20 fact, you might -- I don't know whether
21 you'll see them today. You might see
22 some photographs of some developments
23 where the middle of a two-story block
24 somebody has bought the property and
25 added a third floor right on the street

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2 generally does allow them, but under
3 restrictions of height and location,
4 again, relative to front building faces.

5 COUNCIL PRESIDENT VERNA: Thank
6 you.

7 The Chair recognizes Councilman
8 Greenlee.

9 COUNCILMAN GREENLEE: Thank
10 you, Madam President.

11 Mr. Greenberger, just one
12 question. You talk about that many of
13 the blocks included in the moratorium
14 have historically been three-story
15 blocks. So as this bill reads now, if
16 there are new construction on these
17 blocks, they could only be two-story?

18 MR. GREENBERGER: That's our
19 reading of the bill, yes.

20 COUNCILMAN GREENLEE: Okay.

21 COUNCIL PRESIDENT VERNA: Thank
22 you.

23 The Chair --

24 COUNCILMAN GREENLEE: Thank
25 you.

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2 COUNCIL PRESIDENT VERNA: I'm
3 sorry.

4 The Chair recognizes Councilman
5 Clarke.

6 COUNCILMAN CLARKE: Thank you,
7 Madam President.

8 Good morning.

9 MR. GREENBERGER: Good morning.

10 COUNCILMAN CLARKE: With
11 respect to the third floor setback -- and
12 I agree, because it's happened in my
13 district in instances where that
14 setback --

15 MR. GREENBERGER: Probably
16 happened in a number of places in the
17 City.

18 COUNCILMAN CLARKE: Exactly.
19 But would there be any prohibitions on
20 decks being put on that area?

21 MR. GREENBERGER: Yes. Yeah.
22 I think, again, the deck restrictions
23 are -- it would apply, I believe, to the
24 deck restrictions as well and, again,
25 certain limitations about heights of

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2 railings and so on.

3 COUNCILMAN CLARKE: I'm talking
4 about decks on that portion that's now
5 two stories.

6 MR. GREENBERGER: Yeah. I
7 don't believe that we would allow that to
8 happen, because you would have to then
9 have a railing, and, again, then that
10 would create a wall on the street.

11 COUNCILMAN CLARKE: Exactly.
12 It would defeat the purpose. And that
13 would be within the Code, but what
14 happens if the individual goes to the
15 Zoning Board and gets a variance?

16 MR. GREENBERGER: It's
17 possible, but I think the idea of having
18 a new rule is that the rule has been
19 thought through carefully, and we
20 certainly would encourage the Zoning
21 Board not to permit such variances. And,
22 truthfully, I mean, especially for a
23 deck, it would be pretty hard to argue
24 that there was a hardship.

25 COUNCILMAN CLARKE: Well, I

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2 hear you.

3 MR. GREENBERGER: I know.

4 COUNCILMAN CLARKE: I had a
5 recent case over in Fairmount, Councilman
6 Greenlee's area, over near Broad Street
7 where --

8 MR. GREENBERGER: It's very
9 clear that people like decks, but I think
10 the particular concern is on these blocks
11 that are consistently two-story blocks,
12 and I think legitimately we have to be
13 really careful about it. People can put
14 decks on the back.

15 COUNCILMAN CLARKE: All right.

16 Okay. Thank you.

17 Thank you.

18 MR. GREENBERGER: You're
19 welcome.

20 COUNCIL PRESIDENT VERNA: The
21 Chair recognizes Councilman Kenney.

22 COUNCILMAN KENNEY: Thank you,
23 Madam Chair.

24 Mr. Greenberger, you just
25 mentioned that you would encourage the

1 3/23/11 - RULES - BILL 100610, ETC.

2 Zoning Board. How does the
3 Administration encourage the Zoning
4 Board?

5 MR. GREENBERGER: A member of
6 the Planning staff is at all of the
7 Zoning Board meetings and the Zoning
8 Board does ask Planning's point of view
9 on these things.

10 COUNCILMAN KENNEY: But are
11 they part of the record?

12 MR. GREENBERGER: Yes.

13 COUNCILMAN KENNEY: Okay.

14 Fine. Thank you.

15 COUNCIL PRESIDENT VERNA: Thank
16 you.

17 The Chair recognizes
18 Councilwoman Miller.

19 COUNCILWOMAN MILLER: Hi. Good
20 morning. Good morning, Mr. Greenberger.

21 Just for clarity, does this
22 bill just refer to new construction?

23 MR. GREENBERGER: New or
24 renovated. So that if you have an
25 existing -- well, "renovated" meaning

1 3/23/11 - RULES - BILL 100610, ETC.

2 you're doing an addition, a third-story
3 addition on a two-story house.

4 COUNCILWOMAN MILLER: But if
5 you have an existing third story on a
6 home that needs renovating --

7 MR. GREENBERGER: No, it would
8 not apply to that, unless you were adding
9 to it. But if you were doing an internal
10 renovation, it would not apply to it.

11 COUNCILWOMAN MILLER: Okay.
12 Thank you.

13 Thank you, Madam Chair.

14 COUNCIL PRESIDENT VERNA: Thank
15 you.

16 The Chair recognizes
17 Councilwoman Brown.

18 COUNCILWOMAN BROWN: Thank you,
19 Madam President.

20 Follow-up to Councilman
21 Kenney's question regarding the Planning
22 Department urging the Zoning Board, has
23 it been standard operating procedure that
24 professionals of the Planning Commission
25 sit --

1 3/23/11 - RULES - BILL 100610, ETC.

2 MR. GREENBERGER: Correct.

3 COUNCILWOMAN BROWN: -- at
4 zoning hearings?

5 MR. GREENBERGER: Correct.

6 COUNCILWOMAN BROWN: Prior to
7 this Administration?

8 MR. GREENBERGER: Yes, I
9 believe so.

10 COUNCILWOMAN BROWN: Thank you
11 very much.

12 COUNCIL PRESIDENT VERNA: The
13 Chair again recognizes Councilman Kenney.

14 COUNCILMAN KENNEY: Thank you.

15 Relative to staff
16 encouragement, we had a situation in, I
17 think, Councilman Clarke's district
18 relative to the X-rated movie theatre and
19 the go-go bar, for want of a better word.

20 MR. GREENBERGER: Is it on
21 Market Street?

22 COUNCILMAN KENNEY: Yeah. What
23 was the Planning staff's encouragement or
24 lack thereof then?

25 MR. GREENBERGER: The

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2 encouragement was that there was an
3 opportunity to actually lose one -- to
4 get rid of one of the two operations on
5 two blocks, one on the 2200 block, one on
6 the 2100 block, and since the -- there
7 was an opportunity to get rid of one of
8 them, and we thought that that was a
9 decent solution given that both of them
10 are legal or grandfathered.

11 COUNCILMAN KENNEY: But their
12 request was for an expansion of the
13 operation.

14 MR. GREENBERGER: Their request
15 was to expand a second floor on the
16 theatre one and they had offered to get
17 rid of the other one and basically undo
18 the zoning that allowed that to exist.

19 COUNCILMAN KENNEY: What's the
20 current status of that now?

21 MR. GREENBERGER: It's in the
22 courts, I believe.

23 COUNCILMAN KENNEY: Thank you.

24 COUNCIL PRESIDENT VERNA: Any
25 other questions from members of the

1 3/23/11 - RULES - BILL 100610, ETC.

2 Committee?

3 (No response.)

4 COUNCIL PRESIDENT VERNA:

5 Mr. Greenberger, thank you very much.

6 MR. GREENBERGER: Thank you.

7 COUNCIL PRESIDENT VERNA: Do we
8 have anyone else from the Administration
9 to testify on this bill?

10 MR. GREENBERGER: I don't
11 believe so.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 Very well. Our first witness
15 will be Betty Beaufort.

16 Please approach the witness
17 table, identify yourself and proceed with
18 your testimony.

19 (Witness approached witness
20 table.)

21 COUNCIL PRESIDENT VERNA: Good
22 morning.

23 MS. BEAUFORT: Good morning.

24 My name is Betty Beaufort and I'm

25 President of Concerned Citizens of Point

1 3/23/11 - RULES - BILL 100610, ETC.
2 Breeze. I'm here today to tell why we
3 need this moratorium.

4 This moratorium is for the
5 people that lives in Point Breeze. Point
6 Breeze needs the help -- Point Breeze
7 needs help before the people become
8 homeless. What I mean by that, they
9 won't be able to live. They won't be
10 able to afford to live --

11 COUNCIL PRESIDENT VERNA: I'm
12 sorry. You're going to have to pull the
13 microphone closer to you.

14 MS. BEAUFORT: I said Point
15 Breeze needs help, because before we know
16 it, they won't be able to afford to live
17 in Point Breeze because they will be
18 taxed out and the luxury homes will push
19 us out of Point Breeze. That's our
20 concern for the people today. We're here
21 for the people, because Point Breeze --
22 people makes up Point Breeze.

23 So how we got started with
24 this, we had a campaign, Save Point
25 Breeze, canvassing the neighborhoods, and

1 3/23/11 - RULES - BILL 100610, ETC.

2 the people began to ask us about the
3 three-story houses. So we said, What
4 about them? So they said, first of all,
5 they don't like the way they look.
6 They're too big. They don't fit the
7 community, because we are a two-story
8 neighborhood and we are looking to keep
9 Point Breeze as a two-story neighborhood.

10 They said they're going to tax
11 us out, a rent increase. They block our
12 sky view. They block the -- we have a
13 view of Center City. It blocks our
14 Center City view.

15 So we want to know -- they want
16 to know what could we do for them. So we
17 began to see that -- we began to see
18 their support, and we started doing
19 petitions. After that, we met with
20 Council President Verna. In a meeting we
21 asked for a moratorium, and Council
22 President Verna said she will look in to
23 see what could be done. They said it
24 could be done.

25 How would this moratorium help

1 3/23/11 - RULES - BILL 100610, ETC.

2 the community? As stated in the
3 ordinance, the residents in this
4 characteristically two-story residential
5 neighborhood, to give Council the
6 opportunity to explore ways to preserve
7 the uniformity of the streetscape and the
8 current scape and density of the area.

9 The way it is now is, people
10 are being pushed out that can no longer
11 afford to live in Point Breeze. The
12 three-story houses are eyesores, look
13 like dominos, one in the middle of the
14 block, one in the middle of the block,
15 one in the middle of the block. It just
16 looks terrible, so -- and this is causing
17 gentrification, and people began to
18 stress and worry if they will be able to
19 live in the community where they have
20 lived all their lives.

21 So just imagine yourself, if
22 you live in the community all your life,
23 and you see no way out. All these big
24 luxury houses come in around you and you
25 have nowhere to go. You would be

1 3/23/11 - RULES - BILL 100610, ETC.

2 stressed out and worried, and plus you
3 have a family, and plus you know your
4 salary. You know your salary will not
5 meet up to the income that these houses
6 are being priced at. Yeah,
7 gentrification. Yes, indeed.

8 Due to high stress, worrying
9 brings about increased strokes and heart
10 attacks and other health issues.

11 This is about the people, and
12 they have the right to say what comes
13 into their community. This is a profit
14 over people. Where is the human in this?

15 I am asking the City Council
16 members to pass this moratorium and
17 really take time out to look at how this
18 housing policy is having a negative
19 effect on our community. And believe me,
20 it is about the people and it's about the
21 human that's in this situation.

22 So I want you to think twice
23 about how -- what you will be doing to
24 the people that live in Point Breeze,
25 because we need to.

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2 COUNCIL PRESIDENT VERNA: Thank
3 you very much.

4 Are there any questions or
5 comments?

6 The Chair recognizes Councilman
7 Greenlee.

8 COUNCILMAN GREENLEE: Just one
9 question, Madam President. Thank you.

10 Ma'am, I know similar to the
11 question I asked of Mr. Greenberger, he
12 said that many of the blocks that are
13 encompassed in this bill are three
14 stories. Do you agree with that, and how
15 would you address that if there's new
16 renovations or construction? Would you
17 think they should not be three-story?

18 MS. BEAUFORT: Councilman,
19 believe me, we had a designated area for
20 three-story houses before in Point
21 Breeze. Mary McNichols, God rest her
22 soul. There was always a designated
23 place for three-story houses in Point
24 Breeze, but, no, these three-story houses
25 just plopping up anywhere, anywhere,

1 3/23/11 - RULES - BILL 100610, ETC.

2 anywhere, anywhere.

3 COUNCILMAN GREENLEE: So this
4 proposed area, does it have three-story
5 houses on its blocks, in the proposed
6 moratorium area?

7 MS. BEAUFORT: We're talking
8 about Point Breeze, the area of Point
9 Breeze.

10 COUNCIL PRESIDENT VERNA: Yes.

11 COUNCILMAN GREENLEE: Well, the
12 area in the bill.

13 MS. BEAUFORT: Yes.

14 COUNCILMAN GREENLEE: It does
15 have three-story blocks?

16 MS. BEAUFORT: Some places have
17 three stories, but they was designated
18 areas back in the day. I don't know
19 when.

20 COUNCILMAN GREENLEE: But as I
21 understand the bill, if there's any
22 construction on those blocks, they could
23 only be two-story, correct?

24 MS. BEAUFORT: Yes. That's
25 what we asking for, yes.

1 3/23/11 - RULES - BILL 100610, ETC.

2 COUNCILMAN GREENLEE: So even
3 on three-story blocks, if they renovate
4 properties, you want them to only be
5 two-story?

6 MS. BEAUFORT: Most of the
7 houses on three-story blocks, they
8 already houses are there.

9 COUNCILMAN GREENLEE: Okay.

10 MS. BEAUFORT: Most of the
11 houses they are building three stories
12 are vacant lots.

13 COUNCILMAN GREENLEE: There are
14 no vacant lots, you said?

15 MS. BEAUFORT: No. I said most
16 of the houses they're building
17 three-story houses on now are vacant
18 lots.

19 COUNCILMAN GREENLEE: But
20 that's my question. But on those blocks,
21 aren't there also houses that are
22 three-story? There might be vacant lots,
23 but is the whole block vacant?

24 MS. BEAUFORT: No. What I'm
25 saying, you have a block -- this is a

1 3/23/11 - RULES - BILL 100610, ETC.
2 block. This particular is a lot. When
3 they come now, they build three stories
4 in this two-story.

5 COUNCILMAN GREENLEE: And what
6 else is on the block now?

7 MS. BEAUFORT: Two-story
8 houses.

9 COUNCILMAN GREENLEE: They're
10 all two stories?

11 MS. BEAUFORT: Two stories,
12 basically. Two-story community.

13 COUNCILMAN GREENLEE: All
14 right. I'm not going to go back and
15 forth. All right. Thank you.

16 COUNCIL PRESIDENT VERNA: Thank
17 you.

18 Our next witness, Tiffany
19 Green.

20 (Witness approached witness
21 table.)

22 COUNCIL PRESIDENT VERNA: Good
23 morning.

24 MS. GREEN: Good morning,
25 Council President Verna and the members

1 3/23/11 - RULES - BILL 100610, ETC.

2 of Council, the Rules Committee. Thank
3 you very much for listening to us or
4 taking the time to listen to us.

5 I want to start off -- I was
6 thinking about -- and I had a picture of
7 Martin Luther King, Reverend Martin
8 Luther King, Jr., and I was thinking
9 about what Martin Luther King would say
10 about three-story luxury homes being
11 built in low-income, minority
12 communities. Many of you celebrated
13 Martin Luther King birthday and paid
14 tribute to him, but I believe if Martin
15 Luther King was alive today, that he will
16 be here advocating on behalf of
17 low-income, minority communities.

18 I want to take a look at those
19 pictures of those three-story houses
20 being built in two-story communities,
21 because that's the reality of what we're
22 dealing with from this whole new
23 development. We're not saying we're
24 against new development, but we're saying
25 respect our communities.

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2 We have rode around other
3 areas, non-minority areas, like down
4 Second and Mifflin, 12th and Girard -- I
5 mean, 12th and Oregon, and they're not
6 being targeted with these three-story
7 houses and decks in the middle of
8 two-story communities. It seems like the
9 only communities really being targeted
10 are low-income and distressed
11 communities. And we're saying respect
12 us. Make it -- keep it uniform.

13 Now, like Ms. Betty said, we
14 started going around canvassing, and the
15 people -- and we asked the people how
16 they feel about their community, and they
17 started coming up with these three-story
18 houses. They didn't like them in their
19 two-story community. They said that --
20 some of the things that they said
21 regarding the two-story community was, it
22 takes away our conformity of the houses.
23 These structures do not conform to
24 traditional two-story neighborhoods. We
25 also do not support five to eight feet

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2 setback.

3 A setback is still a
4 three-story. We saw a setback on the
5 2200 block of Montrose. What did they
6 do? They set back the building and then
7 put a little white gate around it and did
8 a sliding door and then still did a deck
9 on the front. So the setbacks are still
10 three stories. Okay?

11 Construction damage: We have
12 quite a few residents who had
13 construction damages. Mainly these came
14 from additions being put on top of two
15 stories, because you had investors or
16 developers, first time, second time, they
17 really didn't know what they were doing.
18 They're hiring these construction
19 companies. They're coming in there and
20 they're building, and what happens is, is
21 that they don't put it quite up to the
22 other building, so the leaking from the
23 water comes down in between the houses,
24 leak down into the two-story houses, and
25 the people are getting mold, they're

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2 getting all kinds of cracks in their
3 buildings and that type of thing, and
4 they don't know where to go. There's
5 nothing set up. Many of them are low
6 income. They can't get a lawyer.

7 Water damage and roof erosion:
8 When you build three-story houses in
9 two-story blocks, the water runs down and
10 pops down onto their roof more, and that
11 creates roof erosion. Also, it's running
12 down along the side of the wall in
13 between the houses, and that creates more
14 mold and everything going with that.

15 Privacy issue: You can look
16 down from a third-story house into a
17 second story. They can't even open up
18 their blinds. You need to take a look at
19 this. This is something you have to see
20 for yourself.

21 It's blocking our skyline.
22 When you have these three-story houses
23 being built on small blocks, it is
24 blocking the whole skyline. You can't
25 even see the sky, and it's really a

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2 monstrosity, and the people do not like
3 it.

4 Also, their sunlight is being
5 blocked. The sunlight is being blocked,
6 because you're used to having two
7 stories. We're talking about two-story
8 communities when you're building a
9 three-story on top in that middle of the
10 block.

11 Potential burglary: These
12 people -- we're not saying that everybody
13 moving in is on the up-and-up. They can
14 jump down onto the second story and go
15 down into chimneys or whatever, or go
16 through their window. It is a possible
17 haven for burglary, and this is what the
18 people have stated.

19 Noise nuisance: These decks,
20 the people are up there having parties on
21 the decks and everything and all times of
22 the night. They call the police. The
23 police can't do anything because they up
24 on the deck. Also, when you're up there,
25 it's a fire hazard, because if they're

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2 smoking on the deck, if they're smoking
3 on the deck and somebody don't put the
4 cigarette all the way, the fumes can fly
5 off to the side to the other roofs and
6 then you have two or three roofs catching
7 on fire. Well, who is going to be
8 responsible for that? The City of
9 Philadelphia, because you're permitting
10 these permits to go be built like that,
11 and there's nothing in place for that.

12 So we talked about the fire
13 hazard. It's changing the fabric of our
14 community. Other communities we ride
15 down, you know, in South Philadelphia and
16 they look very nice and they're not being
17 messed with. We come through our
18 community and it's like up and down.
19 It's being -- we're being massacred in
20 terms of putting up housing and
21 everything.

22 Also, they feel that it's
23 intentional targeting. They feel it's
24 intentional targeting of distressed
25 communities. They're not respecting us.

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2 It's increasing our property
3 taxes and rents, because what happens is,
4 you have these landlords who might have
5 been given out to Section 8 -- and let's
6 talk about this. There were three
7 projects closed down even though some was
8 rebuilt. You have Passyunk Homes, you
9 have Wilson Park -- I mean, you have
10 Tasker and you have 13th and -- around
11 13th and Fitzwater. They all were closed
12 down, and these people migrated into
13 Point Breeze. They were given Section 8
14 passes, and a lot of them moved into the
15 Point Breeze community, because once a
16 South Philadelphian a lot of times,
17 always a South Philadelphian, right?

18 Okay. So they moved into Point
19 Breeze, and now they living there,
20 they're renting with the Section 8, and
21 what happens is, is that when these
22 developers move in and these houses are
23 going for three or four hundred thousand
24 dollars in our community -- and you can
25 just check the local newspapers, South

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2 Philly Review, Philadelphia Weekly.

3 They're going for three or four hundred
4 thousand dollars in our low-income
5 community. And then what happens is, it
6 inspires other landlords to start selling
7 out. So now you have families who have
8 to move because they want to sell their
9 house and get out of this particular type
10 of industry. So you have families moving
11 that can't really find -- they don't want
12 to move to West Philly. They're moving
13 to Darby and Chester. So we're actually
14 losing residents in this whole process.

15 The increased rents, the rents
16 are going up to \$1,500 to \$2,000. I have
17 an aunt that live on 21st and Fitzwater.
18 She said her property taxes went up to
19 \$3,800 on the 2100 block of Fitzwater
20 Street.

21 And when I was little, I used
22 to go to Odunde. All those blocks were
23 really mainly working-class communities
24 and some low income. A lot of them have
25 been moved out. They're not there

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2 anymore. They all moved out. A lot of
3 them moved in Point Breeze.

4 And we consider this a health
5 concern. The CDC has a report out that
6 says that when people start seeing
7 buildings like this and they start
8 thinking about it's gentrification, they
9 start to get worried. They stress out.
10 It brings on increased heart attacks and
11 also strokes. You can go to cdc.gov and
12 you can check out that report if you want
13 to.

14 We're saying you're bringing
15 undue stress on our community. We're
16 asking that you put this moratorium in
17 and take a deep look at what is happening
18 to the community. Yes, it started out
19 great, Councilman DiCicco, with the
20 ten-year tax abatement. Yes, it's great
21 that you brought a new development into
22 the City, but the thing about it is like
23 right now, we're the ground troops and
24 we're coming to the generals, and we're
25 saying, Look, your policies are not --

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2 are having an effect on the ground
3 troops. We are being attacked. It's
4 starting to hurt us. And so we're asking
5 you to take -- to pass through this
6 moratorium and take a deeper look at your
7 policies and respect our community. We
8 want to stay two-story, two-story. If
9 there's a lot or something and the people
10 agree to it, the community agree to it to
11 put the three-story, then that's fine.
12 But two-story homeowners want to keep it
13 two-story.

14 In conclusion, I just want to
15 say this real quick, and then I'm going
16 to go. Part of the other reason is with
17 the new residents moving in, a lot of the
18 residents felt disrespected. Okay? They
19 feel that their names are -- new
20 residents are trying to change their name
21 from Point Breeze to another -- I'm not
22 going to mention the group, because it is
23 a group -- to another group's name.
24 There's -- about the zoning, there's
25 constant in-fighting about the zoning,

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2 who is going to handle zoning. One group
3 want new market-rate housing; one group
4 does not want new market-rate housing.

5 There's a lot of confliction
6 going on in these communities. This is
7 not just little Point Breeze. We're
8 getting calls from people in West
9 Philadelphia. We're getting people from
10 North Philadelphia who are hearing about
11 this and calling us and saying they don't
12 like what's happening in their community.
13 So if you think that this is just us and
14 this is going to stop here, it's not.
15 It's starting to be seen around. People
16 are waking up. And we're asking you to
17 make it a level playing field. Put the
18 moratorium through. Let's take a look at
19 it. Let's see how we can respect the
20 long-term residents and not just K to 2
21 developers and new residents.

22 Thank you very much.

23 COUNCIL PRESIDENT VERNA: Thank
24 you.

25 MS. GREEN: Any questions?

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2 COUNCIL PRESIDENT VERNA: Yes.

3 The Chair recognizes Councilman Clarke.

4 COUNCILMAN CLARKE: Actually, I
5 don't. I may not necessarily have a
6 question for you, but is Mr. Greenberger
7 still here? Is there anyone representing
8 the Planning Commission that I can
9 address this to?

10 MS. GREEN: While you're doing
11 it, can I answer his question he posed to
12 Ms. Betty, because I think Ms. Betty was
13 confused in terms of his question.

14 We're talking about two-story
15 communities. Okay? Right now currently
16 there were no real three-story in South
17 Philadelphia, Point Breeze. If it was
18 built to three-story, then they did it
19 level. They did houses all on
20 three-story. But in two-story
21 communities, we have mainly two-story
22 communities in Point Breeze, from
23 Washington Avenue down to -- all the way
24 down to like Passyunk Avenue, mainly two
25 stories.

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2 COUNCIL PRESIDENT VERNA:

3 Councilman Greenlee.

4 COUNCILMAN GREENLEE: Just real
5 quickly, ma'am, on that. So in this
6 area -- this is what I'm trying to get
7 at. In this area where the moratorium
8 would be, are there blocks that are
9 three-story?

10 MS. GREEN: They're not blocks
11 that are three-story. You have -- if
12 there was a block of three-story, they
13 were already built together. They're all
14 together. But mainly all the blocks in
15 Point Breeze are two-story.

16 COUNCILMAN GREENLEE: I
17 understand that. I understand, but the
18 blocks that are three-story, are there --

19 MS. GREEN: There's not that
20 many.

21 COUNCILMAN GREENLEE: There's
22 no vacant lots in these blocks?

23 MS. GREEN: There's some vacant
24 lots.

25 COUNCILMAN GREENLEE: Okay.

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2 That's what I was trying to get at.
3 Those blocks that have vacant lots, under
4 the way the bill reads now, as I
5 understand, you could only build
6 two-story houses on those lots.

7 MS. GREEN: We're saying that
8 if it's a two-story community on that
9 lot, we're asking to build a two-story
10 house, to keep it consistent.

11 COUNCILMAN GREENLEE: Right, to
12 keep it consistent. On those blocks --
13 and you said there's not that many.
14 Okay.

15 MS. GREEN: No.

16 COUNCILMAN GREENLEE: But the
17 ones that are three-story where there's
18 vacant lots, the three-story blocks in
19 this --

20 MS. GREEN: There's not that
21 many three-story blocks. You're trying
22 to ask me is there, yes or no. I'm
23 saying to you, to your answer is yes, but
24 it's not that many. Majority are
25 two-story communities.

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2 COUNCILMAN GREENLEE: Okay.

3 But the blocks that have three-story, if
4 there's new construction on there, on
5 those lots on those three-story blocks,
6 they could only be two-story under this
7 bill. That's all I'm trying to get at.

8 MS. GREEN: When you say
9 three-story blocks, are you talking about
10 half a block or are you talking about a
11 whole block?

12 COUNCILMAN GREENLEE: Well, I
13 don't --

14 MS. GREEN: I'm asking you, are
15 you talking about half a block or a whole
16 block?

17 COUNCILMAN GREENLEE: I mean, I
18 don't know.

19 MS. GREEN: Well, if you don't
20 know, then I can't answer, because if
21 you're saying like a half block -- like
22 if you look at the 2100 block of Wharton
23 Street, one-half is all three-story. It
24 was built like that back in the '50s.
25 But the whole block is three-story. So

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2 if there's a lot, then we would assume
3 that they will build to the three-story
4 to keep it even, to keep it conformed.

5 COUNCILMAN GREENLEE: But what
6 I'm saying, ma'am, under this bill as it
7 reads now, you could not do that. That's
8 the only thing I'm trying to point out.
9 Under this bill, you could not do what
10 you just said.

11 MS. GREEN: What that bill
12 reads is what we're asking for.

13 COUNCILMAN GREENLEE: Okay.
14 Thank you.

15 COUNCIL PRESIDENT VERNA: Thank
16 you.

17 The Chair recognizes
18 Councilman --

19 MS. GREEN: Okay. But we
20 have --

21 COUNCIL PRESIDENT VERNA: Just
22 a moment, please.

23 MS. GREEN: We're going by what
24 the lawyer had said to us.

25 COUNCIL PRESIDENT VERNA: Just

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2 a moment, please.

3 The Chair recognizes Councilman
4 Goode.

5 COUNCILMAN GOODE: Very
6 quickly, Madam Chair. Thank you.

7 Good morning.

8 MS. GREEN: Good morning.

9 COUNCILMAN GOODE: The bill
10 calls for a temporary moratorium, and
11 your testimony is in support of the bill
12 for a temporary moratorium, but your
13 testimony seems to also call for a
14 permanent moratorium. So just for
15 clarity of the record, are you really
16 asking this Committee and this Council to
17 do a permanent moratorium?

18 MS. GREEN: We would like to
19 have a moratorium at this particular
20 point to look at it, and if it calls for
21 that, to do a permanent moratorium.
22 We're asking what the people want, and
23 this is what the people want. They want
24 it to --

25 COUNCILMAN GOODE: I was just

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2 asking whether the people actually want a
3 permanent moratorium or a temporary
4 moratorium. That was the question.

5 MS. GREEN: Good question. We
6 would prefer a permanent moratorium at
7 this particular point. I can't define
8 what a permanent moratorium is. Can you
9 define it for me?

10 COUNCILMAN GOODE: It has no
11 time limit to it. And this bill has a
12 time limit to it.

13 MS. GREEN: Do you think that
14 within the one year that we can work
15 something out to see what could best suit
16 the residents?

17 COUNCILMAN GOODE: I think --

18 MS. GREEN: Do you think one
19 year is long enough?

20 COUNCILMAN GOODE: I think the
21 pictures that you offered tell the story.
22 I think you told the story that you
23 wanted to tell. I think it was an
24 effective story, whether people agree or
25 disagree. I think what you're really

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2 asking for in the end is a permanent
3 moratorium. So if that's what you're
4 really asking for, I'm just saying for
5 clarity of record --

6 MS. GREEN: Yes. We would like
7 to work towards having two-story houses
8 built in two-story communities. That's
9 what we're asking for, a permanent. Yes.

10 COUNCILMAN GOODE: Thank you.

11 Thank you, Madam Chair.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 The Chair recognizes Councilman
15 Clarke.

16 COUNCILMAN CLARKE: Thank you,
17 Madam President.

18 I was actually just planning on
19 asking some of the same questions as
20 Councilman Goode, but the whole issue of
21 the Zoning Code Commission, because I
22 know the Planning Commission essentially
23 wants us to not do any overlays or any
24 aggressive Council-mandated legislation
25 relating to planning, height limits and

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2 all the other things until that's
3 finished. Can you tell me when the
4 Zoning Code Commission will be finished
5 and ready to be implemented?

6 MR. JASTRZAB: I'm Gary
7 Jastrzab. I'm the Executive Director of
8 the City Planning Commission.

9 The Zoning Code Commission
10 earlier this month voted to issue a
11 preliminary draft report based on the
12 rewritten Zoning Code, and the Zoning
13 Code Commission is now allowing the
14 public, interested stakeholders
15 additional time to review the rewritten
16 Code, is taking comments on that and
17 expects to issue a final report -- I
18 should say a preliminary report -- to
19 City Council by the end of June. So
20 that's the current timeline.

21 COUNCILMAN CLARKE: And Council
22 will probably be in recess.

23 MR. JASTRZAB: Well, the object
24 is to issue the preliminary report to
25 Council before you go in recess. So

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2 then --

3 COUNCILMAN CLARKE: I'm just
4 trying to get a timeline. You don't have
5 to be very detailed in terms of what
6 actually has to happen.

7 All right. Let me try to do it
8 for you. There's going to be a
9 preliminary report issued to Council.

10 MR. JASTRZAB: Correct.

11 COUNCILMAN CLARKE: The word
12 "preliminary" is key. There then shall
13 be a review by Council on the preliminary
14 report.

15 MR. JASTRZAB: Correct.

16 COUNCILMAN CLARKE: And then
17 Council at some point will schedule a
18 hearing to discuss the final proposal.

19 MR. JASTRZAB: Yes.

20 COUNCILMAN CLARKE: Council's
21 process may take some time, as we're on
22 Bill No. 1 for the last hour. So you can
23 see, we do deliberate. So there's a
24 strong possibility that this may not
25 even -- the Zoning Code Commission report

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2 may not actually become legislation until
3 the end of the year. So if the
4 suggestion is -- and we're still in
5 March. If the suggestion is that we
6 impose a moratorium of a year for an
7 area, the Zoning Code Commission's
8 recommendations may not even become law
9 until next year.

10 So in terms of the timing, I
11 don't see why that should be a problem.
12 It's almost concurrent in terms of the
13 timeframe. So while you all do your
14 work, there could be a moratorium on any
15 additional three-story units built within
16 this targeted area, because as Mr.
17 Greenberger said, his recommendations in
18 terms of coming up with a compromise or
19 some sort of solution and having setbacks
20 or other prohibitions with decks may be
21 the answer, but that's not going to be
22 the law probably until the end of the
23 year.

24 MR. JASTRZAB: Until Council
25 passes it and the Mayor signs it.

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2 COUNCILMAN CLARKE: Exactly.

3 So I don't see why that issue in terms of
4 timing should be a problem if we impose
5 this moratorium until you all with the
6 Zoning Code -- I'm sorry; Ms. Gladstein
7 does their work with the Zoning Code
8 Commission.

9 Secondly, this whole notion
10 about overlays, I understand that City
11 Planning doesn't like them, and I do them
12 whenever I get a chance, when I think I
13 need to do them.

14 MR. JASTRZAB: Yes.

15 COUNCILMAN CLARKE: I did the
16 Parkway overlay. It started very small
17 and it grew, because that community up
18 there wanted that overlay, and in that
19 particular case, there was an opportunity
20 to build the buildings a whole lot taller
21 than three stories. As a matter of fact,
22 it was in an area that it didn't affect
23 residents directly until we expanded
24 that, but at the end of the day, the
25 residents in the Spring Garden and the

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2 Logan Square community thought it gave
3 them an opportunity, at a minimum, to
4 require developers to come to the
5 community, and sometimes the community
6 felt comfortable, most recently with the
7 temple being built by the Latter-Day
8 Saints.

9 I don't see why in this
10 particular case if -- and ultimately the
11 sponsor of the bill will determine what
12 strategy and process they will take. If
13 there's a moratorium imposed in terms of
14 height limit in that particular area, if
15 there is a developer who comes in and can
16 convince the local community that they
17 should be able to build a three-story
18 property within that targeted area and
19 the community is comfortable with it,
20 then they can always go to the Zoning
21 Board and get a variance, right?

22 MR. JASTRZAB: Well, as I
23 understand the bill, the bill imposes a
24 one-year moratorium on the issuance of
25 permits for any structure that would be

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2 taller than a two-story residential.

3 COUNCILMAN CLARKE: So they
4 wouldn't be able to get the permit. All
5 right.

6 MR. JASTRZAB: Yes.

7 COUNCILMAN CLARKE: I just want
8 to get clarity on that.

9 MR. JASTRZAB: So the
10 moratorium is not on necessarily the
11 right to build, but it's the issuance of
12 permits, which provide the authorization
13 to do the construction.

14 COUNCILMAN CLARKE: Okay. All
15 right. Well, as they say, a picture says
16 a thousand words, or whatever the saying
17 is. I can't remember exactly what it is.
18 When I saw this picture here -- because
19 I'm a pro-development guy. In my
20 district we do a lot of development, but
21 I see this picture here on this
22 particular property stuck in the middle
23 of this two-story block, I think that
24 there needs to be some provision that
25 prohibits this generally, not just for

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2 Point Breeze or anywhere, because this is
3 not something that would be allowed to be
4 done in a lot of parts of the City. I
5 mean, we argue about a lot of things.
6 Some people don't want buildings to have
7 signs on them. You know what I mean?

8 MR. JASTRZAB: No. I would
9 agree with that. From a design point of
10 view, from an urban fabric point of view,
11 that's something that we're not
12 particularly in favor of either, and we
13 think that some of the provisions of the
14 newly rewritten Zoning Code will address
15 those issues.

16 COUNCILMAN CLARKE: All right.
17 But that's not -- again, that probably
18 won't be done until --

19 MR. JASTRZAB: Correct.

20 COUNCILMAN CLARKE: -- sometime
21 in the end of the year.

22 MR. JASTRZAB: Until Council
23 passes the bill.

24 COUNCILMAN CLARKE: And I know
25 myself, because I have a lot of

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2 organizations in my district that are
3 paying close attention to this Zoning
4 Code Commission's report, and there are a
5 lot of things in there that they don't,
6 frankly speaking, like.

7 So I personally, this
8 Councilperson, who does not represent
9 Point Breeze, I don't see a problem with
10 imposing a moratorium. Maybe it
11 shouldn't be a year or whatever, but I
12 think that until the Zoning Code
13 Commission, which was referenced by
14 Mr. Greenberger as the solution to this
15 problem, is put in place, I don't know
16 why we shouldn't be in a position to put
17 a moratorium on permits issued in this
18 area.

19 MR. JASTRZAB: Well, our
20 feeling -- the staff of the City Planning
21 Commission and the Commission members
22 themselves I think feel that a moratorium
23 in this broadly defined area is also not
24 a particularly good solution for dealing
25 with the problem. Staff did a survey of

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2 the neighborhood, a sampling of blocks
3 throughout the neighborhood, and the
4 physical form of Point Breeze is very
5 much varied. The blocks closer to Broad
6 Street between Broad and 17th, 18th
7 Street, the majority of those blocks are
8 three-story blocks. I think as you move
9 west, there is very much a mix. So --

10 COUNCILMAN CLARKE: Let me ask
11 you this, not to cut you off, are there
12 areas where there are blocks that in its
13 entirety are two-story blocks?

14 MR. JASTRZAB: There probably
15 are completely two-story blocks, yes.

16 COUNCILMAN CLARKE: So at a
17 minimum, would it be reasonable to say
18 that those blocks should have a
19 moratorium on the issuance or some sort
20 of provision that prohibits the
21 construction of three stories on those
22 blocks so you will maintain some
23 consistency where there are no three
24 stories on the block?

25 MR. JASTRZAB: That might be

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2 one possibility, but the bill as
3 currently defined defines Point Breeze so
4 broadly --

5 COUNCILMAN CLARKE: I
6 understand.

7 MR. JASTRZAB: -- and we think
8 would have a chilling effect on new
9 building, on renovations in the
10 neighborhood in a way that would just
11 have a negative effect not only on the
12 neighborhood but on the City overall in
13 terms of potential tax revenues for the
14 future and attracting new residents.

15 COUNCILMAN CLARKE: The first
16 order of -- level of interest as it
17 relates to us representing people should
18 be the people that live there. I mean,
19 if the people that live there think that
20 this is good for them, I think that they
21 should rank pretty high on the totem pole
22 as it relates to --

23 MR. JASTRZAB: I wouldn't
24 disagree.

25 COUNCILMAN CLARKE: -- the

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2 priorities established in terms of what
3 we do. So if the people in that
4 neighborhood who have lived on these
5 blocks and have these blocks that are
6 three-story -- I'm sorry; two-story
7 properties in its entirety or relatively
8 close to three-story, if they say that we
9 should maintain the character -- because
10 I represent Center City and I represent
11 the Art Museum area, and I always hear
12 this "keeping within the character of the
13 neighborhood," and you all usually
14 support that.

15 MR. JASTRZAB: Yes.

16 COUNCILMAN CLARKE: Sometimes
17 recommend that. So in this particular
18 case, I guess the request is that they
19 want to maintain the character that
20 relates to that particular neighborhood
21 where we have these blocks that have
22 two-story homes, and I don't understand
23 why you all wouldn't take the same
24 position on those particular blocks.
25 Because the reality is, if I took that

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2 height limit off of the Parkway at 125,
3 there probably would be a lot of people
4 coming in wanting to build like that
5 44-story building that was proposed at
6 20th and Pennsylvania, and the neighbors
7 were livid. A former Senator actually
8 helped fund the opposition.

9 So on these blocks -- and I
10 don't know Point Breeze enough to have a
11 real sense of -- but if you got blocks
12 that are two-story blocks, I don't
13 understand why we shouldn't be able to
14 impose some sort of moratorium on it.

15 MR. JASTRZAB: I guess my
16 response would be that we were evaluating
17 the bill as written, and it's very --

18 COUNCILMAN CLARKE: So would
19 you be amenable to --

20 MR. JASTRZAB: The area is very
21 broadly defined.

22 COUNCILMAN CLARKE: Can you
23 reevaluate based on this hearing?

24 MR. JASTRZAB: I mean, that's
25 certainly a possibility, yes. But there

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2 are portions of the neighborhood that I
3 think have serious concerns about the way
4 the bill is currently written.
5 Businesses along Washington Avenue, I'm
6 told, have serious concerns because of
7 the nature of those properties, the
8 height of those properties would be
9 prohibited from making additions or from
10 being granted permits for anything that
11 would allow --

12 COUNCILMAN CLARKE: Are they
13 here today?

14 MR. JASTRZAB: I don't know if
15 they're here today. We've been --

16 COUNCILMAN CLARKE: Usually
17 when people are concerned, they come to
18 the public hearing.

19 MR. JASTRZAB: Sure.

20 (Audience member raising hand.)

21 COUNCILMAN CLARKE: Are you
22 here? Okay.

23 MS. GREEN: Can I say
24 something?

25 COUNCILMAN CLARKE: Sure.

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2 MS. GREEN: It's having a
3 chilling effect on us, and the Planning
4 Commission at this particular point, if
5 you read the Zoning Code -- first of all,
6 the Zoning Code has been rewritten three
7 times, and we've asked them to give the
8 communities a chance to look at it three
9 times. You can't get a copy. If you
10 download it, it will mess up your
11 computer.

12 So I started to say, they have
13 raised it from 35 feet to 38 feet, and
14 we've had e-mail conversation with Eva
15 saying, What is your reason for raising
16 it from 35 feet to 38 feet? And in one
17 of the reasons that was given to us was
18 because there was too many people going
19 to the ZBA for variances. This would cut
20 back on paperwork.

21 I mean, cut back on paperwork?
22 You raise it to 38 feet. We're saying
23 that at this particular point, we have
24 support in 1700, 1600 blocks of -- 16th
25 Street, 17th Street and 15th Street,

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2 little blocks that are two-story. We
3 have that support, and they too don't
4 want it.

5 I just want to say thank you to
6 Ms. Verna. I want to say thank you,
7 Councilwoman Verna. It took a lot of
8 courage -- not courage, but I want to say
9 thank you for listening to us and
10 understanding, you know, what your
11 particular constituency was going
12 through.

13 COUNCIL PRESIDENT VERNA: And I
14 will tell you that I did listen to your
15 group and I did introduce this bill.
16 However, never in my wildest dream did I
17 think that there would be so much
18 opposition. You know me long enough to
19 know that in the past whenever we had an
20 issue in the community, I always asked
21 for a petition. Well, this area was so
22 broad that it would be impossible to have
23 received petitions from every area in the
24 Point Breeze area.

25 I know that you spoke about

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2 this for at least a year, a year and a
3 half, but, as I said, when this became
4 known to an awful lot of people, the
5 opposition just kept growing every day.

6 And while you're up there,
7 Tiffany, let me just ask a question.
8 Mr. Greenberger advised that the
9 moratorium would interfere with
10 investment in the neighborhood throughout
11 the Neighborhood Stabilization Program
12 administered by the Redevelopment
13 Authority and could result in the
14 Redevelopment Authority having to return
15 federal funds. If the goals of the
16 result in the RDA have not been achieved,
17 the Neighborhood Stabilization Program is
18 designed to stabilize property values in
19 targeted areas such as Point Breeze
20 through investment in homeownership,
21 housing rehabilitation, foreclosure
22 prevention and weatherization programs,
23 all of which are beneficial to residents
24 in the area.

25 Now, I know how you feel about

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2 the community, and I feel equally as
3 strongly. I don't know how we can afford
4 to turn money back for all of these
5 programs. If ever an area needed more
6 funding, it's the Point Breeze area. So
7 why would we jeopardize losing that
8 money?

9 Further, Mr. Greenberger also
10 noted that the moratorium could also
11 interfere with the City's surplus
12 property program. There are over 200
13 City-owned surplus properties in Point
14 Breeze which are currently for sale by
15 the Department of Public Property. This
16 legislation, if passed, could prevent any
17 sale of those properties and, as a
18 result, prevent their return to the
19 City's tax rolls.

20 Are you willing to jeopardize
21 all that --

22 MS. GREEN: Can I answer that?

23 COUNCIL PRESIDENT VERNA: -- at
24 this point in time when we can wait until
25 the next Code comes out? And I know,

1 3/23/11 - RULES - BILL 100610, ETC.

2 Councilman, you said it would be --

3 Councilman Clarke?

4 COUNCILMAN CLARKE: Yes, ma'am.

5 COUNCIL PRESIDENT VERNA: I

6 think you said you indicated it would

7 take a year before --

8 COUNCILMAN CLARKE: I said it

9 could conceivably take a year, but, Madam

10 President -- and I know I shouldn't be

11 mucking around in your district, because

12 I know --

13 COUNCIL PRESIDENT VERNA: Your

14 turn is coming.

15 COUNCILMAN CLARKE: I should

16 quit while I'm ahead.

17 But, Madam President, I do have

18 a concern about some of the testimony as

19 it relates to Mr. Greenberger in

20 discussing NSP, because, one, the reason

21 why the funding of some of these stimulus

22 dollars are in jeopardy is not because of

23 Point Breeze, because there was a

24 document sent by HUD that referenced all

25 of the stimulus money, not Point Breeze,

1 3/23/11 - RULES - BILL 100610, ETC.

2 because of the process that was going on
3 within the City has slowed down the
4 ability for us to get that money in the
5 pipeline, in addition to which if you
6 look at -- if Mr. Greenberger was here,
7 he can tell you the number of NSP
8 properties are minimal, at best, that
9 have been implemented, and I suspect that
10 within the Point Breeze area, there's
11 probably no more than two or three
12 properties that have been selected for
13 NSP, maybe a little more.

14 I think that his testimony is a
15 little overblown, in addition to which
16 there are 200 City-owned plots in Point
17 Breeze, but all of them are not for sale.
18 I think the numbers are more around 20.
19 And the question is, of that 20, how many
20 people actually wanted to build three
21 stories. So the testimony, I think,
22 frankly speaking, is kind of --

23 COUNCIL PRESIDENT VERNA: I
24 think we have further testimony.

25 MS. GREEN: Yeah, we do have

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2 further testimony.

3 And, Ms. Verna, I just want to
4 say to you real quick, you know I would
5 not come here unless we had the community
6 support. We are not focusing on
7 organizations who, one, have received
8 funds from developers or who are in the
9 developing business. We have dealt with
10 the residents. You know we have the
11 support, and we don't have -- we would
12 not come down here without the support of
13 the people in terms of petitions.

14 So the thing about it is, is
15 that people have spoken, and we're asking
16 you to respect their request.

17 Thank you very much. Thank you
18 very much.

19 COUNCIL PRESIDENT VERNA:
20 Tiffany, as I said, I've worked with you
21 a long time. I have received countless,
22 countless e-mails, telephone calls,
23 letters of people who are opposed to
24 this. Now --

25 MS. GREEN: Well, we brought a

1 3/23/11 - RULES - BILL 100610, ETC.

2 bus down. We have the people sitting up
3 there. We brought a bus down.

4 COUNCIL PRESIDENT VERNA: Well,
5 that's great.

6 MS. GREEN: And more could
7 come, but we couldn't afford more buses.
8 So at this particular point, we do have
9 the support.

10 COUNCIL PRESIDENT VERNA:
11 Tiffany, I -- I'm sorry you had to wait
12 so long, Councilman.

13 COUNCILMAN GOODE: No problem.

14 MS. GREEN: Let me let some of
15 the other residents come down to speak.

16 COUNCIL PRESIDENT VERNA:
17 Councilman Goode.

18 COUNCILMAN GOODE: I actually
19 have a question for Mr. Jastrzab.

20 You said in your comments
21 earlier -- and I heard you clearly,
22 because it's my job to hear you
23 clearly -- that this is not a
24 particularly good solution to this
25 particular problem. Do you recall saying

1 3/23/11 - RULES - BILL 100610, ETC.

2 that?

3 MR. JASTRZAB: Yes.

4 COUNCILMAN GOODE: What do you
5 identify the problem as being?

6 MR. JASTRZAB: In terms of the
7 physical nature of two-story blocks being
8 impacted by property owners who may want
9 to build a taller structure, a
10 three-story structure, on a vacant lot or
11 perhaps there may be situations where an
12 existing three-story structure wants to
13 build an addition, owner of a three-story
14 property wants to build an addition onto
15 the back.

16 COUNCILMAN GOODE: That's what
17 you identify as a problem?

18 MR. JASTRZAB: I'm sorry?

19 COUNCILMAN GOODE: That is what
20 you identify as a problem?

21 MR. JASTRZAB: Yes.

22 COUNCILMAN GOODE: So what is
23 the solution?

24 MR. JASTRZAB: Well, we think
25 one solution is some of the provision in

1 3/23/11 - RULES - BILL 100610, ETC.
2 the new Zoning Code. That is a solution
3 that is kind of on the table currently.
4 We do not believe that a moratorium on
5 all new construction is.

6 COUNCILMAN GOODE: What is the
7 solution?

8 MR. JASTRZAB: Passage of the
9 new Zoning Code.

10 COUNCILMAN GOODE: But that's
11 very ambiguous, just like your comment
12 was earlier about this is not a
13 particularly good solution to this
14 particular problem. Let me tell you what
15 I heard, and you can correct me if I'm
16 wrong.

17 She identifies the problem as
18 there being too many three-story
19 buildings presently and in the future,
20 and I think you identified the problem as
21 being there being too many two-story
22 buildings now and in the future.

23 MR. JASTRZAB: No.

24 COUNCILMAN GOODE: That's what
25 I heard.

1 3/23/11 - RULES - BILL 100610, ETC.

2 MR. JASTRZAB: No. That's not
3 what I meant.

4 COUNCILMAN GOODE: Then tell me
5 what you meant.

6 MR. JASTRZAB: What I meant was
7 that on blocks that are consistently
8 two-story, maintaining that consistent
9 physical fabric of the City I think is
10 something that we at City Planning
11 Commission would also generally agree
12 with.

13 COUNCILMAN GOODE: Is this
14 wrong?

15 (Councilman Goode holding up
16 picture.)

17 MR. JASTRZAB: It is not
18 something that would be --

19 COUNCILMAN GOODE: Is it wrong?

20 MR. JASTRZAB: -- preferred
21 from a design point of view.

22 COUNCILMAN GOODE: Is it wrong?

23 MR. JASTRZAB: I don't know
24 that I can say that it's wrong. It's not
25 something that's preferred.

1 3/23/11 - RULES - BILL 100610, ETC.

2 COUNCILMAN GOODE: Then I don't
3 think you have a solution to the problem.

4 Thank you, Madam Chair.

5 COUNCIL PRESIDENT VERNA:
6 You're welcome.

7 The Chair recognizes
8 Councilwoman Brown.

9 COUNCILWOMAN BROWN: Thank you
10 very much, Madam Chair.

11 My concern also is that I'm
12 deeply troubled about process or lack
13 thereof, because I did hear you mention
14 that as a result of the release of the
15 preliminary report, that it would then
16 come to Philadelphia City Council,
17 correct?

18 MR. JASTRZAB: It will.

19 COUNCILWOMAN BROWN: And you
20 also indicated that you'd be asking
21 for -- let me back up.

22 You will be asking for
23 community input prior to the release of
24 the preliminary report?

25 MR. JASTRZAB: Correct.

1 3/23/11 - RULES - BILL 100610, ETC.

2 COUNCILWOMAN BROWN: From
3 there, it will come to Philadelphia City
4 Council?

5 MR. JASTRZAB: Correct.

6 COUNCILWOMAN BROWN: At what
7 point in that process is there some
8 feedback to the community on the points,
9 concerns, issues, suggestions,
10 recommendations raised as it relates to
11 the report?

12 MR. JASTRZAB: Well, I think
13 that during the whole process, the Zoning
14 Code Commission's process, that there's
15 been an attempt to make the process open
16 and transparent and to conduct -- to
17 allow for continuing dialogue between the
18 Zoning Code Commissioners and staff and
19 other stakeholders in the City who are
20 involved in development, community
21 associations, neighborhood residents. So
22 that process has continued throughout the
23 life of the Zoning Code Commission.

24 COUNCILWOMAN BROWN: I don't
25 doubt that. The step I'm missing is the

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2 follow-through and the feedback to those
3 stakeholders to find out where their
4 concern has been registered in this
5 preliminary report.

6 MR. JASTRZAB: I'm going to
7 ask --

8 COUNCIL PRESIDENT VERNA:
9 Ms. Gladstein, if there's information you
10 can give us to enlighten us, please feel
11 free to go to the microphone.

12 (Witness approached witness
13 table.)

14 MS. GLADSTEIN: Thank you. Eva
15 Gladstein, Executive Director of the
16 Zoning Code Commission.

17 In addition to 43 public
18 meetings and 36 community-based meetings,
19 we had two meetings in February, on the
20 18th and 28th, specifically to get
21 feedback about what comments and input we
22 had received from stakeholders and how
23 the Zoning Code Commission had disposed
24 of those, what positions the Zoning Code
25 Commission had taken and the reasoning

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2 behind that.

3 COUNCILWOMAN BROWN: Okay.

4 MS. GLADSTEIN: And then in
5 addition to that, we're holding seven,
6 what we're calling, stakeholder exchanges
7 this month and next month going issue by
8 issue having that conversation.

9 And then, lastly, as Ms. Green
10 said, I've had e-mail and personal
11 conversations about this issue. I think
12 we've just disagreed, but we've had a
13 number of conversations about it.

14 COUNCILWOMAN BROWN: That is
15 helpful, and that is what I was not
16 hearing in terms of process.

17 Please, you wanted to comment?

18 MS. GREEN: Councilwoman
19 Blondell Reynolds, the reason why they're
20 having this, because what happened was,
21 they had three rewrites of the Zoning
22 Code since December, three rewrites, and
23 they were not really being distributed
24 out to the community, and we spoke to
25 some community groups in our community.

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2 They didn't even know that there were
3 three rewrites. And then when you ask
4 for a copy, they didn't give out copies
5 of it because it was so thick.

6 So when we were -- so I decided
7 to go down to the Zoning Code Commission
8 and let them know our position about the
9 three-story houses in our community. At
10 that point when I let them know,
11 according to the City statistics, 90,000
12 kids do not have Internet access. So
13 that means that their parents don't have
14 Internet access. So how are they
15 supposed to access zoningmatters.org?

16 So then they come back with,
17 oh, now they're going to have these
18 community meetings for the community
19 regarding -- explaining to them, but
20 they're at 5 o'clock. A lot of parents
21 are getting off at 5 o'clock, picking up
22 kids. The Zoning meeting is at 8 o'clock
23 in the morning. It was very hard for me
24 to get there 8 o'clock in the morning.

25 After three rewrites, you have

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2 changed what you went around and said to
3 the community last year. That's not the
4 same Zoning Code that they presented
5 last -- back in Christmastime. You have
6 three rewrites. So the community really
7 don't know what has been put into the new
8 Zoning Code.

9 COUNCILWOMAN BROWN: So given
10 those revelations, Ms. Gladstein, what
11 accommodations are being made for
12 community members who indeed should
13 have -- you've given them a say, but the
14 process is not completed until the actual
15 preliminary document, draft document, is
16 shared with them in a way that meets
17 where they are, and if there's no
18 Internet access, then what accommodation
19 is made?

20 MS. GLADSTEIN: When asked, I
21 have provided copies of the 400-page
22 document. It has changed over time.
23 It's changed because we are
24 consistently --

25 COUNCILWOMAN BROWN: It's a

1 3/23/11 - RULES - BILL 100610, ETC.

2 fluid working document.

3 MS. GLADSTEIN: And we're
4 continuing to hear comments and react to
5 them and make those changes as many
6 groups have asked for.

7 So when requested, we've
8 provided copies. We've added these
9 meetings. And when asked, I've gone out
10 to speak to many community meetings. I
11 was in a meeting that the Council
12 President's office asked the Planning
13 Commission to hold in the last maybe
14 three weeks with residents of Point
15 Breeze as well. That was held in the
16 evening.

17 COUNCILWOMAN BROWN: That is
18 helpful.

19 My second and final question
20 is, it appears from where I'm sitting and
21 from what I've heard that there's a
22 disconnect with L&I. Where is L&I in
23 this process?

24 MR. JASTRZAB: L&I has advised
25 our staff, the City Planning Commission

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2 staff, regarding this bill, but, I mean,
3 I'm not sure that they're necessarily
4 involved to the same extent. The
5 moratorium would just prevent them from
6 issuing any permits for structures over
7 two stories in this neighborhood. I
8 mean, they review the plans and the
9 building permit applications for this,
10 but, I mean, they're issuing the permit
11 only. The bill would just prevent them
12 from doing that.

13 COUNCILWOMAN BROWN: Starting
14 at some designated date?

15 MR. JASTRZAB: Yes. I assume
16 upon passage and when this would become
17 law, if it would.

18 COUNCILWOMAN BROWN: Thank you
19 all for your testimony.

20 Thank you, Madam Chair.

21 COUNCIL PRESIDENT VERNA: Thank
22 you.

23 MS. GREEN: Thank you very
24 much.

25 COUNCIL PRESIDENT VERNA: I

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2 would like to make an announcement. We
3 did have a Capital Budget hearing
4 scheduled for 11 o'clock this morning.
5 For some reason we thought we would be
6 able to do that. It's quite obvious that
7 we're not going to. Therefore, we are
8 going to continue the Capital Budget
9 hearing until 1 o'clock today. So anyone
10 in here who is going to be testifying on
11 the Capital Budget, I would suggest you
12 go out and have yourself breakfast and
13 come back at 1 o'clock. Thank you.

14 Madeline Shikomba.

15 (Witness approached witness
16 table.)

17 COUNCIL PRESIDENT VERNA: Good
18 morning. Please identify yourself for
19 the record.

20 Madeline, I think you just
21 heard me say that we do have a Capital
22 Budget hearing.

23 MS. SHIKOMBA: I will be brief.

24 COUNCIL PRESIDENT VERNA: If
25 you could be as brief as possible, we'd

1 3/23/11 - RULES - BILL 100610, ETC.

2 appreciate it.

3 MS. SHIKOMBA: I'll try to be

4 as brief as possible.

5 COUNCIL PRESIDENT VERNA: Thank

6 you.

7 MS. SHIKOMBA: Thank you, City

8 Council, for allowing me to speak before

9 you. I appreciate this opportunity.

10 Am I speaking into the mike?

11 COUNCIL PRESIDENT VERNA: No,

12 you're not.

13 MS. SHIKOMBA: I'm not?

14 Am I speaking into it now?

15 COUNCIL PRESIDENT VERNA:

16 That's fine.

17 MS. SHIKOMBA: Thank you very

18 much. Again, I thank you for letting me

19 speak before you. I'm here about the

20 three-story buildings. You've already

21 seen the pictures and how blight they

22 become to our neighborhood. The pictures

23 you have in front of me, I'd like to

24 point out to you that those buildings are

25 currently empty because the price that

1 3/23/11 - RULES - BILL 100610, ETC.
2 they're willing to sell at, people are
3 not willing to buy, especially in terms
4 of two neighborhood areas.

5 Also, as pointed out by
6 Ms. Green, this impacts upon low-income
7 people. You build these three-story
8 houses, \$400,000 for them. Who are they
9 building them for? They're not building
10 for us.

11 Ms. Verna kept talking about
12 you might lose money, which Councilperson
13 Clarke said -- you're not losing any
14 money because of Point Breeze.

15 These buildings are a blight to
16 the neighborhood. They have bay windows,
17 some of them. They throw the whole
18 neighborhood out of sync. Aesthetically
19 they're horrible.

20 I live next to a building
21 that's three-story -- that is taller than
22 my house. For 15 years I've been
23 fighting these people over water leakage,
24 15 years, took them to court, won my
25 case, still don't want to make the

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2 necessary repairs. So now I got to take
3 them back to court again. So these are
4 the problems that some of these people
5 will be facing.

6 Also, you talking about
7 building three-story houses. You're not
8 building them for affordable people or
9 low-income people. You building them for
10 high end. So what you talking about when
11 you talking about these vacant lots you
12 have and everything? You not going to
13 sell them for people who are going to
14 build low-income housing. You know that
15 as well as I do. You going to sell them
16 to high-end folk. So they going to come
17 in the neighborhoods, drive your people
18 out of here. And Philadelphia is already
19 losing a lot of people, okay, in terms of
20 population, and all we got to do, have
21 our representation go down because we
22 losing people. Okay?

23 You're not trying to retain the
24 people who made this city what it is
25 today, your low, moderate-income people,

1 3/23/11 - RULES - BILL 100610, ETC.
2 not the high-enders. Okay? You got to
3 look at that fact.

4 Secondly, your low-income
5 people, they're the stabilizer of your
6 neighborhood. They stabilized it. I
7 live in a block, fortunately for me it's
8 a historical block. A couple years ago,
9 empty lot was bought. The man wanted to
10 come in and build a three-story house on
11 a two-story block. Fortunately for us,
12 the Historical Society sided with us. He
13 had to build a two-story house. But that
14 was fortunate for us. What if he had
15 come in and got L&I approval to build a
16 three-story house?

17 Also concerning the Zoning
18 Code, I been attending those meetings.
19 They got the RCOs, registered community
20 organizations. They done rewritten this
21 thing three times. Right now the current
22 way it is written, RCOs are deleted. The
23 vocalness that we used to have at the
24 Zoning Committee meetings, according to
25 the way they have it written, would mute

1 3/23/11 - RULES - BILL 100610, ETC.

2 us, shut us down, close our mouths. And
3 we will -- I will be seeing you folks.
4 I'm going to be coming out to City
5 Council talking about the Zoning
6 Commission and how they have rewritten
7 that document, which to us is
8 pro-development, pro-development,
9 anti-low income, anti-affordability,
10 anti-middle income.

11 We have talked to Eva about
12 this. She has given us her answers and
13 eliminated many of the suggestions that
14 we have made. Some of them she has
15 added. I'm not saying she eliminated all
16 of them. Some of them she added. But
17 basically the RCOs, as is written right
18 now -- and that's 14-303(c)(.1) in the
19 Zoning Code, before they rewrite it
20 again, concerning us and RCOs.

21 We also have other oppositions
22 to certain other parts of that Zoning
23 Code that has been rewritten by them that
24 gives them, the pro-developers, more
25 voice than the people who live in the

1 3/23/11 - RULES - BILL 100610, ETC.

2 City.

3 We're asking you, again, to
4 please allow this moratorium. It's only
5 in Point Breeze. It's not hitting the
6 whole City. You're seeing the pictures
7 on how ugly these things look. We're
8 asking you, again, to please put through
9 this moratorium and to please listen to
10 us when we come to you about this Zoning
11 Code and some of these revisions that
12 they have made.

13 Thank you.

14 COUNCIL PRESIDENT VERNA: Thank
15 you, Madeline.

16 We will now hear from Claudia
17 Sherrod and Universal Companies, if they
18 could both approach the witness table.

19 (Witnesses approached witness
20 table.)

21 COUNCIL PRESIDENT VERNA: Good
22 morning. Please identify yourself for
23 the record and proceed with your
24 testimony.

25 MS. SHERROD: Say that again.

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2 COUNCIL PRESIDENT VERNA:

3 Identify yourself for the record and
4 proceed with your testimony.

5 MS. SHERROD: Okay. My name is
6 Claudia Smith Sherrod. I'm the Executive
7 Director of South Philadelphia HOMES and
8 the President of the Point Breeze
9 Community Development Coalition.

10 MR. MANISLAM: Good morning.
11 My name is Mook Manislam (ph) and I'm a
12 counsel for Universal Companies.

13 COUNCIL PRESIDENT VERNA:
14 Claudia, would you proceed with your
15 testimony.

16 MS. SHERROD: I'd like to say
17 good morning to everyone, starting with
18 you, Council President Anna Verna, and I
19 am here to briefly state what many have
20 called me to ask to repeal, this Bill No.
21 110134. This bill does not represent the
22 Point Breeze communities' support. It
23 may have helped residents to realize we
24 need each other more than ever than what
25 we thought, and I thank you for that,

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2 because a lot of people have knocked on
3 my doors and called me on the phone, just
4 like you have.

5 To the contrary to what you
6 were trying to do, this bill would hurt
7 the development and growth for affordable
8 housing and market-rate housing, even the
9 houses that we're planning to do would
10 cease to be.

11 We are a designated NSP2
12 funding area. We would lose this.
13 Please let the area grow. With this
14 bill, we would lose all we've tried to
15 accomplish. Let the community, block by
16 block, deal with the three-story issue as
17 they deem necessary. This issue is not a
18 legislative issue. It is personal and
19 must be dealt with as individuals have
20 concerns. And they do.

21 There are blocks that have two-
22 and three-story buildings, which is
23 common in the Breeze. The small
24 two-story blocks that are also a common
25 site in the Breeze are the problems that

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2 draw disputes. These disputes are best
3 handled by the residents that live within
4 the blocks that are having an issue. The
5 community will deal with the negative
6 confrontations that periodically occur.

7 The Zoning Commission has
8 suggested a setback of third-floor units,
9 8 or 9 feet, I'm not sure, from the view
10 on two-story building blocks. Perhaps
11 that will help. I really don't know. I
12 don't have the answer.

13 There is nothing more serious
14 than having a community that cannot work
15 together for the good of their area. The
16 impact of this bill would be devastating
17 to our community.

18 That's all I really have to
19 say, because I'm speaking on the bill
20 only, not the issue.

21 COUNCIL PRESIDENT VERNA:

22 Claudia, how would this -- I believe you
23 have indicated to me that in a short
24 period of time, it is anticipated that
25 they will start construction on Federal

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2 Street.

3 MS. SHERROD: Yes; 16th and

4 Federal.

5 COUNCIL PRESIDENT VERNA: And

6 they offer three-story buildings?

7 MS. SHERROD: Yes.

8 COUNCIL PRESIDENT VERNA: So

9 this would certainly affect --

10 MS. SHERROD: Yes.

11 COUNCIL PRESIDENT VERNA: --

12 that development.

13 MS. SHERROD: Yes, it would.

14 COUNCIL PRESIDENT VERNA: Thank

15 you.

16 MR. MANISLAM: Good morning,

17 Madam President and members of City

18 Council. Thank you for permitting me to

19 speak before this Committee, and thank

20 you for your concern in the

21 revitalization of South Philadelphia.

22 I am testifying today in

23 opposition to Bill No. 110134, which was

24 introduced at the March 3rd Council

25 meeting. The bill proposes a one-year

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2 moratorium for the issuance of any
3 construction permit for buildings,
4 additions to, or roof decks which will
5 exceed two stories in height. The
6 proposed boundaries are Washington Avenue
7 to Moore Street and Broad Street to 25th
8 Street. Universal Companies does not
9 agree with the approval of this bill by
10 this Committee.

11 Founded by Kenny Gamble,
12 Universal is heavily involved in the
13 redevelopment of South Philadelphia.
14 More specifically, Universal manages,
15 operates and/or owns approximately 100
16 properties within this proposed area.
17 Instituting such a moratorium is sure to
18 have a chilling effect on the property
19 values. At such a critical economic
20 juncture where the values of residential
21 property have reached record lows, this
22 moratorium is sure to compound upon this
23 pre-existing problem. Moreover,
24 previously allocated funds by the City's
25 current Administration for public

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2 investment within the proposed area may
3 be drastically affected. The goals of
4 these funds include stabilization of
5 property values through affordable
6 homeownership, housing rehabilitation,
7 foreclosure prevention and weatherization
8 programs.

9 The second concern with this
10 bill is its impact on further development
11 under the Promise Neighborhood Grant.
12 Under the Promise Neighborhood Grant,
13 Universal was awarded 500,000 by the
14 Department of Education to revitalize the
15 Point Breeze and Grays Ferry
16 neighborhoods. This initiative by the
17 Department of Education is circled around
18 education; however, includes an economic
19 and community development aspect.
20 Coupled with an additional \$250,000
21 through the private sector, we are
22 currently planning to address specific
23 educational emphasis included on
24 workforce development, economic
25 development and housing blight. Most of

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2 the proposed area is within the Promise
3 Neighborhood site, which was one of only
4 21 sites selected across this country.
5 As a condition of the Promise
6 Neighborhood Grant, Universal is
7 developing a planning strategy to address
8 these specific concerns.

9 Phase 2 of that grant is --
10 will be awarded additional funding for
11 implementation of that planning. Only
12 five sites among the 21st awardees will
13 be selected for that additional funding.
14 The implementation of a moratorium on
15 building permits within the proposed area
16 may severely affect Universal's ability
17 to qualify for Phase 2 under the second
18 phase of the grant. An inability to
19 qualify for Phase 2 or to be selected for
20 Phase 2, for that matter, may affect
21 those revitalization efforts needed
22 within the area.

23 Some of the -- with the
24 potential investment, some of the ideas
25 are including enhancing business

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2 corridors, improving housing conditions,
3 implementing social programs and many
4 other positive community enforcement
5 programs. In fact, currently the
6 executive committee of this Promise
7 Neighborhood Grant is working with the
8 Office of Economic Opportunity, another
9 agency of the Administration, to
10 coordinate its planning.

11 Lastly, Universal has concerns
12 in regards to the implementation of the
13 bill as contrary to a significant portion
14 of the housing stock in the proposed
15 area. The bill proposes a moratorium for
16 the construction of any building
17 exceeding two stories in height.
18 However, properties from Broad Street to
19 approximately 18th to 19th Street are
20 comprised of a significant number of
21 three-story structures. As testified by
22 City Planning Commission earlier, this is
23 not necessarily aesthetic to the entire
24 location in the proposed area. So this
25 does not coincide with the current bill.

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2 As such, the bill will restrict the
3 development of buildings, residential and
4 commercial, which may aesthetically
5 enhance the current architecture.

6 Included with the
7 above-referenced concerns is the concern
8 that such moratorium does not propose
9 proper planning, studies or research
10 throughout the duration of the
11 moratorium. What is the need for such a
12 halt in development? What specific work
13 will be done? Without a mandate of such
14 proportion, merely prohibiting
15 construction of such building is likely
16 to have greater negative effects than any
17 possible marginal benefit. The bill will
18 not preserve the character of the Point
19 Breeze neighborhood, but instead provide
20 additional suppression to the property
21 values and community investment within
22 the neighborhood.

23 In conclusion, Universal stands
24 with similar neighborhood organizations,
25 community groups and the City's

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2 Administration in its opposition to the
3 approval of the bill. The implementation
4 of such a moratorium is likely to cause a
5 significant community backlash by its
6 adoption with minimal community
7 involvement. Universal supports the
8 implementation of a study to offset
9 concerns of the Committee in the future.
10 However, the implementation of such a
11 moratorium now will likely impede
12 progress to an already strained area.

13 Thank you, and I'm available
14 for any questions needed.

15 COUNCIL PRESIDENT VERNA: Any
16 questions for these witnesses?

17 The Chair recognizes Councilman
18 Goode.

19 COUNCILMAN GOODE: Thank you,
20 Madam Chair.

21 Just a simple question. What
22 do you believe the bill was trying to
23 address? What problem do you think
24 exists or doesn't exist that the bill was
25 trying to address?

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2 MS. SHERROD: In my opinion, it
3 was taking the voice away from the
4 people.

5 COUNCILMAN GOODE: My question
6 is, what do you think the bill was trying
7 to resolve?

8 MS. SHERROD: Revolve
9 three-story buildings being built on
10 two-story blocks.

11 COUNCILMAN GOODE: And is there
12 a solution to that problem?

13 MS. SHERROD: At our zoning
14 meetings when a three-story building goes
15 onto a three-story block, if enough of
16 the residents come out in opposition, we
17 shoot it down before it get an
18 opportunity to be built. So it's
19 resolved. But I think the
20 over-the-counter, you know, license or
21 permits really hurt us rather than help
22 us. This bill cannot really help our
23 community.

24 COUNCILMAN GOODE: So if the
25 resolution -- I understand your

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2 opposition to the bill. You don't have
3 to keep stating it.

4 MS. SHERROD: Okay.

5 COUNCILMAN GOODE: I'm really
6 just trying to figure out how we can
7 resolve as much of that here. You said
8 that the solution is to have it handled
9 in the zoning committee by the community?

10 MS. SHERROD: Yes.

11 COUNCILMAN GOODE: Do you
12 believe that's going to be able to be
13 done after the Zoning Code goes into
14 effect?

15 MS. SHERROD: Well, if the
16 Zoning Code impedes the community's say,
17 voice, it would be a problem. I don't
18 know. I have to see what they have --

19 COUNCILMAN GOODE: So your
20 solution to the problem is not going to
21 last much longer than their solution to
22 the problem.

23 MS. SHERROD: Possibility. I
24 really don't know what the Zoning
25 Commission have in store for the

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2 community. I know they're trying to do
3 some things to update their files, but if
4 they try to take our voice, it won't
5 work.

6 COUNCILMAN GOODE: So if a
7 temporary moratorium doesn't work for
8 them and a temporary voice until the
9 Zoning Code goes into effect for you,
10 then you still have a problem. We still
11 have a problem.

12 MS. SHERROD: I hear what
13 you're saying, but we have not had a
14 problem in the past. We've had some
15 people who are really aggravated and
16 upset because of the three-story
17 buildings. Matter of fact, let me speak
18 to my block. I live in the 2100 block of
19 Federal Street. There are eight or nine
20 three-story houses. I reside in one. On
21 the opposite side, it's all two stories.
22 Last year, a three-story building came
23 up. I asked my neighbor did he have a
24 problem with it. He said no. That was
25 the end, case closed. It was no issue.

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2 I feel that it should be
3 resolved between the blocks. It is an
4 issue -- if a person don't have a problem
5 in that block, why should anyone outside
6 of that block have a problem? They don't
7 live in that block.

8 COUNCILMAN GOODE: I don't
9 disagree with that. My only point is
10 that if that is the resolution to this
11 problem, that resolution is temporary as
12 well.

13 MS. SHERROD: Well, the
14 resolution would stop development in
15 Point Breeze and it would stop South
16 Philadelphia HOMES from making affordable
17 houses available for the residents.

18 COUNCILMAN GOODE: I get that.
19 But if we don't do a moratorium, let's
20 say we don't do a moratorium, the problem
21 still exists on both sides. One, those
22 people who want development not to go
23 above two stories probably can't block it
24 necessarily in the Zoning Code, and those
25 people who might want it in some places,

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2 development to go above two stories,
3 might not have it happen either. So the
4 issue of it being resolved through
5 neighbors working it out or neighbors
6 being organized and neighbors having
7 their own zoning committees is not
8 necessarily a permanent solution. So I'm
9 looking for how it's going to be worked
10 out permanently.

11 MR. MANISLAM: I think one
12 way -- and Ms. Sherrod has mentioned
13 this -- is block by block. The current
14 proposed area is too expansive. You're
15 talking about from Broad Street to 25th
16 Street. You're talking about from
17 Washington to Moore. I think there's a
18 hundred -- I'm not sure. Mr. Greenberger
19 testified to how large those properties
20 are, but there's a lot of properties that
21 are not two-story in nature. I think one
22 idea could be possibly is if you minimize
23 the bill to have a block that has 75
24 percent two-story maybe, a block that has
25 majority two-story. Maybe if you

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2 minimize the area of the bill.

3 COUNCILMAN GOODE: So a
4 solution might be an amendment?

5 MR. MANISLAM: It could be, but
6 our concern is the expansiveness of it.

7 And the second concern, more
8 importantly, is, what is the call for the
9 study. If you want a study today or
10 tomorrow to go into effect, I think that
11 will be a better solution to say, Hey,
12 let's determine what blocks are affected
13 by this issue and let's then address it
14 that way. But just to initially propose
15 a moratorium, it affects the property
16 values and it affects a significant issue
17 with economic viability for a struggling
18 area.

19 COUNCILMAN GOODE: My last
20 question is real simple. Are the two
21 sides having conversation right now on
22 this issue?

23 MS. SHERROD: What two sides?

24 COUNCILMAN GOODE: Two sides
25 within the community.

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2 MS. SHERROD: The community as
3 a whole was not abreast to this act even
4 being put into place. They were -- they
5 didn't know anything about it. So when
6 we got it, I just got calls all over the
7 place, and I will be discussing it when
8 we have our next community meeting. But
9 we knew nothing about it. So how could
10 you have a discussion when you don't know
11 anything about something?

12 MR. MANISLAM: And I would
13 concur with that.

14 COUNCILMAN GOODE: Thank you.
15 Thank you, Madam Chair.

16 COUNCIL PRESIDENT VERNA: Thank
17 you.

18 Thank you both very much.

19 Our next two witnesses,
20 Bernardino Allegretti and Amy Henson.

21 Is Mr. Allegretti here?

22 (No response.)

23 COUNCIL PRESIDENT VERNA: Amy
24 Henson?

25 MR. ALLEGRETTI: I'm coming

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2 down.

3 COUNCIL PRESIDENT VERNA: Thank
4 you.

5 While they're coming down, if
6 Jonathan King and Barbara Capozzi are on
7 this level, if they would please approach
8 the witness table.

9 (Witnesses approached witness
10 table.)

11 COUNCIL PRESIDENT VERNA: Good
12 afternoon. Kindly identify yourself for
13 the record.

14 MR. KING: Good afternoon.
15 Thank you for allowing me to speak. My
16 name is Jonathan King and I'm a homeowner
17 in the 2100 block of Tasker Street.

18 COUNCIL PRESIDENT VERNA:
19 Please proceed.

20 MR. KING: As an initial
21 matter, Councilwoman, you mentioned the
22 opposition that has been coming in to
23 this bill. I am opposed to this bill,
24 and when we learned about it, as the
25 woman from South Philadelphia HOMES

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2 mentioned, it was kind of the last
3 minute. We put up a website on Saturday
4 night where neighbors could sign a
5 petition, and in just three days, we have
6 104 signatures on our online petition
7 opposing this bill. So I just submit
8 that to Council.

9 In addition to that, I would
10 like to -- one second. I get a little
11 bit nervous, because we're talking about
12 my home.

13 My wife and I moved to Point
14 Breeze in 2008 after I was laid off from
15 my job. What seemed like unfortunate
16 circumstances turned out to be the best
17 financial decision of our lives. We soon
18 learned that our landlord was selling her
19 house, and when I got a new job, we were
20 able to get a loan and buy it.

21 Our house is two stories, and
22 right now we have more than enough space
23 for the two of us and our cat and our
24 dog, but when we decide to have children,
25 ideally we would like to build a third

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2 story, if we can afford it, to make room,
3 so we can stay in our home and stay in
4 our community.

5 To explain, Councilman
6 Greenlee, you were asking specific
7 questions about this bill. I live on a
8 block with a three-story building on the
9 end of the block, a church, which is
10 obviously more than three stories with
11 the steeple, and a four-story community
12 center. If this bill passes, my wife and
13 I will not be able to build a three-story
14 building even though on our block there
15 is a three-story building. And if you go
16 through Point Breeze, there are one or
17 two at least three-story buildings on
18 most blocks, including on the east side
19 where it's -- three-story buildings are
20 quite common. Now, where we are, as I
21 said, most of the block is two stories,
22 but there's a three-story building, a
23 four-story building, a church.

24 And before we purchased our
25 house, this is -- my wife and I

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2 specifically checked the Zoning Code to
3 make sure that we could build a third
4 story if we could ever afford to do it,
5 and by passing this legislation, you are
6 taking that right away from us after the
7 fact. Now, I know we're only
8 contemplating a one-year ban here, but we
9 all know this is an election year and the
10 future is anything but certain. So my
11 fear is that -- and I think a lot of
12 people's fear here -- is that this
13 one-year ban could easily be made
14 permanent. We've already had testimony
15 here today that people want to make this
16 bill permanent.

17 My wife and I are not real
18 estate speculators trying to make a quick
19 buck. We want to stay in our homes for
20 the rest of our lives. Banning
21 three-story homes will take away our
22 ability to expand our home to meet our
23 family needs. It will also cause our
24 home -- and this is where it gets me
25 upset. It will also cause our home to

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2 immediately lose value, and like a lot of
3 people these days, our home is our only
4 asset. It will also place restrictions
5 on our neighborhood that do not exist
6 anywhere else in the City. There's
7 literally not a single neighborhood where
8 two-story buildings are the maximum until
9 this legislation, if it passes.

10 Now, I understand that some of
11 our neighbors, including -- I remember
12 Ms. Beaufort said this. Some of our
13 neighbors are worried that they will be
14 forced to move. I don't want to see
15 anyone forced to leave their home. I
16 don't think anybody does. But
17 three-story buildings don't force anyone
18 to move. Property tax increases force
19 people to move.

20 And now I don't -- I don't know
21 if there's been any property tax
22 increases in Point Breeze, but if there
23 is, then that is the problem that needs
24 to be addressed. If we keep property
25 taxes low for long-term residents, then

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2 they will be allowed, our neighborhood
3 will be allowed to grow, and everyone
4 will be able to stay and enjoy it. There
5 is plenty of room in Point Breeze for
6 everyone. We have abandoned buildings.
7 We have abandoned lots. We could have
8 new residents. We can have long-time
9 residents stay. We all can be a
10 community.

11 There are very few issues in
12 government where one solution benefits
13 everyone. You, City Council, are
14 constantly having to choose between one
15 group and another, but in this issue, we
16 have that opportunity to keep property
17 taxes low on long-term residents, our
18 neighborhood can grow and everyone can
19 benefit.

20 Thank you.

21 COUNCIL PRESIDENT VERNA: We
22 appreciate your coming in to testify.

23 Thank you so much.

24 Barbara.

25 MS. CAPOZZI: My name is

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2 Barbara Capozzi and I have in the last
3 two months become more and more familiar
4 with the wonderful people in Point
5 Breeze, and they asked me to get involved
6 with this issue.

7 The people that I have been
8 speaking with did not know about this
9 bill until last week. There had been
10 rumors, but they did not know about it
11 until after it was introduced. But I
12 also want to say that there was some
13 confusion yesterday between the Mayor's
14 Office and City Council's office, and
15 many, many people thought the bill was
16 being continued. So I don't see as many
17 people here as originally we expected.
18 You will be able to -- I will urge them
19 to write letters, et cetera.

20 One thing that really upset me
21 was that the first people that testified
22 thought that they were being targeted and
23 their neighborhood. Certainly, certainly
24 not true. You can go to any neighborhood
25 in the City and see three-story homes

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2 that have moved in. Could you ask for
3 anything better than someone like
4 Jonathan that moved here with his family,
5 wants to stay here, welcomes the fact
6 that the older people want to stay here,
7 wants to work through solutions? I mean,
8 that's what this city needs more and more
9 and more of. But we also definitely want
10 the long-term residents to stay and feel
11 comfortable.

12 So this bill has actually
13 brought some people together, and
14 anything that we can do in the next
15 couple of months with meetings to bring
16 more people together would be fine. The
17 problem with the moratorium is, it's
18 going to stop all that discussion,
19 because then the lines are drawn again
20 and everybody comes apart. But right now
21 they're together. They're talking
22 together, and we hope to bring more and
23 more people into the fold to work out
24 solutions.

25 The Zoning Code will never,

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2 ever, ever take away block-by-block
3 discussion. Never was it meant to do.
4 Never will it do that. The immediate
5 neighbors always have the primary say,
6 and if they can work it out, then that's
7 what every neighborhood wants, people
8 talking.

9 COUNCIL PRESIDENT VERNA: You
10 know, in the last couple of years, I've
11 been very proud of the fact that all of
12 the community groups have been working
13 together.

14 MS. CAPOZZI: And that's not
15 easy.

16 COUNCIL PRESIDENT VERNA:
17 Believe me, that was a hard, hard
18 achievement. And I'm just very disturbed
19 that this one issue now has divided the
20 community to such a point that it's
21 utterly ridiculous. I want to see the
22 community working together to resolve
23 this issue. If it means that we get City
24 Planning and whoever else and the
25 Administration to come to the meetings,

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2 that's what we'll do, but I am not going
3 to sit here and allow the community to be
4 divided on an issue that hopefully can be
5 addressed.

6 The Chair recognizes Councilman
7 Kenney.

8 COUNCILMAN KENNEY: Thank you,
9 Madam President.

10 When I first got involved in
11 government in 1978, '79, the issue was
12 Queen Village and the gentrification in
13 Queen Village and the displacement of
14 African-Americans, Polish-Americans,
15 Ukrainian-Americans, I mean all
16 hyphenated Americans who lived in that
17 neighborhood for a hundred years, and it
18 was a terrible situation then, and it
19 kind of in some way worked itself out,
20 but most of the people who lived in that
21 neighborhood then are either passed on or
22 were forced out.

23 This issue is another classic
24 example of the gentrification of
25 neighborhoods, which is not a pejorative

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2 term, it's not a negative term, but it
3 makes people afraid, because the thing
4 that they own the most, the thing that
5 there's the most value to them is their
6 home. If they see them or they feel that
7 they're being encroached upon, if they
8 feel that their property values,
9 therefore their taxes, are going up, they
10 are fearful. I've seen the stress. I've
11 seen the concern from the folks in Queen
12 Village back in the late '70s and '80s,
13 and I hear it in the voices and the
14 concerns of the people now.

15 This seems to me to be an issue
16 that could take a full day of hearings,
17 and the one thing that I've heard in
18 testimony is that people don't feel like
19 the Zoning Code Commission has listened
20 to them. Perhaps a three- or four-hour
21 hearing just on this will give people the
22 opportunity to be heard by the -- and
23 we'll bring the Zoning Code Commission in
24 and let them sit here and listen to this,
25 but I don't think, in my opinion -- and I

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2 don't know it until I've seen the final
3 product -- that they've taken that into
4 consideration.

5 Councilman Goode is right, this
6 looks terrible and someone should have
7 protected those folks either at City
8 Planning or at L&I from this happening.
9 But --

10 (Appause.)

11 COUNCILMAN KENNEY: But the
12 nuclear button of this bill is not going
13 to fix that problem. The issue is, I
14 think that we need to have a full day of
15 hearings, whether it's the Rules
16 Committee or Legislative Oversight or
17 whatever it is, L&I or a combination
18 thereof, Zoning Code Commission, people
19 who live in this neighborhood or any
20 other neighborhood that's going through
21 it and the appropriate officials to
22 listen to what people have to say.

23 I don't want to see young folks
24 like this upset and concerned and afraid
25 about their investment. I don't want to

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2 see the folks that have been living there
3 for 50, 60, 70 years concerned about
4 their investment. The government should
5 be here to protect them and try to
6 balance both sides of good.

7 So I think -- we're having this
8 hearing today, but I would recommend to
9 the Chair that we look at a resolution to
10 authorize hearings which would go on for
11 as long as it needs to be until everyone
12 has their say and we can craft some
13 protection for all these folks, both new
14 residents and long-term residents.

15 MS. CAPOZZI: The general issue
16 of gentrification should definitely be
17 addressed. That way, it's just not Point
18 Breeze's problem.

19 COUNCILMAN KENNEY: I said
20 anywhere in the City.

21 MS. CAPOZZI: I know that we
22 can learn from what other neighborhoods
23 have done, because other neighborhoods
24 have not needed a moratorium to work out
25 their issues.

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2 COUNCILMAN KENNEY: Point

3 Breeze is Queen Village of --

4 MS. CAPOZZI: Twenty years ago.

5 COUNCILMAN KENNEY: More than

6 that. Thirty-five years.

7 MS. CAPOZZI: We're getting

8 old.

9 COUNCILMAN KENNEY: And I think

10 it warrants an entire day of hearings or

11 entire -- a lengthier hearing than we can

12 fit in here today. So that would be my

13 suggestion.

14 MS. CAPOZZI: It's a good idea.

15 COUNCIL PRESIDENT VERNA: Thank

16 you.

17 Any other comments?

18 Councilman DiCicco.

19 COUNCILMAN DiCICCO: Thank you,

20 Madam Chair, and good morning.

21 The issue of Queen Village,

22 I'll use that as an example. Many years

23 ago, in the City's effort to try to

24 create housing that would be

25 accommodating newer generations of folks,

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2 in particular neighborhoods like South
3 Philadelphia where parking was always
4 difficult, it became part of the Code, if
5 I'm not mistaken, part of the Code that
6 when more than, I think, four or five
7 houses were built on a unit block, those
8 homes were required to be built with
9 garages at the ground floor level, and it
10 probably at the time sounded like a great
11 thing. It was a good amenity to
12 encourage people to move into the City,
13 you have a place to park, you don't have
14 to drive to South Jersey to get a home
15 with a garage.

16 But over time, we recognized
17 that that has actually caused some
18 problems in those neighborhoods, because
19 now we have eliminated that many more
20 on-street parking spaces, which added to
21 the parking congestion and parking
22 availability problems that were there for
23 many, many years.

24 I did a bill a couple years ago
25 which kind of reversed that requirement.

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2 The bill, if I have it right, now says if
3 80 percent of the block face of the
4 properties on a block do not have
5 garages, you then need to go to the
6 Zoning Board of Adjustment to get a
7 variance to build a home with a garage.
8 So you just don't get to do it as a
9 matter of right.

10 So a suggestion in the short
11 term, because we know that the Zoning
12 Commission won't be ready for six months
13 to a year, there is -- as you said, Madam
14 President, there's extreme division and
15 anxiety in the community on both sides.
16 Maybe there's a shorter term solution
17 that deals with the issue of the height
18 of houses similar to what we did with
19 garages. So if you have, as an example,
20 80 percent of the block face homes on a
21 block are two-story, you just could not
22 come in as a matter of right, which is
23 probably what happened in this case, and
24 build a three-story home. You would then
25 need to go to the Zoning Board for a

1 3/23/11 - RULES - BILL 100610, ETC.
2 variance in order to build that, and then
3 the community, both sides, pro and con,
4 have an opportunity to be heard and a
5 decision could be made.

6 So it's just a suggestion --

7 MS. CAPOZZI: A possible
8 solution.

9 COUNCILMAN DiCICCO: -- that
10 might require obviously a new piece of
11 legislation, which may not just
12 necessarily have to pertain to Point
13 Breeze, but in this case -- because I
14 live in South Philadelphia, I live at
15 11th and Federal, several blocks away
16 from the 16th and Federal housing
17 development that is being proposed. It's
18 a hodgepodge of everything down there.
19 There's two-story homes, three-story
20 homes, but there are some blocks that are
21 unit blocks that are traditionally all
22 two-story, especially the tertiary
23 blocks.

24 So what you need to do, I
25 think, is find a way which you can

1 3/23/11 - RULES - BILL 100610, ETC.
2 protect those, without putting a
3 moratorium in place that says no more
4 development anywhere within this 20, 30
5 square block area. That doesn't serve
6 anyone's needs.

7 So just a suggestion, Madam
8 Chair, that maybe you can get somebody to
9 look into that.

10 COUNCIL PRESIDENT VERNA: Thank
11 you.

12 COUNCILMAN DiCICCO: Thank you.

13 COUNCIL PRESIDENT VERNA: Good
14 afternoon. Please identify yourself for
15 the record and proceed with your
16 testimony.

17 I'm so sorry. I didn't look.
18 The Chair recognizes Councilman Goode.

19 COUNCILMAN GOODE: Thank you,
20 Madam Chair. Just two quick questions.

21 Ms. Capozzi, very simple
22 questions. You made two statements I
23 don't believe to be true. I wanted to
24 know if you want to clarify them.

25 One, I believe you said that

1 3/23/11 - RULES - BILL 100610, ETC.

2 all the community is working together.

3 MS. CAPOZZI: No. I said that
4 this bill has been the impetus to bring
5 more different factions in the
6 neighborhood together.

7 COUNCILMAN GOODE: That has not
8 happened yet.

9 MS. CAPOZZI: Pardon me?

10 COUNCILMAN GOODE: That has not
11 happened yet, you would agree?

12 MS. CAPOZZI: Well, it's only
13 been a week. It's been probably ten days
14 since some people found out about it.

15 COUNCILMAN GOODE: So that has
16 not happened yet.

17 MS. CAPOZZI: Has that happened
18 yet? It's happened online, it's happened
19 in side conversations. Has it happened
20 in one big meeting yet? No.

21 COUNCILMAN GOODE: So that has
22 not happened yet.

23 MS. CAPOZZI: Not in -- it's
24 just -- no.

25 COUNCILMAN GOODE: Second

1 3/23/11 - RULES - BILL 100610, ETC.

2 question is, you made a statement that
3 the Zoning Code can't be changed to take
4 away residents' power or community
5 organizations' power. That is not true
6 either?

7 MS. CAPOZZI: I don't think the
8 Zoning Code ever intends to take away --

9 COUNCILMAN GOODE: The Zoning
10 Code can be changed to take away
11 residents' and community organizations'
12 power. It can be. It should not be, but
13 it can be. You made a statement that --

14 MS. CAPOZZI: Oh, it can be?
15 Yes, but I don't believe that it has been
16 and I don't believe that it will be.

17 COUNCILMAN GOODE: But you made
18 a statement that it can't be.

19 MS. CAPOZZI: Perhaps I wasn't
20 clear. It should not be. And I don't
21 believe that it has been. I don't think
22 that you're ever going to take away
23 neighbors from being able to discuss
24 things with their neighbors, and that's
25 the most important thing.

1 3/23/11 - RULES - BILL 100610, ETC.

2 COUNCILMAN GOODE: But you can
3 take away their powers in the process,
4 which we should not do.

5 MS. CAPOZZI: Of course not.

6 COUNCILMAN GOODE: Thank you.

7 COUNCIL PRESIDENT VERNA:

8 Please proceed.

9 MR. ALLEGRETTI: My name is
10 Bernardino Allegretti and I manage
11 neighborhood redevelopment projects for
12 Innova Services Corporation and its
13 subsidiary, Innova Redevelopment.

14 Innova employs 15 people and
15 has been located at 16th and Tasker in
16 Point Breeze for more than 15 years.
17 Innova's focus is affordable housing
18 development in transitional
19 neighborhoods. We have been an active
20 partner with the City of Philadelphia and
21 the Redevelopment Authority in the
22 Neighborhood Stabilization Program, and
23 we were previously active in the City's
24 Homeownership Rehabilitation Program.

25 In the past two years, we have

1 3/23/11 - RULES - BILL 100610, ETC.

2 redeveloped 13 formerly vacant properties
3 and sold them to low- and moderate-income
4 buyers. Eight of these homes are in or
5 adjacent to Point Breeze. We are
6 currently in the process of completing
7 three additional NSP properties for
8 affordable sale in Point Breeze, and with
9 our community development partner,
10 Diversified Community Services, we have
11 proposed to build ten new homes on vacant
12 parcels in Point Breeze for sale to low
13 and --

14 COUNCIL PRESIDENT VERNA:

15 Where?

16 MR. ALLEGRETTI: Excuse me?

17 COUNCIL PRESIDENT VERNA:

18 Where?

19 MR. ALLEGRETTI: It's scattered
20 sites between Federal and Morris. So
21 none of them are contiguous. They're
22 scattered.

23 All of Innova's redevelopment
24 work to date has focused on preserving
25 existing housing. We always carry out

1 3/23/11 - RULES - BILL 100610, ETC.

2 our work with an eye to restoring and
3 highlighting the original beauty of these
4 century-old homes.

5 As with daily witness of new
6 development going on in Point Breeze, we
7 fully understand City Council's concern
8 about the proliferation of new
9 construction that is architecturally
10 incentive to the surrounding parcels in
11 the neighborhood. However, we would like
12 to first present some explanations as to
13 why developers are motivated to create
14 three-story structures on two-story
15 blocks, and then to offer some
16 suggestions as to how City Council can
17 achieve its goal of preserving the
18 neighborhood character while allowing for
19 the development of homes that meet the
20 demands of new home buyers.

21 The motivation for creating
22 three-story homes where two-story homes
23 previously existed is twofold. New homes
24 cannot typically be built in the
25 traditional L-shaped layout with a set

1 3/23/11 - RULES - BILL 100610, ETC.

2 back side yard that most older homes
3 used, because new building codes require
4 setbacks that often preclude this. My
5 written testimony shows a typical
6 L-shaped second floor and a plan of a
7 second floor home where the piano key
8 L-shaped setback is not possible. As a
9 result, new homes on in-fill parcels
10 cannot typically incorporate a middle
11 bedroom, thereby making it impractical to
12 build a three-bedroom home on only two
13 floors.

14 Homes developed using federal
15 money, like NSP, are often required to
16 make homes visitable for persons in a
17 wheelchair. This means that the front
18 entrance must have -- must be at grade
19 instead of being located three feet or
20 more above the sidewalk grade, as a
21 traditional row home stoop is. The
22 practical effect of lowering the
23 entrances that the entire two-story
24 facade would also be three feet lower
25 than the neighboring homes, creating

1 3/23/11 - RULES - BILL 100610, ETC.

2 another aesthetic concern. More
3 important than that is, there could be no
4 basement. To create a basement in a home
5 built on an in-fill parcel, the floor
6 elevation of the new basement would need
7 to be excavated down three feet or more
8 below those other neighboring houses.

9 Such excavation would require the
10 foundations of the neighborhood homes to
11 be underpinned to prevent their collapse
12 while the new deeper basement is created.
13 Even if the adjacent owners would agree
14 to allow this to be done, it would be
15 financially impractical to do so. The
16 option left then is to build the home
17 using a slab-on-grade construction style,
18 locating all the systems and amenities
19 that would normally go in the basement,
20 such as the electric, gas and water
21 utilities, electric panel, the furnace,
22 the hot water heater and the laundry,
23 would be located within the living space.

24 We have concluded that the
25 combination of being unable to create a

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2 middle bedroom and the need to find space
3 in the living area lost by the
4 elimination of a basement for visitable
5 units make it necessary to construct a
6 third story on the typically shallow
7 parcels that are bound in Point Breeze.
8 However, in the process of devising the
9 plans for Innova's proposed three-story
10 homes on two-story blocks in Point
11 Breeze, we worked to find a way that
12 would not -- not to avoid the use of a
13 three-story facade on a two-story block
14 and came up with a design that we believe
15 eloquently solves the space problems as
16 well as the aesthetic ones. Because most
17 existing three-story houses in
18 Philadelphia are actually two stories
19 with a third -- short third story that is
20 set back from the rear of the house, we
21 propose to construct a third story that
22 is set back from the street facade on
23 those two-story blocks. This is similar
24 to what Mr. Greenberger mentioned in his
25 testimony.

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2 With a third story set back
3 from the street, the two-story facade can
4 be extended up to meet those of its
5 neighbors with a suitable cornice to
6 carry the style across and to offer a
7 partial screen of the third floor that
8 has been set back from the street. We
9 urge City Council to take a close look at
10 this option, as we believe that it
11 provides a compromised solution.

12 We further offer to assist the
13 Council to arrive at a practical solution
14 to its legitimate aesthetic concerns and
15 the practical limits that Council's bill,
16 as it is now written, would put on the
17 development of visitable new affordable
18 housing in Point Breeze.

19 In my written testimony I
20 provided an elevation drawing to
21 illustrate how this idea could work,
22 along with a drawing showing a section
23 through the home of the two-story facade
24 and a third-story setback and then an
25 artist's rendering of the building style

1 3/23/11 - RULES - BILL 100610, ETC.

2 and a perspective from down the block.

3 COUNCIL PRESIDENT VERNA: Thank
4 you.

5 Any questions from members of
6 the Committee?

7 The Chair recognizes Councilman
8 Goode.

9 COUNCILMAN GOODE: Thank you,
10 Madam Chair.

11 Good afternoon. Thank you for
12 your thoughtful testimony. You mentioned
13 in the beginning of your testimony that
14 you currently have a project?

15 MR. ALLEGRETTI: Excuse me?

16 COUNCILMAN GOODE: You
17 mentioned in the beginning of your
18 testimony that you currently have a
19 project?

20 MR. ALLEGRETTI: We are -- I
21 have just finished one. It's a little
22 south of Point Breeze. We're currently
23 working on two projects within Point
24 Breeze.

25 COUNCILMAN GOODE: By working

1 3/23/11 - RULES - BILL 100610, ETC.

2 on two projects, what does that mean?

3 MR. ALLEGRETTI: They're
4 rehabilitation of existing row homes.

5 COUNCILMAN GOODE: So at what
6 point in the process are you?

7 MR. ALLEGRETTI: I'd say 80
8 percent through the rehabilitation of the
9 first and 25 percent through the second.

10 COUNCILMAN GOODE: So you
11 already have your permits?

12 MR. ALLEGRETTI: That's
13 correct.

14 COUNCILMAN GOODE: So you don't
15 have any projects that you need permits
16 for?

17 MR. ALLEGRETTI: We have
18 responded to an RFP from the
19 Redevelopment Authority to develop ten
20 new affordable units.

21 COUNCILMAN GOODE: You have not
22 been approved in that process?

23 MR. ALLEGRETTI: We have not
24 been approved in that process, no.

25 COUNCILMAN GOODE: You do not

1 3/23/11 - RULES - BILL 100610, ETC.

2 have site control yet?

3 MR. ALLEGRETTI: That's

4 correct.

5 COUNCILMAN GOODE: You do not

6 have private financing yet?

7 MR. ALLEGRETTI: That's

8 correct.

9 COUNCILMAN GOODE: So in the

10 proposal you submitted, how long would it

11 take for you to need permits in the

12 proposal you submitted?

13 MR. ALLEGRETTI: I'm told the

14 decision to fund will be May.

15 COUNCILMAN GOODE: I didn't ask

16 you that. I asked you, in the proposal

17 that you submitted, how long would it

18 take for you to need permits?

19 MR. ALLEGRETTI: We would need

20 permits immediately upon financing. We

21 would need to start within 15 --

22 COUNCILMAN GOODE: You didn't

23 answer my question again. I'm going to

24 ask you one more time. I'm just going to

25 pull your proposal.

1 3/23/11 - RULES - BILL 100610, ETC.

2 In your proposal, how long
3 would it take for you to need permits?

4 MR. ALLEGRETTI: I'm not sure
5 of the answer to that question.

6 COUNCILMAN GOODE: Okay. We
7 can take the long route.

8 When would you be approved for
9 the project?

10 MR. ALLEGRETTI: May.

11 COUNCILMAN GOODE: And would
12 you have private financing at that time?

13 MR. ALLEGRETTI: That would be
14 the source of the financing, NSP. So,
15 yes.

16 COUNCILMAN GOODE: And then you
17 would begin site control?

18 MR. ALLEGRETTI: The parcels
19 are City-owned properties, so depending
20 on how quickly we can move through them
21 through the City. That would be the
22 limiting factor.

23 COUNCILMAN GOODE: So the City
24 is giving you all the money and all the
25 land?

1 3/23/11 - RULES - BILL 100610, ETC.

2 MR. ALLEGRETTI: They're giving
3 us the land and lending us the money.

4 COUNCILMAN GOODE: So the City
5 has total control of the process?

6 MR. ALLEGRETTI: That's
7 correct.

8 COUNCILMAN GOODE: So the City
9 can tell you when you need permits?

10 MR. ALLEGRETTI: That's
11 correct.

12 COUNCILMAN GOODE: The answer
13 is yes.

14 Thank you.

15 COUNCIL PRESIDENT VERNA: Any
16 other questions from members of the
17 Committee?

18 (No response.)

19 COUNCIL PRESIDENT VERNA: Thank
20 you. Thank you very much.

21 It is getting rather late and
22 apparently we are not going to come to
23 any conclusion as to where we're going
24 with this bill today. What I would like
25 to do is ask those who are in favor of

1 3/23/11 - RULES - BILL 100610, ETC.

2 this bill to please stand so we could
3 recognize you.

4 (Some audience members
5 standing.)

6 COUNCIL PRESIDENT VERNA: Those
7 who are opposed.

8 (Some audience members
9 standing.)

10 COUNCIL PRESIDENT VERNA: So
11 they're opposed to the bill? You're in
12 favor.

13 Those in favor, please stand so
14 we could count.

15 You're in favor of it.

16 Well, since they can't hear and
17 I can't count, it's not going to matter
18 at this point.

19 It's getting rather late. We
20 have three other bills to be considered
21 today, along with our Capital Budget
22 public hearings. As I said, we could
23 listen to everybody in the room today and
24 we are not going to resolve this issue.
25 Therefore, I am requesting that the bill

1 3/23/11 - RULES - BILL 100610, ETC.
2 be continued to the call of the Chair.
3 In the interim, I would like the
4 community groups to get together. We can
5 have an all-day hearing so that
6 everybody's voice can be heard, at which
7 time we can have City Planning and Eva
8 Gladstein and whoever else would be
9 interested in addressing this issue.

10 Again, I want to thank you all
11 for coming. It's been very important.
12 However, I think it's absolutely totally
13 essential that the community groups work
14 together to resolve this.

15 Thank you all very much.

16 Our next bill will be --

17 COUNCILMAN KENNEY: Just give
18 everyone an opportunity to -- those who
19 are leaving on this particular bill,
20 please do so as quietly as possible. As
21 soon as they've left, we will begin with
22 the other four bills that are on the
23 Calendar, and we will try to expedite
24 them as quickly as possible.

25 And please keep your discussion

1 3/23/11 - RULES - BILL 100610, ETC.

2 to a minimum.

3 (Pause.)

4 COUNCILMAN KENNEY: The next
5 bill for consideration is Bill 110083,
6 which is an Ordinance amending Section
7 14-1607 of The Philadelphia Code,
8 entitled "Special District Controls for
9 the Center City Commercial Area," and
10 Section 14-1605 of The Philadelphia Code,
11 entitled "Regulated Uses," and Section
12 14-305 of The Philadelphia Code, entitled
13 "'C-4' Commercial and 'C-5' Commercial
14 Districts," by adding to all Sections
15 special provisions relating to the area
16 bounded by Chestnut Street, 12th Street,
17 13th Street and Sansom Street, all under
18 certain terms and conditions.

19 (Witness approached witness
20 table.)

21 COUNCILMAN KENNEY: Please
22 identify yourself for the record.

23 MR. GREGORSKI: Good afternoon.
24 My name is Martin Gregorski. I'm a
25 Zoning Planner in the Development

1 3/23/11 - RULES - BILL 100610, ETC.

2 Planning Division of the Philadelphia
3 City Planning Commission. I'm here to
4 testify today on Bill No. 110083, which
5 was introduced by Councilmember DiCicco
6 on February 10th of this year.

7 Bill No. 110083 amends three
8 sections of the Philadelphia Zoning Code:
9 Section 14-1607, "Special District
10 Controls for the Center City Commercial
11 Area," Section 14-1605, "Regulated Uses,"
12 and Section 14-305, the "'C-4' and 'C-5'
13 Commercial Districts," limiting changes
14 to an area bounded by Chestnut Street,
15 12th Street, 13th Street, and Sansom
16 Street.

17 The purpose of this bill is to
18 amend the Zoning Code to allow for the
19 reuse of the existing building located at
20 1200 Chestnut Street as an upscale
21 billiards hall in the existing Beneficial
22 Bank building. Additionally, the
23 developer proposes a rooftop addition to
24 the existing structure.

25 Bill No. 110083 amends Section

1 3/23/11 - RULES - BILL 100610, ETC.
2 14-1605 of the Code, entitled "Regulated
3 Uses," by changing the definition of a
4 pool room and removing it as a regulated
5 use within the area bounded by Chestnut
6 Street, 12th Street, 13th Street and
7 Sansom Street. It further amends Section
8 14-1607, entitled "Special District
9 Controls for the Center City Commercial
10 Area," by permitting restaurants, cafes,
11 coffee shops and similar establishments
12 along the south side of Chestnut Street
13 between 12th Street and 13th Street which
14 are accessory to the principal use of a
15 pool hall or billiard hall. Lastly, the
16 bill removes various height and bulk
17 restrictions for properties on the south
18 side of Chestnut Street between 12th
19 Street and 13th Street, as indicated in
20 both Sections 14-1607 and 14-305 of The
21 Philadelphia Code.

22 The Philadelphia City Planning
23 Commission considered Bill No. 110083 at
24 their meeting of February 15th of this
25 year. After consideration, the

1 3/23/11 - RULES - BILL 100610, ETC.

2 Commission recommended that Bill No.
3 110083 be approved. While the
4 Philadelphia City Planning Commission
5 does not normally recommend piecemeal
6 amendments to the Zoning Code, the
7 Commission found these amendments to be
8 generally consistent with the proposed
9 revisions to the Zoning Code being
10 prepared by the Zoning Code Commission.

11 This concludes my testimony. I
12 appreciate the opportunity to appear
13 before you today and will be pleased to
14 answer any questions you may have.

15 COUNCILMAN KENNEY: Thank you
16 very much for your testimony.

17 Any questions for this witness?

18 (No response.)

19 COUNCILMAN KENNEY: Thank you
20 very much for your testimony.

21 Please remain close by in case
22 we need some additional information.

23 Mr. Patterson, Mr. Beauvais,
24 Mr. Giegerich, Mr. Schultz, Mr. Soens,
25 whoever is going to represent your

1 3/23/11 - RULES - BILL 100610, ETC.

2 testimony.

3 (Witnesses approached witness
4 table.)

5 COUNCILMAN KENNEY: Please
6 identify yourself for the record and
7 proceed.

8 MR. PATTERSON: Thank you. My
9 name is Ronald Patterson. I'm with the
10 law firm of Klehr, Harrison, Harvey and
11 Branzburg, 1835 Market Street. I
12 represent the proposed purchaser and
13 developer and operator of this location
14 at 1200 Chestnut street.

15 This regards the old Beneficial
16 Savings Bank building at the corner of
17 12th and Chestnut Street. It's
18 historically designated, built in 1912.
19 It was the headquarters for Beneficial
20 Savings Bank. They vacated the building
21 in 1999. It's been vacant and it's been
22 a haven for vagrants and beggars since
23 then. Fortunately, the current owner has
24 taken the time and the money and effort
25 to preserve it inside and out, and if you

1 3/23/11 - RULES - BILL 100610, ETC.

2 see the pictures that we've submitted,
3 that is the current condition of the
4 building in the inside.

5 It was difficult to find a
6 tenant or use for this sole-purpose
7 building, especially since the bank left
8 a deed restriction for a limited period
9 of time prohibiting the use as a bank.
10 So we propose to reuse the building by
11 creating a billiard hall on the first
12 floor, which is approximately 7,000
13 square feet with 55-foot tall ceilings.
14 It's a voluminous building, but limited
15 in gross floor area.

16 The first floor would
17 accommodate 17 pool tables. You'll see a
18 rendering in the package that we
19 submitted.

20 The second floor or full floor
21 is the old boardroom/office area. It's
22 been preserved in pristine condition.
23 The photos reflect that as well. We
24 propose to use that for corporate
25 functions, receptions, private parties,

1 3/23/11 - RULES - BILL 100610, ETC.

2 et cetera.

3 And, finally, on the roof we
4 propose a terrace to create a lounge to
5 accommodate the pool use and to enable
6 use of available or non-available gross
7 floor area.

8 Under the current Zoning Code,
9 the pool hall is a regulated use, as
10 mentioned, since the 1970s, the
11 perception at that time being that pool
12 halls created a deleterious effect,
13 creating secondary effects, and it's
14 grouped in with the regulated uses such
15 as massage parlors, go-go bars, tattoo
16 parlors and pawn shops. It's definitely
17 antiquated, as the Planning Commission
18 would agree, and they aren't the crime
19 havens that they used to be. This is not
20 an arcade, by the way. So, curiously,
21 the Code, which I heard under the
22 proposed Code provisions, would allow
23 this use. Also curiously, if this were
24 within a licensed area and were
25 coin-operated, the pool tables would be

1 3/23/11 - RULES - BILL 100610, ETC.

2 rented by the hour and by person, it
3 would have an exemption under the Zoning
4 Code by being within an LCB-licensed
5 area, but since these are not
6 coin-operated, it actually is
7 counterintuitive, because it allows us
8 more of an opportunity to monitor what's
9 going on at the tables.

10 We also propose a restaurant,
11 and any type of restaurant on Chestnut
12 Street, because of the Center City
13 Special Control Overlay, requires a trip
14 to the Zoning Board. There's also a
15 height provision that we're seeking
16 relief from, which says that no building
17 on the south side of Chestnut Street can
18 be taller than 50 feet. Our current
19 building is at 74 feet, and the additions
20 that we are proposing, which would
21 encompass an elevator structure, stair
22 structure and a retractable opening and
23 closing glass roof, would take the
24 building height to 89 feet. The building
25 currently exists at 74, as I mentioned,

1 3/23/11 - RULES - BILL 100610, ETC.

2 which exceeds currently what the 50-foot
3 height limitation would be on that side
4 of the street.

5 The accoutrements I mentioned
6 on the roof were reviewed and approved by
7 the Historical Commission, because the
8 building is historically designated. The
9 roof area, the terrace and the
10 retractable glass roof were all designed
11 with a barrier wall on 12th Street to
12 eliminate and/or attenuate sound from
13 traveling beyond the property line, in
14 accordance with the Health Code. It was
15 designed in accordance with a sound
16 engineer for the same reasons.

17 The ordinance would also --
18 this ordinance would adjust -- allow for
19 an adjustment for a reasonable
20 accommodation of this use. It is not
21 spot zoning, as you may hear, per
22 caselaw. The Planning Commission has
23 vetted this. The Law Department has
24 looked at this. This ordinance does not
25 create an island, for example, of

1 3/23/11 - RULES - BILL 100610, ETC.

2 commercial use that's surrounded by acres
3 and acres of residential uses. This is
4 one of the primary commercial corridors
5 that's also primarily mixed use of
6 residential and commercial. So we feel
7 that this, under caselaw, is an
8 appropriate adaptive reuse.

9 We have neighbors on three
10 corners. On the northwest and the
11 northeast corners -- and we have
12 representatives from those corners
13 here -- are in support of this
14 application and uses, and as I'll mention
15 in more detail, we have a private
16 agreement that delineates everything
17 imaginable that we could talk to in this
18 agreement.

19 The southeast corner, which is
20 a condominium building, is zoned and
21 controlled by the Tony Goldman Group, who
22 is a landlord to numerous bars and
23 restaurants in that area, and I'll just
24 leave it at that. There are a handful of
25 owners in that building who oppose this.

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2 I'm sure you'll hear from them today.

3 We were proceeding to the
4 Zoning Board. We couldn't reach an
5 agreement with that White Building. We
6 reached a detailed agreement, as I
7 mentioned, with the Washington West Civic
8 Association that we hope that we will
9 sign -- that they will sign. The
10 neighbors on the northwest and northeast
11 corners have agreed to sign the
12 agreement.

13 If you look at the agreement,
14 which I did hand up, you'll see that it
15 addresses all the issues concerning
16 parking, loading, limiting occupancy to
17 500 total with 150 on the terrace, the
18 roof use, the times of operation, the
19 decibel levels, the opening and closing,
20 et cetera, et cetera. We've also
21 submitted an equal opportunity plan that
22 the City reviewed and approved. This is
23 a \$6 million purchase and development
24 project, which will produce approximately
25 40 to 50 jobs.

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2 I have David Schultz here, who
3 is the architect on the project, Paul
4 Giegerich, who is the proposed owner and
5 operator, if there are any questions for
6 him or them. If not --

7 COUNCILMAN KENNEY: Councilman
8 DiCicco, if you have other questions.

9 MR. PATTERSON: I have other --

10 COUNCILMAN KENNEY: Councilman
11 DiCicco, say what you have to say and
12 then --

13 MR. PATTERSON: Sure.

14 COUNCILMAN DiCICCO: Thank you.

15 Good afternoon. Just for the
16 record, Mr. Patterson, either you or -- I
17 don't know if the architect, someone else
18 will speak to it as it relates to the
19 roof deck portion when you talk about the
20 wall on the east side of it. For the
21 record, could you explain how we got to
22 that? The initial plan was for a fully
23 glass enclosed roof deck on at least
24 three sides, including the east side, and
25 then there was an agreement as a result

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2 of the complaints that were coming from
3 The White Building being able to --

4 MR. PATTERSON: That is
5 correct.

6 COUNCILMAN DiCICCO: Could you
7 just for the record explain that?

8 MR. PATTERSON: Sure I would.
9 The west side of the property, let's say,
10 has a wall that's higher than the roof.
11 Our retractable glass roof would cover
12 all sides. And in addition, based on our
13 studies and consulting with the sound
14 engineer, proposed an eight-foot
15 translucent barrier wall along the 12th
16 Street perimeter that, in our opinion,
17 would block any sound from traveling
18 across 12th Street. So that was
19 incorporated into the design and approved
20 by the Historical Commission.

21 COUNCILMAN DiCICCO: But that
22 came about as a result of meetings and
23 conversations with the folks who live in
24 The White Building.

25 MR. PATTERSON: As well as the

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2 Washington West Civic Association.

3 COUNCILMAN DiCICCO: Thank you.

4 COUNCILMAN KENNEY: Thank you
5 very much.

6 Any more questions for any of
7 these witnesses?

8 (No response.)

9 MR. PATTERSON: Greg.

10 COUNCILMAN KENNEY: To offer
11 what? What's the testimony going to be
12 offered?

13 MR. PATTERSON: Mr. Muller is a
14 representative of the owners on the
15 northwest and northeast corners, just to
16 testify to the agreement.

17 COUNCILMAN KENNEY: Okay.

18 Thank you.

19 Please identify yourself for
20 the record.

21 MR. MULLER: My name is Greg
22 Muller from SSH Real Estate. As
23 Mr. Patterson mentioned, we control the
24 building at 1201 Chestnut and also own
25 Girard Square, which is the northeast

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2 corner. We're in support of it at 1201
3 Chestnut. We're in the process of
4 redeveloping 100 apartments. They'll be
5 delivered this summer, and we're spending
6 \$30 million.

7 To be short and sweet, our
8 thought is that having a redeveloped
9 amenity is better than a vacant bank
10 branch, and we're having our own
11 agreement to deal with some of the sticky
12 issues, but we're in support of it.

13 MR. PATTERSON: And that is the
14 agreement I handed up to the Committee.

15 MR. MULLER: Yes.

16 COUNCILMAN KENNEY: We have it
17 for the record. Thank you.

18 Mr. Gallery, please identify
19 yourself for the record.

20 MR. GALLERY: John Gallery.
21 I'm the Executive Director of the
22 Preservation Alliance for Greater
23 Philadelphia. We're here to support this
24 bill.

25 I submitted a letter of

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2 support, which I assume members of the
3 Committee have, and consequently, I'll
4 just make a few brief points.

5 This is a very important
6 building. It is historically significant
7 for three reasons. Beneficial Bank was
8 an important financial institution in the
9 City, a pioneer in developing
10 homeownership financing. Architecturally
11 it was designed by Horace Trumbauer, one
12 of the great architects of Philadelphia,
13 the early 20th century, and the exterior
14 is a landmark in its location. But I
15 think most relevant to this bill is the
16 fact that the interior of the building is
17 completely intact in terms of its
18 original design. In fact, if the
19 building had been nominated to the
20 Philadelphia Register after City Council
21 approved the designation of historic
22 interiors, I have no doubt that the
23 interior would have been designated as
24 well. It's that significant and that
25 complete in terms of its integrity.

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2 Once this building became
3 vacant, I became very concerned about it.
4 I toured the building myself. I spoke to
5 a number of developers trying to find
6 someone interested, but the response that
7 I always got was, there's not enough
8 usable space in the building to make a
9 financially feasible deal. So we're
10 grateful that a developer has come along
11 that can use this space, but we also
12 understood the need to add something on
13 the roof. We reviewed the proposed
14 designs very carefully, testified in
15 support of the rooftop additions at the
16 Historical Commission.

17 I'm also aware of the work the
18 developer has done with the community,
19 and we think that there's been a really
20 sincere and extensive effort to resolve
21 differences of opinion.

22 I am an amateur pool player
23 myself. I've played pool in most of the
24 major cities in the United States and in
25 some in Europe. Philadelphia does not

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2 have a first-class pool facility in the
3 vicinity of Center City. Every other
4 major city in the country probably does.
5 This would be a great asset to
6 Philadelphia, and I hope that the
7 Committee will report the bill out
8 favorably and Council will support it.

9 Thank you.

10 COUNCILMAN KENNEY: Thank you
11 very much for your testimony.

12 MR. GALLERY: I'd like to add a
13 footnote, directed mainly to Councilman
14 DiCicco on the last hearing that you had.
15 You may remember several years ago you
16 introduced a bill for conservation
17 districts. A conservation district would
18 be an ideal, permanent and relatively
19 quick solution to the Point Breeze
20 problem. If residents of the
21 neighborhood would be interested in
22 pursuing that, the Preservation Alliance
23 would be willing to provide technical
24 assistance to the community to do that.

25 COUNCILMAN DiCICCO: Thank you,

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2 but I will pass that on to Council
3 President, since it's her district. But
4 thank you for that offer.

5 COUNCILMAN KENNEY: Thank you
6 very much for your testimony. It's
7 always nice having you on board with the
8 project. We appreciate it.

9 I don't really need anything
10 else.

11 MR. PATTERSON: Okay. Thank
12 you.

13 COUNCILMAN KENNEY: Thank you.

14 Any other questions for these
15 witnesses?

16 (No response.)

17 COUNCILMAN KENNEY: Seeing
18 none, Mr. Adamondo, please. Is Mr.
19 Adamondo here?

20 MR. PATTERSON: Mr. Adamondo
21 can't make it and Mr. Muller was
22 testifying on his behalf.

23 COUNCILMAN KENNEY: Fine.

24 Is there anyone else to testify
25 on this bill?

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2 Please come forward.

3 (Witnesses approached witness
4 table.)

5 MR. KASKEY: Good afternoon.

6 COUNCILMAN KENNEY: Good
7 afternoon.

8 MR. KASKEY: My name is John
9 Kaskey. I'm an attorney at Braverman and
10 Kaskey, 1650 Market Street, 56th floor.
11 I'm also a resident of The White
12 Building. I live in Unit 501, which is
13 directly across the street from the
14 proposed project.

15 I think that this proposal or
16 this proposed ordinance unfortunately
17 constitutes a blatant case of
18 unconstitutional spot zoning. The
19 ordinance seeks to allow the creation of
20 a project that would be up to 850 people.
21 It would be hands-down the biggest bar in
22 Center Philadelphia. It would contain a
23 roof deck that would allow for music on
24 the rooftop 50 feet away from people's
25 bedroom windows. If you were to look

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2 here from where you're sitting to the
3 back of the room, it's no more than that
4 far away. It's, I think, got a proposal
5 of 250 people for that rooftop deck, and
6 there's just not a chance in the world
7 that there's not going to be a noise
8 problem spilling across from 250 people
9 with music over to The White Building.

10 This project requires three
11 variances in the Zoning Board of
12 Adjustment certificate. That's the
13 applicant's burden of proof on each one
14 of those items, to prove that it meets
15 the standard for the variance and for the
16 certificate. The applicant was never
17 seated before the Zoning Board of
18 Adjustment to obtain any of the needed
19 variances or the certificate. Instead,
20 the applicant has had his hearings
21 scheduled six times, has adjourned each
22 of the hearings, and then has tried to do
23 an end run, getting this ordinance passed
24 that would basically give them the
25 imprimatur of having passed the

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2 requirements for the variances and for
3 the Zoning Board certificate.

4 The bill seeks to amend the
5 various statutes, as mentioned initially,
6 to delete or to amend the definition of a
7 billiard hall to delete it on the
8 Chestnut Street side, to delete the
9 height limitation on the south side of
10 Chestnut Street between 12th and 13th,
11 and to remove the requirement for a
12 Zoning Board certificate for this
13 particular project.

14 I've handed out a map to you,
15 and if you look at the two maps, it will
16 be really evident really quickly how this
17 project violates everything. If you look
18 at the colored map and you go down and
19 you see in the middle of it, you'll see
20 kind of an orange thing in the middle,
21 which is the Philadelphia Constitution
22 Center, and if you go directly below
23 that, you'll see a little dot, a little
24 red circle dot, which is where this
25 proposed project would be, and this is

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2 where the particular variance or the
3 revision of the statute would cover.

4 If you then go ahead and you
5 look at the bigger map or the map of the
6 City of Philadelphia, this map slots in a
7 that little section called Center City
8 District. So in all of Philadelphia,
9 except for that little dot here now,
10 which is going to be in Center City, you
11 can't have a billiard hall within 50 feet
12 of any residence -- or 500 feet, excuse
13 me, of any residence, church, et cetera,
14 with the exception of this one little
15 spot, this one little island that
16 Mr. Patterson previously said doesn't
17 exist. This changes the residents'
18 rights vis-a-vis the rest of the City of
19 Philadelphia. Everyone else in the City
20 has the right to appeal, to protest
21 against the issuance of a variance,
22 except on this one little spot, and
23 that's what this ordinance is designed to
24 do. It is designed to take away the
25 residents' rights and to shift the burden

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2 of proof on this project from the
3 applicant to the residents and force the
4 residents to go before a judge and have
5 an injunction issued to have this project
6 or this ordinance overturned. It is
7 completely unfair in terms of its
8 treatment of residents. It totally
9 strips people of their rights, and it
10 empowers this applicant to go forward and
11 do something that no other applicant has.
12 There was not another person in the
13 Center City Commercial District who
14 doesn't have to get a ZBA certificate to
15 put a restaurant or bar in their space.
16 This applicant would do that.

17 You're going to have a height
18 restriction removed to put a roof deck
19 bar 50 feet away from people's windows.
20 Again, if these things were so good, the
21 statute or the ordinance would have said
22 that regulated use would not include
23 billiard hall, the height restriction on
24 Chestnut Street and the Center City
25 Commercial District would have been

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2 removed and the requirement to obtain a
3 Zoning Board of Adjustment certificate
4 would have been removed. That's not the
5 case, and it's not the case because I
6 don't think that any -- I don't believe
7 Councilman DiCicco believes that City
8 Council would support that. These are
9 rules that have been implemented to
10 protect certain areas of the City and to
11 protect residents' rights, and instead of
12 stripping them away, they've only
13 stripped them away for this one little
14 project to the detriment of the people
15 who have actually bought and live in the
16 neighborhood.

17 I don't believe that this
18 applicant can meet the standards for the
19 variance, and I think that's why the
20 applicant hasn't moved forward with that.
21 I think at a minimum, before this bill
22 should have been introduced, the
23 applicant should have been forced to
24 actually move forward and to seek
25 variances, see if they could have even

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2 obtained them, that nothing has been done
3 there. And I'll note that the residents
4 of the building, who have been against
5 this project since day one because of the
6 scope of the project and because of the
7 roof deck, have on numerous occasions
8 offered the developer the opportunity to
9 enter into an agreement which would allow
10 the creation of a billiards hall in the
11 interior space, not on the roof, and with
12 limited size restrictions so that at 2:00
13 in the morning when the place empties
14 out, you don't have 500 to 800 drunks on
15 the sidewalk waking everybody up. The
16 applicant has steadfastly refused to even
17 entertain that and has insisted that the
18 project go forward his way or no way, and
19 rather than be forced to go through the
20 process that every other developer in the
21 City has to go through has obtained
22 somehow this proposed ordinance.

23 COUNCILMAN KENNEY: Thank you
24 for your testimony.

25 Sir, identify yourself, please,

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2 for the record.

3 MR. GOWA: My name is Andrew
4 Gowa. I'm a lawyer. I represent The
5 White Building Condominium Association
6 and a number of the unit owners of The
7 White Building, many of whom are still
8 here, either down here or up in the
9 gallery, and who oppose this bill.

10 I don't want to be repetitive
11 of Mr. Kaskey's testimony, but I do think
12 that there are some additional points
13 that need to be considered.

14 The Condominium Association has
15 tried to negotiate an arrangement and an
16 agreement with the developer. We've been
17 trying to do that since Mr. DiCicco sent
18 my client a draft of that agreement, I
19 believe, on February 24th. We carefully
20 considered, met with the client, my
21 client, and marked up that agreement and
22 sent it to Mr. Patterson. It was another
23 two weeks before Mr. Patterson returned
24 it. I received it this Monday.

25 I met on the telephone

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2 yesterday with Mr. Patterson and the
3 principal of the developer,
4 Mr. Giegerich, and essentially was
5 stonewalled.

6 What my clients or in
7 particular the Association wants is the
8 ability to have peaceful enjoyment of
9 their residential units. There are small
10 children who live in that building and
11 who have bedrooms that are on the 12th
12 Street side on the 5th floor, literally
13 at the same height that you and I are at,
14 50 feet away or less, and I think John
15 tried to illustrate how close that is.

16 There have been two sets of
17 noise control engineers retained by
18 various unit owners in the condominium
19 who are very concerned about what's going
20 on and feel that it can be ameliorated,
21 it can be worked out, but there have to
22 be very clear standards for noise, there
23 have to be very clear measurements and
24 methods of measuring the noise and
25 measuring the ambient sound.

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2 With the greatest respect for
3 the City, the City passed a noise
4 ordinance some years ago. At the time
5 that it was passed, I truly believe that
6 the City had the best interest of the
7 citizenry at heart in drafting it.
8 However, technology has changed. I
9 learned in this process over the last
10 four or so weeks that there are many
11 different measurements, and when you talk
12 about noise being a certain dB level,
13 there are at least three different dB
14 measurements. There's dBA, dBB, dBC.
15 They measure different kinds of things,
16 but the ordinance doesn't contemplate it.

17 Moreover, the methods and
18 scales of measurement are also varied.
19 There is no one scale. There's the L Sub
20 1 scale, the L Sub E scale, the L Sub 60
21 scale and the LEQ scale. There may be
22 others, but I'm just a poor lawyer, not
23 an engineer. And those scales depend on
24 what you're trying to measure, whether it
25 be ambient noise, whether it be music, et

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2 cetera. What we have asked of the
3 developer is that we establish, with a
4 mutually agreeable expert before the
5 ordinance is passed, what the appropriate
6 levels are, what the appropriate
7 standards of measurement are, what kind
8 of person will be retained as a mutual
9 expert. For example, in our draft of
10 this proviso agreement, we specified that
11 the expert must be a member of INCE,
12 which is the preeminent trade or
13 professional association. It's the
14 Institute for Noise Control Engineering.
15 That was rejected. Very simple, very
16 rational request.

17 We've asked that the standards
18 for measuring ambient noise be determined
19 in advance of the ordinance being passed.
20 That's been denied as well.

21 The major thrust of my clients'
22 concern, while it is concern with a great
23 number of things, as Mr. Kaskey has
24 pointed out, including what goes on on
25 the first floor when six or eight hundred

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2 people are let out, is what's going on on
3 the roof, because it is, despite what
4 everybody tells you from the developer's
5 side, it is open, except probably in the
6 extreme winter. And noise travels. We
7 have no doubts that the developer would
8 do certain things to attenuate the noise,
9 but I believe Mr. Patterson testified a
10 few minutes ago that the steps they're
11 taking will, quote, block any sound going
12 across the street. Pretty bold
13 representation. All we ask for is that
14 we come up with a protocol for measuring
15 the sound at The White Building in an
16 appropriate way so that we have the
17 ability to enforce that promise, and that
18 is where we have been stymied with the
19 developer.

20 There have been other issues
21 where the developer's proposed agreement
22 has been somewhat helpful. There are a
23 number of issues having to do with the
24 roof deck and noise, where it is totally
25 inadequate and does not protect The White

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2 Building residents or their children.

3 I would point out some other
4 things. At one time, I was a developer
5 too and I learned some things about
6 drawings and renderings. If you look in
7 the package that I just got a couple
8 minutes ago that Mr. Patterson handed out
9 that shows the rendering of the roof -- I
10 think it's probably around six pages
11 in -- it looks very benign. First of
12 all, a large part of the roof is closed,
13 it's retracted, it's pulled out. And,
14 second of all, you see all these nice
15 comfortable chairs with tables in front
16 of it. And I counted them, and I counted
17 them on the website as well where they
18 show a rendering of the top floor, and I
19 count approximately 40 seats, whereas
20 their legal capacity is in excess of 200,
21 and they will not commit to have less
22 than 150 guests up there.

23 Moreover, their current website
24 that I looked at this morning again
25 clearly says "come and have your parties

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2 on the roof deck." That's really
3 inimicable to the residential people
4 living less than 50 feet away.

5 All we ask for is appropriate
6 safeguards and an appropriate flexible
7 approach that the developer has all along
8 promised to my clients, but when it came
9 to the discussion yesterday with me was
10 stonewalled.

11 Bear with me for a minute more.
12 I just want to cover a couple of things.

13 I do support what Mr. Kaskey
14 says and what Councilman DiCicco said in
15 the Point Breeze discussion, and, that
16 is, that the appropriate route here is
17 getting a certificate and variances
18 before the Zoning Board of Adjustment.
19 And as Mr. Kaskey noted, that is what the
20 developer did here and never has
21 withdrawn or terminated the ZBA process.
22 It is still there. He hasn't pursued it,
23 but it is there. And that is the proper
24 way under the ordinance to move forward
25 with this project.

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2 I would point out that it is
3 perhaps disconcerting the speed with
4 which things have progressed with Bill
5 110083. It was introduced on the 10th of
6 February. Five days later, without
7 notice to the community, the Planning
8 Commission heard it. The Historic
9 Commission, without notice, heard it. We
10 did not get -- "we," the community and
11 the condo association and its members --
12 did not get the proposed proviso from the
13 developer until Councilman DiCicco was
14 good enough to supply it on February
15 24th. We turned it around as quickly as
16 we could. It's a rather long, difficult
17 type of agreement, and returned it on the
18 11th of March, and I didn't get it back
19 marked up from Mr. Patterson until this
20 Monday.

21 For some reason, things seem to
22 be steamrolling downhill without the kind
23 of deliberate and due process that City
24 Council prides itself in. I would point
25 out, for example, that when the height

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2 restriction and bulk restriction that
3 applies to this area was enacted by City
4 Council, there were voluminous, careful
5 and detailed findings of fact and
6 background, and now without any
7 explanation, without any research,
8 without any due diligence as to why those
9 bulk and height restrictions should not
10 apply to one little spot on the map, as
11 Mr. Kaskey calls it, is a little
12 puzzling. Why it is that the very first
13 section of Ordinance or Bill 110083 says
14 Pool Room -- "Definitions, Pool Room, an
15 establishment which provides two or more
16 tables for the playing of pool or
17 billiards." Pretty straightforward.
18 That's what the ordinance says now. And
19 added to that, except in this one block
20 in the City of Philadelphia. So I guess
21 that means if you're on the north side of
22 Chestnut Street and you have a couple
23 pool tables, you have a pool table and
24 you have a pool room, but if you go
25 across the street to the south side and

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2 you have the same pool tables, you don't
3 have a pool room. This makes no sense.
4 There is no factual basis for it.

5 We have tried acidulously to
6 heed the wise advice of Councilman
7 DiCicco to try to work with the
8 developer. I speak for myself, who was
9 on the telephone yesterday with
10 Mr. Patterson and the developer. That
11 effort does not seem to be receiving any
12 kind of reception from the developer,
13 other than telling me, I've been at this
14 for months and I've had it. It's, I
15 think, a bit -- I don't want to use the
16 word "arrogant," but I think it's a bit
17 heavy-handed. And I am struck by the
18 fact that the developer himself,
19 Mr. Giegerich, went around town in
20 January and publicly told people in
21 Philadelphia on Friday, 1200 Bank LLC,
22 his company, has been informed that we
23 will get the zoning approvals we need to
24 do the project as planned for 1200
25 Chestnut Street, including the roof

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2 terrace, thanks to the active support of
3 the project from the City, including the
4 Mayor. This is great news.

5 COUNCILMAN KENNEY: This is
6 clearly not a court of law or you would
7 not be able to put that into the record.
8 So it is in the record now, and we
9 understand that's your assertion.
10 However, as a lawyer, you know that that
11 probably would not be accepted, what
12 Mr. Giegerich went around and said to
13 someone else. We at least agree on that
14 point?

15 MR. GOWA: I accept Councilman
16 Kenney's --

17 COUNCILMAN KENNEY: A
18 non-lawyer, by the way. Thank you.

19 MR. GOWA: All along we've been
20 told by the developer that there'll be no
21 promoters, there're not going to be
22 people from the outside coming in and
23 promoting all sorts of big, splashy
24 events that are going to further disturb
25 the neighborhood. When it came time to

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2 putting that in writing, he wouldn't do
3 it.

4 We insisted that there be
5 survivability and enforcement by the
6 homeowners. Again, with all due
7 deference, the City is not rolling in the
8 riches right now and has trouble
9 enforcing many provisions. So the
10 neighbors really want that right of
11 survivability so that it passes to the
12 next owner, if the current developer
13 sells it, and the right to go to court
14 and stop it.

15 I believe there are perfectly
16 adequate safeguards in place if the
17 applicant and developer went the route of
18 the ZBA, which is spelled out clearly in
19 the ordinance. I think it's, as
20 Mr. Kaskey said, inappropriate for City
21 Council to willy-nilly change zoning
22 ordinances for one person on one half of
23 one street in the entire City.

24 I would be glad to answer any
25 questions that Council and the Rules

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2 Committee has.

3 COUNCILMAN KENNEY: Thank you
4 for your testimony.

5 Councilman DiCicco.

6 COUNCILMAN DiCICCO: Thank you.

7 Good afternoon, gentlemen. I
8 know Mr. Patterson would like to respond,
9 I'm sure, to some of the comments --

10 COUNCILMAN KENNEY: I just want
11 to say, before you make your statement, I
12 don't want -- the purpose of this hearing
13 is that you hear people for the record
14 and to hear the concerns and to hear both
15 sides, but I'm not going to enter into a
16 legal debate in the midst of this hearing
17 when I have three more bills that I'm
18 hearing. So if there's going to be a
19 legal debate somewhere down the road, it
20 should be in another room in this
21 building, not in here.

22 So if Mr. Patterson -- we've
23 given in the past on other issues the
24 ability to kind of improve the record or
25 whatever he wants to do with the record,

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2 the things that you've been saying, but
3 I'm not -- I know lawyers and I love you
4 all, but this could go back and forth
5 forever. So if you want to -- I'm sorry.
6 Councilman DiCicco.

7 COUNCILMAN DiCICCO: I agree
8 with you, Councilman. I just think that
9 there are some comments that have been
10 made that need to be clarified for the
11 record, not to create a legal debate
12 here. I agree. And sometimes it turns
13 out that way even though we try not to
14 make that happen.

15 But you mentioned, sir, that
16 this agreement was introduced or gotten
17 to you a couple of weeks ago. You're a
18 new attorney representing some of the
19 residents in The White Building. Is that
20 accurate?

21 MR. GOWA: And the Condominium
22 Association.

23 COUNCILMAN DiCICCO: And
24 there's been reference made that the bill
25 was introduced on February 10th and it

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2 kind of seems like this is on a fast
3 track. Well, if memory serves me right,
4 I think I've been discussing this project
5 with Mr. Patterson and the developer and
6 the community, who I met in The White
7 Building to have a discussion, and
8 correct me if I'm wrong, it's almost one
9 year ago that the discussion on this
10 project began. You may not -- you were
11 not here. I understand that. But I
12 think it's disingenuous for anyone to
13 suggest that this is on a fast track,
14 when it's almost 12 months that we've
15 been working on this project. And there
16 have been a number of give and takes, if
17 you will, from both sides.

18 The roof deck that was
19 referenced -- and I made mention of this
20 earlier -- was a fully glass enclosed
21 roof deck at one point. There is now an
22 opaque wall on the eastern side of it.
23 That is the result of the developer
24 agreeing to put something up that would
25 protect or camouflage the tenants who are

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2 in The White Building from looking
3 into -- on the upper floors of The White
4 Building, from being able to see across
5 and for patrons to look into their
6 window, the windows of the tenants in The
7 White Building. And there are other
8 things as well.

9 I just want the record to be
10 clear. People may think this is fast
11 tracked, but there comes a time when you
12 do these types of bills -- and I've been
13 doing this for a little bit more than 15
14 years -- when you reach an impasse, and
15 it seems to me in those cases -- and
16 there have been a few of them -- that
17 when the bill gets introduced and you
18 have a first reading, it seems that that
19 really gets people to understand that
20 something is going to happen and maybe we
21 all need to start to look at this a
22 little bit more closely and see if we can
23 work out and peel away some of those
24 issues. You may not get to all of them.
25 That's very rare that you get to all

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2 those issues, but peel away some of those
3 issues. Because if I didn't do this
4 bill, the discussions that have been
5 going on for the last six months over the
6 same issues, important issues to some,
7 maybe not important issues to others,
8 would be the same -- we'd be in the same
9 spot today that we were in six months
10 ago, and that to me doesn't do anyone any
11 good.

12 We need to get development in
13 the City. That is an empty, vacant
14 building. I know the problems with the
15 homeless and all the other things that
16 are there. We want an operator in there
17 that's going to not only create jobs, but
18 start to maybe add some viability to the
19 1100 and 1200 block of Chestnut Street.
20 And there are going to be obviously
21 people who have differences of opinions
22 there.

23 Do you, sir -- you called my
24 office a couple of weeks ago on a Friday
25 afternoon, I believe it was?

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2 MR. KASKEY: I did call your
3 office and I did speak with you.

4 COUNCILMAN DiCICCO: And you
5 spoke with me, and you talked to me about
6 your concern again for how this process
7 was moving too quickly and that a lot of
8 things were being rubber stamped, to
9 quote you. Things were being rubber
10 stamped at the Historical Commission, at
11 L&I, in my office, and that you were
12 going to go nuclear with the media to let
13 the media know that I was pretty much
14 ignoring the folks who live in The White
15 Building.

16 MR. KASKEY: That's not an
17 accurate assessment, but I'll respond in
18 a moment, though.

19 COUNCILMAN DiCICCO: It's
20 close. It's close. It's close. You
21 were going to go nuclear --

22 MR. KASKEY: It's not close --

23 COUNCILMAN DiCICCO: Here's how
24 it works --

25 MR. KASKEY: It's not close --

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2 COUNCILMAN KENNEY: One at a
3 time, please.

4 COUNCILMAN DiCICCO: I say
5 something, then you respond. I'm not
6 done.

7 You did that. I don't take it
8 as a threat, but you did say that.

9 Do you own a unit in that
10 building?

11 MR. KASKEY: No. The woman I
12 live with owns the unit.

13 COUNCILMAN DiCICCO: Did you
14 not tell me that you may be forced to
15 sell her unit in a depressed real estate
16 market?

17 MR. KASKEY: No, that's not
18 what I said.

19 COUNCILMAN DiCICCO: You didn't
20 tell me that?

21 MR. KASKEY: That's not --

22 COUNCILMAN DiCICCO: Let me ask
23 you another question.

24 MR. KASKEY: I'm happy to
25 answer the questions --

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2 COUNCILMAN DiCICCO: Let me ask
3 you one more question and then you can
4 answer.

5 MR. KASKEY: If you want to ask
6 me and you want me to answer, I'm happy
7 to do so.

8 COUNCILMAN DiCICCO: Okay. You
9 answer me. Answer me.

10 MR. KASKEY: What I said to
11 you, Councilman -- and let me be clear,
12 and let me just take one step back for
13 your lead-in here. The issue here is,
14 you do not -- and I will bet any amount
15 of money on this -- do not inject
16 yourself into every Zoning Board dispute.
17 When a developer comes forward and he
18 needs to get a variance and if there are
19 neighbors who actually are against the
20 project, you don't come forward and
21 introduce a special ordinance every time
22 that happens. You don't sit there and
23 not let the Zoning Board of Adjustment
24 hear cases.

25 You have chosen to do that here

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2 and you have chosen to do it in one or
3 two other occasions. For what reason, I
4 don't know. I suspect at some point
5 along the way we'll find that out.

6 In answer to your question to
7 me --

8 COUNCILMAN DiCICCO: Could you
9 be more specific about that last
10 statement, somewhere along the way you
11 will find that out?

12 MR. KASKEY: I imagine that if
13 the bill passes, that we will be in
14 litigation over this issue and I will be
15 taking depositions of people.

16 COUNCILMAN DiCICCO: Sounds
17 good to me. I look forward to that.

18 MR. KASKEY: Okay. Moving
19 forward, in answer to your question, I
20 said to you that I objected to this
21 project that would put that roof deck 50
22 feet away. You said to me, sir, that you
23 were going forward with this because I
24 would object to any use or any proposed
25 variance in that building, and I told you

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2 specifically that was not the case. I
3 told you that people would support,
4 including myself and the owner of the
5 unit, of a proposal that would put a
6 billiard hall in the interior of that
7 building, but to build a rooftop deck on
8 that building, to increase the capacity
9 by 250 people, was not acceptable in any
10 way, shape or form, and that I would not
11 be forced to sell the unit today with
12 that threat of that rooftop deck pending
13 out there.

14 That roof deck, I think -- and
15 I believe almost everybody who lives on
16 the 5th floor believes -- it will be the
17 demise of the value of their units.
18 You're sitting there saying that you're
19 going to put a bar with 200 people 50
20 feet from their bedroom windows, and if
21 you think that's going to enhance values,
22 well, come on over, because I'd love to
23 have you buy the unit.

24 COUNCILMAN DiCICCO: There are
25 bars within 50 feet of most residential

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2 neighborhoods in the City everywhere you
3 go. El Vez, 13th and Sansom, is directly
4 across the street from a condominium.
5 People live within 50 feet of that.

6 We live in the City. We don't
7 live --

8 MR. KASKEY: Not up in the sky
9 and not requiring a variance.

10 COUNCILMAN DiCICCO: Well,
11 you're going to debate that and we'll
12 have that discussion later, but I also
13 need to ask you one more question. Did
14 you ever have a discussion with the
15 developer about his purchasing your
16 fiancee's unit?

17 MR. KASKEY: The developer has
18 offered to buy her unit multiple times.
19 I have that in writing. I have numerous
20 offers from him.

21 COUNCILMAN DiCICCO: Did you
22 make that offer to the developer?

23 MR. KASKEY: No. The developer
24 made it to me. I have it from his lawyer
25 and from him directly, and if you'd like

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2 to see copies of it, I'm happy to share
3 them with you and anyone else on the
4 panel.

5 COUNCILMAN DiCICCO: And why
6 did you turn down the offer?

7 MR. KASKEY: Why did I turn
8 down the offer? Very simple. The offer
9 was that he would not put enough money
10 down. He wanted me to no longer be
11 involved in the representation of her.
12 He asked me to sign an agreement that I
13 would represent an entity of his, since
14 you're asking me this and putting this on
15 the record, so that I would be stopped as
16 a lawyer from being able to represent
17 anyone else in the building. And I'm
18 happy to share that agreement with you
19 since you've asked me that as well and
20 you've implied that there's something
21 improper about that. As a matter of
22 fact, I'll send a copy of it over to you
23 today so you can see it with your own
24 eyes. And the reason I turned it down
25 was because all the developer would do

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2 then is not close under the agreement of
3 sale and I would get the deposit back,
4 which would not be sufficient to cover
5 what the loss would be along the way.

6 COUNCILMAN DiCICCO: I didn't
7 imply anything. I just asked you a
8 question.

9 MR. KASKEY: No. You implied
10 it, sir.

11 COUNCILMAN KENNEY: Let's --

12 MR. KASKEY: Again, I will
13 send --

14 COUNCILMAN DiCICCO: And you
15 will say on the record --

16 MR. KASKEY: I will send you
17 all of the copies of all of the offers
18 from the developer and his counsel.
19 There are multiple offers.

20 COUNCILMAN DiCICCO: And you
21 didn't say, for the record, you didn't
22 call me up and tell me that you're
23 being -- you may be forced to sell your
24 fiancee's unit at the low market value?

25 MR. KASKEY: No, I did not. I

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2 said I would not be forced to sell it
3 because of this ordinance.

4 COUNCILMAN KENNEY: Thank you
5 very much.

6 MR. GOWA: Excuse me, sir. May
7 I just make a quick point, two quick
8 points?

9 COUNCILMAN KENNEY: Really
10 quick.

11 MR. GOWA: One is, with all due
12 respect, I am not Mr. Kaskey. My client
13 is not Mr. Kaskey. I represent the Condo
14 Association and certain other owners. I
15 think I've made my position clear, and
16 apropos of what you've said, Mr. Kenney,
17 I don't want to prolong the proceeding
18 today, but I would like to reserve my
19 right to respond to whatever
20 Mr. Patterson or his client says either
21 in writing or at a subsequent hearing.

22 COUNCILMAN KENNEY: Absolutely.

23 MR. GOWA: Thank you.

24 COUNCILMAN KENNEY:

25 Mr. Patterson, I'm going to ask you to

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2 please --

3 MR. PATTERSON: One second.

4 COUNCILMAN KENNEY: Well,

5 that's not possible. That's not

6 happening.

7 MR. PATTERSON: For them it's

8 not possible. For me it is.

9 COUNCILMAN KENNEY: Re-identify

10 yourself for the record.

11 MR. PATTERSON: Sure. Ronald

12 Patterson.

13 Since Mr. Gowa mentioned my

14 name in conversations and he so

15 eloquently misrepresented the facts of

16 our conversations and I appreciate how he

17 tried to bait me in the conversation

18 yesterday, this agreement that two of the

19 other property owners have signed has

20 been out on the table for a year, as the

21 Councilman has said, at least since the

22 summertime. We've heard no discussions

23 from that side, from Mr. Gowa's clients,

24 probably since December, and now on the

25 eve of the ordinance hearings, I get an

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2 onerous response that probably changed a
3 third of the agreement, if you look at
4 everything that was changed, and then my
5 response saying I can't agree to this or
6 that now turns into I stymied the
7 process. That's just not true. That's
8 my spin on it.

9 Thank you.

10 COUNCILMAN KENNEY: Rebuttal?

11 MR. GOWA: We stand ready or
12 sit ready, as the case may be, to
13 continue negotiating in good faith with
14 Mr. Patterson --

15 MR. PATTERSON: I do, too.

16 MR. GOWA: -- and his client.
17 Good faith we recognize on both sides
18 means flexibility, and we welcome the
19 good graces and assistance of Councilman
20 DiCicco or anybody else that could bring
21 two parties together.

22 I've been doing zoning work for
23 36 years and I got to say, 90 percent of
24 the time it results in an understanding
25 or an agreement, not a fight.

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2 COUNCILMAN DiCICCO: And that's
3 all I've been trying to do, and to let it
4 sit there without having this hearing, I
5 believe we would not move off of square
6 one for another year. And the bill may
7 come out of this Committee favorably.
8 You'll still have time before the final
9 vote is passed to hopefully work out some
10 of the additional issues that are on the
11 table. I suspect -- and I said this
12 earlier -- no one is going to get a
13 hundred percent on either side. It just
14 doesn't work that way.

15 MR. GOWA: Councilman, I am
16 very old and, therefore, very aware of
17 what you're saying, and I would
18 respectfully hope that the Committee not
19 report it out favorably or unfavorably,
20 but in the meantime, that the parties
21 continue working in good faith.

22 I did not mean to misstate
23 anything about Mr. Patterson, who is a
24 fine, honorable and reputable lawyer. I
25 want to get to some sort of accommodation

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2 that works. And I think Mr. Patterson
3 will agree that when his client yesterday
4 criticized something I put in my draft, I
5 said, Take it out, you're right, I didn't
6 think of that.

7 COUNCILMAN KENNEY: Thank you
8 very much.

9 MR. GOWA: Thank you very much.

10 MR. KASKEY: Just one last
11 thing for the record. Have the applicant
12 proceeded in front of the ZBA. We'd be
13 six months along in the process there.
14 There's no reason that we couldn't have
15 been there and there's no reason for the
16 applicant not to be proceeding before the
17 ZBA.

18 COUNCILMAN KENNEY: Thank you
19 very much.

20 Anything else on this bill?

21 (No response.)

22 COUNCILMAN KENNEY: Seeing
23 none, we're going to -- we have three
24 more bills dealing with parking in some
25 form or another.

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2 First of all, I want to
3 apologize to all these folks from the
4 parking industry that have been here all
5 this time. I never expected that the
6 first bill would go as long as it did,
7 and we had no knowledge that that was
8 going to happen. So for all the working
9 folks in the audience, we apologize for
10 the length of time.

11 Let me explain to you what I
12 think we're going to try to do today.
13 There are three bills left. The most
14 important bill for me is the issue
15 relative to the parking tax and its
16 reduction. As we currently stand,
17 Philadelphia has a higher parking tax
18 than New York City, at two points higher
19 than New York City. I have, as a member
20 of this Council, committed to working
21 with the Parking Association to attempt
22 to get that number down. The Parking
23 Association has an idea as to where they
24 want to bring the number. I would like
25 to help them get there. We have to

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2 continue to have the discussion with the
3 Administration.

4 The issue is -- and I think you
5 understand this -- for whatever amount we
6 bring the parking tax down, we have to do
7 one of two things. We have to raise
8 additional revenue, which enforcement and
9 better enforcement of the existing laws
10 will do. We have to change some of the
11 ways in which we deal with parking now,
12 which the other two bills will hopefully
13 do. And whatever level we bring the
14 parking tax down to, we need to try to
15 show the Administration that we're
16 providing additional revenue to replace
17 that revenue. But I am committed -- and
18 I think I can speak for the rest of this
19 panel and Council. We are committed to
20 getting that parking tax back down to a
21 fair level.

22 What I'd like to do in an
23 effort to free up, if possible, some of
24 the folks that are probably not lawyers
25 and not getting paid by the hour, those

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2 who are here for the parking tax and its
3 ongoing efforts to having that reduced, I
4 would like you to please stand and be
5 recognized so we can see the number of
6 people that have come here today.

7 (Most audience members
8 standing.)

9 COUNCILMAN KENNEY: I think
10 that speaks quite volumes.

11 Please sit down. But I wanted
12 to make sure for the length of time you
13 sat here today, if we don't get to
14 everyone's testimony or everyone have a
15 chance to testify, at least we understand
16 the importance of this problem for
17 working people in the City. It's not
18 just parking lot owners. It's folks who
19 actually go to work -- not that you don't
20 go to work every day, but it's actually
21 for people who go to work every day and
22 are trying to make their way in the City.

23 So Councilmember Brown.

24 COUNCILWOMAN BROWN: Yes.

25 Mr. Chairman, I simply want to go on the

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2 record as well and let the record reflect
3 that I've had some preliminary offline
4 discussions with members of this
5 community as well and stand committed as
6 well to work with you, Mr. Chairman.

7 COUNCILMAN KENNEY: Thank you.

8 Just for the record, I hope to
9 get two of the three bills out. The
10 parking tax reduction bill is going to
11 have continued discussion with the
12 Administration and the Mayor and the
13 Mayor's people, and we want to try to
14 coordinate this in the course of our
15 budget hearings, that we have these
16 ongoing discussions on this tax
17 reduction, revenue enhancement and
18 whether or not we need to cut on
19 something else to make it all work, and
20 that's appropriately done through the
21 course of our budget discussions, not
22 outside of it. And that's one of the
23 promises that we made to the
24 Administration, that we at least have the
25 discussion within the confines of the

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2 budget deliberations.

3 So what I'm going to do now is
4 read all three bills. Everyone who comes
5 to the table to testify should testify on
6 all three bills, and this will
7 consolidate the length of time we have to
8 spend here more.

9 So first is Bill No. 100610,
10 which is an Ordinance amending Section
11 12-917 of The Philadelphia Code, entitled
12 "Valet Parking Zones," by revising the
13 Valet Parking Zone permit fees, all under
14 certain terms and conditions.

15 The second bill is Bill No.
16 100611, which is an Ordinance amending
17 Section 9-601 of The Philadelphia Code,
18 entitled "Garages, Parking Lots, Sales
19 Lots and Sales Showrooms," by requiring
20 Public Parking Lots and Public Garages to
21 accept credit cards and debit cards in
22 payment of parking rates, by conditioning
23 all licenses and permits issued under
24 that Section on the authority of City and
25 Philadelphia Parking Authority

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2 enforcement officers to enter public
3 garages and parking lots to enforce the
4 provisions of the Section, by revising
5 the provisions governing the permitting
6 and regulation of valet parking
7 operators, and by making certain
8 technical changes, all under certain
9 terms and conditions.

10 The third bill, which is the
11 bill which will not move today, is Bill
12 No. 110181, an ordinance amending Chapter
13 19-1200 of The Philadelphia Code,
14 entitled "Parking Tax," by providing for
15 scheduled reductions in the rate of the
16 tax beginning in Fiscal Year 2012, and by
17 making certain technical amendments, all
18 under certain terms and conditions.

19 I would like to ask the three
20 representatives of both the
21 Administration and the Parking Authority
22 to please take the table to start your
23 testimony.

24 (Witnesses approached witness
25 table.)

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2 COUNCILMAN KENNEY: And for
3 those folks who are here and have been
4 here for a long time who feel, after
5 listening to all parameters which we've
6 set to consider this, need to leave to go
7 to work or to do whatever they need to do
8 and if you're permitted by your employer,
9 you can go, but if you want to stay,
10 you're certainly welcome. But I don't
11 want to hold everyone here longer than
12 they have been already.

13 Whoever is ready to go first
14 from the Administration, please identify
15 yourself for the record and proceed.

16 COMMISSIONER RICHARDSON: Good
17 afternoon, Councilman Kenney. Keith J.
18 Richardson, the Revenue Commission.

19 Good afternoon, Councilman
20 Kenney, members of the Committee of
21 Rules. Again, my name is Keith J.
22 Richardson, the Revenue Commissioner, and
23 I'm here to talk today in regard to Bill
24 110181 and 100610.

25 Bill No. 100610 eliminates the

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2 permit fee of \$250 for each 20 feet of
3 curb space and additional 250 fee for
4 each parking meter that must be removed
5 to install the valet parking zone in
6 Center City, University City and Delaware
7 Avenue Entertainment District. In these
8 areas, the bill proposes to raise the
9 annual permit renewal fee to \$2,500 for
10 each 20 feet of curb space used for the
11 valet parking zone. In all the areas of
12 the City, the bill proposes to increase
13 the annual permit renewal fee to \$775 for
14 each 20 feet of curb space used for the
15 valet parking zone. The Revenue
16 Department supports Bill No. 100610, but
17 proposes that the language in the bill be
18 clarified to more clearly state the new
19 fee structure.

20 Bill No. 110181 proposes to
21 reduce the parking tax rate from the
22 current rate of 20 percent to 15 percent
23 over the next five years. In FY12, the
24 rate would be reduced to 19 percent. In
25 FY13, the rate would be reduced to 18

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2 percent. Each year the rate would be
3 reduced by one percentage point until the
4 rate reaches 15 percent in Fiscal Year
5 2016 and thereafter. Over the course of
6 the City's Five Year Plan, the General
7 Fund would lose an anticipated \$58.5
8 million in revenue based on these
9 projections and reductions. The City is
10 not in a position to absorb such a
11 significant loss of revenue over the
12 course of its Five Year Plan, and the
13 Administration does not support this
14 proposal in the current form.

15 The parking tax was increased
16 from 15 percent to its current level of
17 20 percent on July 1st of 2008. This
18 increase in the parking tax rate was a
19 specific policy decision to generate
20 revenue intended to be used for new
21 initiatives. It was consistent with the
22 recommendations of the Tax Reform
23 Commission back in 2003.

24 The parking tax is a trust fund
25 tax that customers pay to the parking lot

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2 owed to the City and School District. In
3 2009, the Revenue Department, in concert
4 with the hiring of five new auditors,
5 expanded the enforcement of the parking
6 tax. This activity continued in 2010
7 with the hiring of five more auditors.
8 In 2009 and 2010, the revenue has
9 assessed an additional 2 million in all
10 taxes due from parking operators. The
11 Department of Revenue continues to train
12 new auditors to become full-performance
13 auditors, which will help with additional
14 audits in this area. This will permit
15 Revenue to audit more cases that are
16 larger in scope, allowing for further
17 increases in assessments.

18 We understand that the sponsor
19 is considering an amendment to begin the
20 parking tax rate reductions later in the
21 course of the Five Year Plan and perhaps
22 limit the amount of full reductions to
23 somewhere between 15 percent and the
24 current 20 percent. We are certainly
25 willing to continue discussing this

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2 proposal with Councilman Kenney during
3 the course of the budget process,
4 including the impact any future
5 reductions in the tax would have on the
6 City's financial situation and whether
7 those are impacts the City can afford to
8 absorb.

9 Thank you for giving me the
10 opportunity to testify and I'm here to
11 answer any questions you may have.

12 COUNCILMAN KENNEY:
13 Commissioner, you will agree, though,
14 that if you took all your testimony
15 together, I know that the Administration
16 currently is opposed to the reduction of
17 the parking tax, but you would agree on a
18 matter of philosophy or generally that if
19 we could identify replacement revenue,
20 then that would be a zero sum gain, so to
21 speak, and you wouldn't view it as
22 onerous as you do taken separately from
23 anything else we do?

24 COMMISSIONER RICHARDSON: We
25 will sit down and go over and discuss

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2 with you what potentially we can look at
3 to make this a revenue-neutral situation.
4 Again, I don't think this is an onerous
5 tax. Again, this goes to the individuals
6 who pay to park in those parking lots.
7 It's a trust fund tax. Again, it's
8 remitted to us by the parking attendants,
9 and, quite frankly, honestly, I don't
10 think people that are customers that are
11 paying have been complaining about the
12 tax.

13 COUNCILMAN KENNEY: I'll give
14 you a good example. Enforcement of other
15 parts of the issues of parking impact the
16 collection of the tax. For example, if
17 valet operators are not following the
18 current rules and regulations that we
19 have in place, that they need a
20 seven-year agreement with a structured or
21 surface parking lot that is paying the
22 tax, then if they don't do that, we don't
23 collect the tax. So if they're putting
24 the cars on the street or they're putting
25 the cars on an unpaved lot that somebody

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2 they know owns just using for storage,
3 obviously we're not capturing potential
4 parking tax revenue, because if the valet
5 operator put the particular car in one of
6 our licensed lots that are paying taxes,
7 we would then be collecting those taxes.
8 You agree?

9 COMMISSIONER RICHARDSON: I
10 agree with you. However, again, you may
11 have some valet parking companies that
12 are paying the tax even though they're
13 not parking the cars in the lots that we
14 are talking about.

15 COUNCILMAN KENNEY: Where are
16 they parking?

17 COMMISSIONER RICHARDSON: They
18 could be parking cars on the street, but
19 they still could be collecting the tax.

20 COUNCILMAN KENNEY: That's my
21 point. We're on the same page. We're on
22 the same page. In a perfect world, if we
23 collected all the tax that was owed to
24 us, everyone would share the tax burden
25 equally and, therefore, we may not need a

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2 higher rate. Is that a fair statement?

3 You don't have to hang on to the 20.

4 COMMISSIONER RICHARDSON: No,
5 I'm not trying to hang on to the 20. I
6 guess my concern at the end of the day
7 is, again, as a taxpayer, when I go into
8 a parking lot, that rate I don't see --
9 it doesn't bother me. So I think that's
10 what we need to be looking at, not just
11 hurting the companies.

12 COUNCILMAN KENNEY: Now, you're
13 certainly not a parking expert or parking
14 tax expert necessarily, but why would
15 Philadelphia need to have a two percent
16 higher tax than New York City?

17 COMMISSIONER RICHARDSON:
18 That's a policy decision that was made,
19 and, again, that was something that was
20 signed by Council back in 2008. Again,
21 New York's rate is 18.375 percent as
22 well.

23 COUNCILMAN KENNEY: Okay.

24 Councilman Goode.

25 COUNCILMAN GOODE: Thank you,

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2 Mr. Chairman.

3 Commissioner, on the two bills
4 you do support, how much revenue do you
5 believe that would generate?

6 COMMISSIONER RICHARDSON: On
7 the bill with regards to the Parking
8 Authority piece, I couldn't tell you how
9 much it would generate. I think that it
10 would help them with enforcement on the
11 valets and the parking lots. So it
12 wouldn't be a situation that I would say
13 we would generate a lot of money from
14 that. We can't project.

15 COUNCILMAN GOODE: Do you have
16 any estimate of what revenue could be
17 generated from either of the bills?

18 COMMISSIONER RICHARDSON: From
19 our bill that we are opposing right now,
20 it would be a reduction of about \$58.5
21 million.

22 COUNCILMAN GOODE: I'm asking
23 on the bills that could potentially
24 generate revenue, do you have any
25 estimate of how much revenue they would

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2 generate?

3 COMMISSIONER RICHARDSON: No.

4 Again, the first bill that I testified in
5 support of would go towards the Parking
6 Authority. So that money potentially
7 would go to the School District, not to
8 the General Fund. And, again, the
9 Parking Authority, if they're here, they
10 can testify about this. A lot of that
11 may go to their enforcement policies to
12 help them out throughout the course of
13 the day. And the gentleman is here.

14 COUNCILMAN GOODE: So there
15 would not necessarily be an offset to the
16 City coffers?

17 COMMISSIONER RICHARDSON: No.

18 COUNCILMAN GOODE: Thank you.

19 COUNCILMAN KENNEY: Please
20 identify yourself for the record and
21 clarify the ultimate recipient of the
22 increased valet parking fees.

23 MR. DIXON: Sure. My name is
24 Richard Dixon. I'm the Senior Director
25 of Strategic Planning at the Philadelphia

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2 Parking Authority.

3 Under the agreements of
4 cooperation between the City and the
5 Parking Authority, which have been
6 codified in law, there's a formula by
7 which revenue is divided between the City
8 of Philadelphia and the School District
9 of Philadelphia. This would be subject
10 to the same percentages. So this year,
11 for example, we will give about 33 and a
12 half million dollars to the City, 7 and a
13 half million dollars to the School
14 District. So if under this bill,
15 assuming that every current valet
16 operator maintained the zones, it would
17 generate about an additional hundred
18 thousand dollars in revenue. So you
19 could say that 7 and a half -- 7,500
20 would go to the School District and
21 33,000 -- my math is wrong. But the
22 overwhelming majority would go to the
23 City of Philadelphia.

24 COUNCILMAN KENNEY: But let me
25 clarify what I think is the ultimate

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2 benefit of that particular situation.

3 The increased enforcement allows the
4 Parking Authority to ensure that the
5 valet parking operators are actually
6 putting the cars in the places where
7 they're supposed to legally; therefore,
8 we're collecting the tax, as opposed to a
9 vacant lot somewhere that they've secured
10 that's not paying the tax, that's an
11 illegal rogue lot that's not paying the
12 tax. So the more valet parking cars we
13 force into legitimate lots, the more
14 revenue the City collects directly.

15 MR. DIXON: Clearly, that is
16 one of the financial incentives of doing
17 this. There's also a public policy
18 motivation to do this, that if we -- if
19 some of these valet operations could
20 consolidate operations for multiple
21 facilities using the same valet operator,
22 we turn some of those other spaces back
23 to the public for the general public to
24 have access to them.

25 We're trying to balance the

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2 needs of those people who want to run
3 valet operations, the public who also has
4 a demand on the space and who deserve to
5 be compensated for those spaces that are
6 taken from public use and turned over to
7 a private operator for their exclusive
8 use.

9 COUNCILMAN GOODE:

10 Mr. Chairman?

11 COUNCILMAN KENNEY: Yes.

12 COUNCILMAN GOODE: I was not
13 questioning the other merits of the bill
14 or whether it has financial merits beyond
15 direct merits, but in terms of what we
16 know right now, your estimate is that it
17 would only bring in about \$100,000 in new
18 revenue; is that correct?

19 MR. DIXON: Yes.

20 COUNCILMAN GOODE: Thank you.

21 COUNCILMAN KENNEY: Councilman
22 DiCicco.

23 COUNCILMAN DiCICCO: Thank you.

24 I think there's another
25 component to this, and I don't know if

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2 anyone spoke about it. I was distracted
3 earlier. And Councilman Kenney and I
4 many years ago tried to do some work with
5 valet parking with the Parking Authority
6 and L&I.

7 For every patron who comes to
8 the City of Philadelphia and either goes
9 to a theatre, most likely to a restaurant
10 and uses valet parking, when that car is
11 not parked in a parking lot as per the
12 valet companies' agreement and that car
13 is parked on the street, there is a very,
14 very good chance that that car will be
15 ticketed. The owner of the vehicle
16 doesn't know about that ticket until he
17 or she gets a notice 10, 12 days after
18 the fact. What that causes is a ripple
19 effect in the region for people saying,
20 I'm not going back to Philadelphia again
21 because I paid somebody \$15 or \$20 to
22 valet my car and I wound up getting a \$45
23 or \$55 ticket. It is bad business all
24 the way around. And I know many
25 restauranteurs who have over the years

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2 complained to me and have showed me
3 stacks of tickets, parking violations,
4 that they paid for from patrons who wrote
5 back to them and said, I valeted in front
6 of your restaurant and I got a ticket,
7 I'm not coming back again. And in order
8 to keep these patrons, the restauranteurs
9 have to wind up paying for those tickets,
10 for those who even take the time to do
11 it.

12 So there's a much even greater
13 revenue loss to the City, because we lose
14 the patron, we lose the sales tax and the
15 other taxes that we collect, liquor tax,
16 drink-by-the-liquor tax, in those
17 restaurants. So the policing and
18 enforcement of valet is more -- there's
19 another layer to it that I think is just
20 as important, if not more important.

21 COUNCILMAN KENNEY: Thank you.

22 Councilman Jones.

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

25 Out of curiosity, how are and

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2 how were the valet agreements negotiated
3 and based on what value were they
4 originally given as an estimate to the
5 City and to the particular -- who worked
6 that deal out?

7 MR. DIXON: The original valet
8 ordinance I believe was enacted around
9 1995 or '96. The fees for those zones
10 were made pretty much equal to the
11 application for a loading zone. The
12 difference between valet zones and
13 loading zones, however, are that in a
14 loading zone, it is not the exclusive
15 use -- it's not for the exclusive use for
16 anyone. They're available to the public.
17 Just because they happen to be placed in
18 front of a particular business, they're
19 not the exclusive domain of that
20 business. Valet zones, on the other
21 hand --

22 COUNCILMAN JONES: Excuse me.

23 Do I understand you to say that when you
24 pull up to a restaurant, they valet park,
25 often in Parking Authority spots -- have

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2 you ever seen that? Valet parking parks
3 in what would be metered parking. And
4 then it is not the exclusive of the
5 restaurant or the valet -- the
6 restaurants?

7 MR. DIXON: Valet zones are the
8 exclusive use of that valet operation.
9 Contrary to a loading zone, which was
10 where the original price was, loading
11 zones are available to anyone. Valet
12 zones are only for the exclusive use of
13 that valet operation. And that's why I
14 think that the Councilman is now saying
15 by removing that from public use and
16 turning it over to the exclusive use of a
17 private operation, that the City and the
18 public should be compensated for the lost
19 revenue that derives from that.

20 COUNCILMAN JONES: That's
21 exactly my line of thinking. And then if
22 we did not have valet parking, where
23 would those individuals park? They would
24 be parking in lots probably, right?

25 MR. DIXON: They would be

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2 parking on lots or on the street, spaces
3 that are available to the public.

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

6 COUNCILMAN KENNEY: You're
7 welcome, Councilman.

8 Mr. Haigler, could you please
9 add your testimony to -- and I assume,
10 Mr. Dixon, you're here for illumination
11 of issues relative to the Parking
12 Authority or do you have specific
13 testimony?

14 MR. DIXON: No, I don't have
15 specific testimony.

16 COUNCILMAN KENNEY: I didn't
17 think so.

18 So, Mr. Haigler, please, and
19 could you please testify on all three
20 bills.

21 MR. HAIGLER: I only have one
22 bill to testify on.

23 COUNCILMAN KENNEY: Well, then
24 testify on one bill. That's even better.

25 MR. HAIGLER: Good afternoon,

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2 Council President Verna, Chairman Kenney
3 and members of the Committee. I am Otis
4 Haigler, Jr., Director of Enforcement and
5 Emergency Services for the Department of
6 Licenses and Inspections. Today I am
7 here to provide testimony on Bill 100611,
8 which, if enacted, will amend Section
9 9-601 of The Philadelphia Code related to
10 parking garages, parking lots and valet
11 parking operations.

12 We support the substantive
13 measures of the bill, which we understand
14 to be designed to promote efforts to
15 ensure that all businesses are paying
16 taxes they owe. We have some concerns
17 about language of the bill that relates
18 to the Parking Authority's enforcement of
19 Code provisions regarding the obligations
20 of parking garages and parking lots. We
21 understand that the sponsor will be
22 proposing amendments to the bill to state
23 that any such enforcement activity would
24 be contingent upon the City entering into
25 a memorandum of understanding with the

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2 Authority that would outline the PPA's
3 authority, and we agree with any PPA
4 enforcement activity -- we agree that any
5 enforcement of PPA activity should be
6 contingent upon this agreement.

7 Thank you for the opportunity
8 to provide this testimony. I'll be happy
9 to answer any questions at this time.

10 COUNCILMAN KENNEY: Thank you
11 very much for your measured testimony. I
12 appreciate that, Mr. Haigler.

13 Any questions for Mr. Haigler?

14 (No response.)

15 COUNCILMAN KENNEY: Or
16 Commissioner or Mr. Dixon?

17 I'm sorry. Councilwoman Brown.

18 COUNCILWOMAN BROWN: Good
19 afternoon.

20 MR. HAIGLER: Good afternoon.

21 COUNCILWOMAN BROWN: What
22 monitoring strategies, practices do you
23 have in place to ensure that all of those
24 who show up saying that they are valet
25 are indeed that?

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2 MR. DIXON: Monitoring valet
3 operations is incredibly labor intensive.
4 It really requires following almost every
5 vehicle that leaves the valet zone to
6 determine whether or not it's actually
7 put in the garage that it's supposed to
8 be taken to. As Councilman DiCicco
9 indicated, the one complaint that we get
10 with some frequency is that someone
11 turned their vehicle over to a valet
12 operator and then 15 or 30 days later,
13 they got a notice from the Parking
14 Authority saying they got a ticket for
15 being parked in front of a fire hydrant,
16 with late charges on it, after they had
17 assumed that it had been parked in a
18 legally licensed garage after being
19 turned over to a valet operator.

20 COUNCILMAN KENNEY: Just let me
21 interrupt. There's a provision in the
22 second bill, Bill No. 100611, which would
23 require the valet operator to present a
24 receipt from the garage where the car is
25 parked to the owner, so that at least the

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2 owner would have some proof that his or
3 her car was at that location for that
4 period of time.

5 COUNCILWOMAN BROWN: Well, that
6 will go to my second question.

7 MR. DIXON: Which really
8 reduces the amount of labor that's
9 required from our officers, which is an
10 almost impossible task to follow these
11 vehicles. So if there's a paper
12 documentation of this, it really reduces
13 the likelihood that there would be
14 violations of that provision.

15 COUNCILWOMAN BROWN: And,
16 therefore, the Parking Authority would
17 take the responsibility to ensure that
18 consumers know that, know this, this new
19 practice?

20 MR. DIXON: The provisions of
21 the bill require posting of all of these
22 kinds of things at the locations.

23 COUNCILWOMAN BROWN: All right,
24 then. Thank you.

25 Thank you, Mr. Chairman.

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2 COUNCILMAN KENNEY: Thank you
3 very much.

4 Any other questions for these
5 witnesses?

6 (No response.)

7 COUNCILMAN KENNEY: Seeing
8 none, we thank you for your testimony.

9 Mr. Dixon, if you could hang
10 for -- I think you guys are all right,
11 but I think I might need Rick.

12 Mr. Zuritsky, Corie Moskow and
13 Jane Lipton. Whoever is with your folks,
14 please come forward and we'll just
15 testify in turn.

16 (Witnesses approached witness
17 table.)

18 MR. ZURITSKY: Good afternoon,
19 Madam Chairperson and members of the
20 Committee. My name is Robert Zuritsky
21 and I represent the Philadelphia Parking
22 Association. I very much appreciate this
23 opportunity to ask for the support in
24 mitigating an excessively burdensome
25 section of the City's tax code, the 20

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2 percent tax on parking.

3 I want to begin by
4 acknowledging a reality that all of us in
5 the parking business understand. People
6 don't necessarily like paying for
7 parking. Many people will drive around
8 the block five times searching for a
9 meter before they give up and drive into
10 a lot or garage.

11 But the fact is, parking lots
12 and garages are an essential component of
13 any city. A percentage of people going
14 to work, restaurants, theatres, seeing a
15 doctor or conducting business need places
16 to park, and they have the right to
17 expect professionally operated, clean and
18 safe parking facilities with courteous
19 staffs. And that's exactly what they
20 find at most of Philadelphia's licensed
21 lots and garages.

22 What the citizens of
23 Philadelphia may not know is that
24 licensed parking operators here pay a 20
25 percent tax on parking revenue. That's a

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2 shockingly high tax by any standard.

3 Even in New York where parking is
4 certainly at a much higher premium,
5 parking operators pay a tax almost two
6 percentage points lower than we do.

7 The first chart here will show
8 anyone who has run a business or a
9 household budget can see what we are up
10 against. Fifty-five percent of our
11 operating expenses go to taxes or fees.
12 The parking tax, property tax, use and
13 occupancy tax, wage tax are just some of
14 the 11 taxes and fees we pay. That means
15 that we have already paid out 55 percent
16 in taxes before we begin to pay our
17 employees, maintenance and repair, our
18 utility bills and our insurance. Of
19 course, the parking operators aren't
20 really the ones paying the parking tax.
21 It's the customers who pay who park their
22 cars in our facilities.

23 The tax had been 15 percent,
24 still quite sizable, until 2008 when it
25 was boosted to the current 20 percent.

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2 Imagine paying 15 or 20 percent when you
3 purchase anything.

4 What the legislation that we
5 are looking for is that we roll the tax
6 back to what it had been, 15 percent, so
7 that Philadelphia is more in line with
8 other major cities.

9 The most palatable part of the
10 plan from the City's standpoint is that
11 by adopting the steps we suggest, the
12 City will end up with even more revenue
13 than it now receives from parking.

14 However, it will be done in a fairer way
15 and in a way that requires all parking
16 operators pay the 15 percent tax, not
17 just the legal and licensed operators.

18 The Philadelphia Parking
19 Association is made up of legitimate
20 businesspeople. We are licensed. We pay
21 every dime of tax owed. We pay our
22 employees decent salaries and benefits.
23 We play by the rules.

24 These are two reports that one
25 of our Association members put together

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2 of 100 rogue parking lots that do not
3 play by the rules. They run their
4 parking lots and garages without being
5 registered with the City. That means not
6 only do they not pay the 20 percent
7 parking tax, there is no way to know
8 whether they are paying for insurance,
9 use and occupancy taxes, business
10 privilege tax or any other taxes and fees
11 that we are assessed in the industry.

12 We as an association have been
13 working with the City to crack down on
14 these entities. I want to use this
15 occasion to publicly thank the City's
16 Revenue Department for its partnership in
17 going after some of these operators. The
18 City has already informed us that they
19 have recaptured \$1.8 million. Millions
20 more can be found by auditing every
21 parking facility in the City. How many
22 businesses come before City Council to
23 urge you to audit their industry?

24 To go along with this
25 legislation before you, we are

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2 recommending that the audits be regularly
3 conducted. The City could hire two
4 additional auditors to handle only this
5 work. The 60 percent of parking
6 operators in Philadelphia who run honest
7 business welcome and want the scrutiny.
8 We know that if every parking facility in
9 the City plays by the rules as we do, the
10 City can reduce the parking tax to 15
11 percent and realize more revenue from the
12 tax than it does now.

13 An important point to remember
14 is that many of these rogue parking
15 facilities are open next door to or near
16 our licensed facilities. When a driver
17 pulls into a lot, he or she does not have
18 any way of knowing if it's a legitimate
19 business. That means the driver doesn't
20 have the assurance his car will be
21 insured. In addition, the City loses all
22 of the taxes I listed before. So aside
23 from the revenue issue, we want the
24 citizens and the visitors of this city to
25 have the reassurance of knowing their car

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2 is parked in a licensed facility.

3 As I mentioned, we know that
4 many people don't like parking companies,
5 but that's not a reason to make us an
6 easy target of a 20 percent tax. Think
7 about it. Think about paying 20 percent
8 tax on your next purchase. You would
9 never go back to that store again.

10 When the parking tax was
11 increased to 20 percent in 2008, the
12 national recession had just hit. That
13 combination of recession and this onerous
14 tax have devastated our industry. On top
15 of the increased parking tax, we have
16 absorbed the same 9.9 percent real estate
17 tax increase that everyone else has, and
18 the water runoff tax will be doubling for
19 parking lot operators over the next five
20 years. Who pays that tax load over the
21 long haul? The parking public.

22 I say that because without
23 profits in our industry, we won't have
24 the resources to maintain our properties
25 or invest in new facilities. Over time

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2 will take time for the auditors to do
3 their work and bring the unlicensed
4 operators into compliance. Instead, we
5 are asking for an incremental reduction
6 phased in over the five years.

7 The first reduction of one
8 percentage point would take effect on
9 July 1st and would bring Philadelphia
10 closer to New York's tax. The tax would
11 further be reduced by one percentage
12 point over the next four years.

13 The legislation simultaneously
14 calls for five steps that would balance
15 the revenue scales, including enforcement
16 of the existing laws on the 100 rogue
17 operators. And I've been informed that
18 we have found another 32 rogue parking
19 facilities since the last book was
20 published. The package would also have
21 the effect of acting to ensure quality
22 parking facilities.

23 The parking industry is an
24 important component of Philadelphia's
25 transportation infrastructure. All the

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2 other components, roads, bridges, mass
3 transit, are subsidized by taxpayers. In
4 contrast, we are taxed and receive no
5 government assistance.

6 In addition to the 20 percent
7 parking tax, we also pay a long list of
8 taxes, as described here in the exhibit.

9 The most important math I ask
10 you to consider today is that in the
11 first year at a one percent reduction,
12 the City would receive 3 and a half
13 million dollars less in parking tax
14 revenue, but would more than make up for
15 that decrease with as much as \$12 million
16 in parking taxes collected from those
17 currently not paying.

18 The 17 companies represented by
19 our Association are very proud. As you
20 could see, we had at least 160 of them
21 here, and they hung in for close to four
22 hours. I really appreciate that. We
23 employ close to 3,000 men and women.
24 Most of them live in the City of
25 Philadelphia. We are solid corporate

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2 citizens. We are here today to ask you
3 to give us the ability to continue to
4 work and thrive in this great city.

5 Thank you very much.

6 COUNCILMAN KENNEY: Thank you
7 for your testimony.

8 (Applause.)

9 COUNCILMAN KENNEY: Whoever is
10 next, please identify yourself for the
11 record.

12 MR. ARREFE: Madam President
13 and honorable Councilmembers, my name is
14 Tsegaye Arrefe. I'm the City Manager for
15 Ampco System Parking doing business as
16 Five Star.

17 Five Star/Ampco System Parking
18 operates 11 large to mid-sized surface
19 lots and garages throughout the City of
20 Philadelphia. We have about 100
21 employees. We pay decent salaries and
22 benefits. Although we do not question
23 the City's right to tax us, we do feel
24 that our 20 percent parking tax, almost
25 two percent higher than the New York City

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2 parking tax, is unfairly high.

3 The tax on parking, a service
4 that enables visitors to enjoy the City's
5 shops, restaurants and cultural
6 activities, is far higher than taxes on
7 those other industries. Without clean,
8 safe places to park, visitors and
9 tourists would not be able to spend time
10 downtown and experience everything the
11 City has to offer.

12 In fact, during our current
13 recession, parking is down, causing some
14 operators to consider layoffs or the
15 possibility of closing their lots.

16 The parking industry makes a
17 valuable contribution to the City's
18 economy, and we believe we should be
19 taxed fairly, but not excessively.

20 We also face unfair competition
21 from parking lots around the City that
22 are not licensed. While we play by the
23 rules paying not only the parking tax but
24 property tax, use and occupancy tax and
25 the wage tax, these other garage owners

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2 pay no taxes at all.

3 We urge the City to do two
4 things. We ask you to gradually reduce
5 the parking tax to 15 percent as it was
6 in 2008. That would enable us to lower
7 our fees and fill our spaces, keep our
8 employees and bring more people into the
9 City to spend the money they save on
10 parking.

11 And we ask you to crack down on
12 the over 100 unlicensed parking lots
13 throughout the City and make them play by
14 the rules as we do. We're certain that
15 the income from these unlicensed
16 operators will more than compensate for
17 the reduction in the parking tax.

18 Thank you very much for your
19 time and consideration.

20 COUNCILMAN KENNEY: Thank you
21 very much.

22 Councilman Goode.

23 (Applause.)

24 COUNCILMAN KENNEY: One second.

25 Councilman Goode has a meeting at 1:30

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2 and has some questions he'd like to ask
3 before he leaves.

4 COUNCILMAN GOODE: Just a
5 couple questions. Thank you for your
6 testimony, and even though the witness
7 that has not testified can answer this
8 question as well.

9 You've testified that there are
10 17 companies that employ as many as 3,000
11 employees. I have several questions
12 about that. The first question is, if we
13 were to lower the parking tax back to 15
14 percent immediately, would that actually
15 create jobs?

16 MR. ZURITSKY: I think so. One
17 of --

18 COUNCILMAN GOODE: I'm not
19 asking for anecdotal information. I'm
20 asking, do you know how many jobs it
21 would create?

22 MR. ZURITSKY: I can answer
23 that. I just had a conversation with --
24 I can't speak for the entire industry,
25 for my company, but I had a conversation

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2 with a gentleman from Towne Park, and he
3 mentioned that during that recessionary
4 period, he laid off 43 people.

5 COUNCILMAN GOODE: That's not
6 my question. My question is, if we
7 lowered the parking tax to 15 percent
8 immediately, do you know how many jobs it
9 would create?

10 MR. ZURITSKY: I was going to
11 get there.

12 If you lowered the rate -- if
13 you lowered the tax immediately, the
14 rates would come down in the City for
15 sure, and the data that I got from Towne
16 Park just recently showed that they had
17 laid off 43 -- they had to lay off 43 of
18 their people. They have 350 people in
19 the City. They laid off 43 people in
20 that period of time. They're parking
21 fewer cars at a much higher rate, and
22 they would be able to lower their rate,
23 probably attract more business and hire
24 more people. So, yes, I would say that
25 the employment would go up.

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2 COUNCILMAN GOODE: Did you not
3 hear the Chairman say I'm working with a
4 short period of time?

5 Do you have a number of how
6 many jobs it would create?

7 MR. ZURITSKY: No.

8 COUNCILMAN GOODE: The second
9 question is, do we have any guarantee
10 that if we lower it to 15 percent or to
11 16 percent or to 17 percent or to 18
12 percent, competitive with New York, these
13 jobs would be guaranteed anyway?

14 MR. ZURITSKY: Do I have more
15 than a second to answer? No, there's no
16 guarantee.

17 COUNCILMAN GOODE: I have a
18 better question for you, then. You said
19 in the second page of your testimony that
20 we are licensed, we pay every dime of tax
21 we owe. I will leave that up to License
22 and Inspection to determine and the
23 Revenue Department to determine. But
24 then you say, We pay our employees decent
25 salaries and benefits. I'm interested --

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2 and you go on to say we play by the
3 rules. I'm interested in knowing what
4 your minimum wage and minimum benefits
5 are that you offer.

6 MR. ZURITSKY: Minimum wage,
7 our starting wage, \$8.50 to \$10 depending
8 on the position.

9 COUNCILMAN GOODE: And what's
10 the minimum benefits?

11 MR. ZURITSKY: Minimum
12 benefits, they get healthcare immediately
13 or after a month?

14 COUNCILMAN GOODE: I can't hear
15 her from there.

16 MR. ZURITSKY: After 60 days,
17 they get healthcare, they get life
18 insurance.

19 COUNCILMAN GOODE: What type of
20 healthcare and life insurance do they
21 get?

22 MR. ZURITSKY: Blue Cross. We
23 offer four different plans.

24 COUNCILMAN GOODE: And they
25 have earned paid sick leave?

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2 MR. ZURITSKY: Yeah. Yes. Oh,
3 yeah.

4 COUNCILMAN GOODE: In terms of
5 the wage rate, are you familiar with the
6 City's minimum wage rate, the standard
7 that we have set?

8 MR. ZURITSKY: I'm sure we are
9 aware of it. I think we are well above
10 it, I would assume.

11 COUNCILMAN GOODE: You are not.
12 The City has set a minimum wage rate of
13 150 percent of the federal minimum wage,
14 would be at least \$10.88 per hour.

15 MR. ZURITSKY: Okay. Then
16 we're not.

17 COUNCILMAN GOODE: Do you have
18 any response to that?

19 MR. ZURITSKY: I can say that
20 our employment rate has been -- the
21 openings that we have had for our company
22 have been record lows. We have
23 unbelievably low turnover. I think we're
24 a very good company. We pay benefits, we
25 pay fair wages, and we have -- I would

1 3/23/11 - RULES - BILL 100610, ETC.
2 defend -- if you want me to come down and
3 sit with you and defend our -- what we're
4 doing as a company -- what my company is
5 doing, I would love to do that.

6 COUNCILMAN GOODE: I have not
7 criticized your company or your industry.
8 All I've said is that the City has a
9 minimum wage standard. That minimum wage
10 standard is actually 150 percent of the
11 federal minimum wage, which at this point
12 works out to be \$10.88, per hour, at
13 least \$10.88 per hour. I ask you to
14 respond to that standard that we have
15 set.

16 MR. ZURITSKY: I would respond
17 to that by saying that 55 percent of my
18 operating expenses go to the City in some
19 form of taxation and it's very
20 challenging to pay wages and fair
21 benefits, and we have had to have wage
22 freezes and benefits rollbacks because
23 this taxation has come in and we have
24 lost money the last three years. This is
25 the tipping point. This is where you

1 3/23/11 - RULES - BILL 100610, ETC.

2 look at your businesses in the City and

3 you say do you want them to survive or do

4 you want the hundred --

5 COUNCILMAN GOODE: So you think

6 our wage standard is too high?

7 MR. ZURITSKY: No. I said that

8 the taxation on the businesses are too

9 high.

10 COUNCILMAN GOODE: Do you think

11 our wage standard is too high?

12 MR. ZURITSKY: The wage tax is

13 too high? The wage tax is one of 11

14 taxes that we pay --

15 COUNCILMAN GOODE: Wage

16 standard. Do you think our minimum wage

17 standard is too high?

18 MR. ZURITSKY: The wage

19 standard is too high? I am not in a

20 position to answer that.

21 COUNCILMAN GOODE: You are an

22 employer, an employer who didn't know how

23 much you paid your employees, but I'm

24 asking you now, do you know how much you

25 pay your employees, and I tell you what

1 3/23/11 - RULES - BILL 100610, ETC.

2 our minimum wage rate is.

3 MR. ZURITSKY: That's our
4 starting wage. Most of our people, I
5 would believe, are well above what the
6 number that you had quoted.

7 COUNCILMAN GOODE: She said
8 \$8.50 and \$10.

9 MR. ZURITSKY: Starting wage,
10 yes.

11 COUNCILMAN GOODE: That's not
12 way above \$10.88. But that's the end of
13 my questions.

14 Thank you, Mr. Chairman.

15 COUNCILMAN KENNEY: Thank you
16 very much.

17 Please identify yourself for
18 the record.

19 MS. LIPTON: My name is Jane
20 Lipton. I'm the Executive Director of
21 the Manayunk Development Corporation.
22 Chairman Kenney and members of Council,
23 thank you for giving me the opportunity
24 to speak to you today about the impact of
25 the parking tax on my district. I'm here

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2 to put a little bit different of a face
3 on some of the impact of parking tax.

4 The Manayunk Development
5 Corporation operates three parking lots,
6 but our primary mission is to support
7 economic development in the Manayunk
8 Business District. Providing parking for
9 visitors who come to enjoy our unique
10 shops and restaurants is a service that
11 helps us attract customers. Manayunk is
12 in a unique position. We are the
13 northwest section of the City of
14 Philadelphia that borders Montgomery
15 County's beautiful Main Line. As part of
16 the City, we abide by all rules and
17 regulations for City parking lots. Our
18 dilemma is that we serve a suburban
19 clientele who, while they may love our
20 historic semi-urban suburban feel, are
21 not willing to pay the City parking rate.

22 We must charge for parking to
23 keep our district vibrant, our lots open,
24 cared for and insured. This is
25 especially vital now that Manayunk is

1 3/23/11 - RULES - BILL 100610, ETC.
2 beginning to re-emerge as a shopping and
3 dining and tourist destination. We must
4 continue to push forward with the
5 Manayunk brand, and part of that branding
6 is ease, availability and affordability
7 of parking.

8 Although we operate parking
9 lots, we are a non-profit organization.
10 The financial proceeds from our lots go
11 straight back into business and economic
12 development. Parking proceeds help pay
13 for things like arts festivals, Halloween
14 parades, ice festivals or go towards
15 district-wide cleaning and streetscape
16 beautification projects that make
17 Manayunk more attractive.

18 Just lowering the tax by one
19 percent, as proposed for the first year,
20 would give us \$6,500 to work with and
21 give us two great options. The first
22 would be to put the additional revenue
23 back into making our neighborhood a
24 Philadelphia destination to rival Center
25 City.

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2 Second could be lower our
3 parking rates, which would also bring
4 more customers and shoppers to our shops
5 and restaurants. Either way, we would
6 bring more suburban customers into the
7 City of Philadelphia to spend their
8 dollars, which is good for everyone.

9 A parking tax of 20 percent is
10 an onerous burden that our closest
11 shopping competition in the suburbs does
12 not have to bear. We are not asking to
13 remove the tax altogether. We want to
14 support the City and we are happy to pay
15 our fair share. We just want the playing
16 field to be level.

17 I hope you will consider that a
18 lower tax may benefit everyone.

19 Thank you.

20 COUNCILMAN KENNEY: Thank you
21 very much for your testimony.

22 We're waiting for the Council
23 President to reenter the room. We're
24 going to do a little bit of a tactical
25 issue and quickly recess our public

1 3/23/11 - RULES - BILL 100610, ETC.

2 hearing, go into our public meeting, do
3 our business we need to do in the public
4 meeting and then come back to the public
5 hearing to finish up. So as soon as she
6 steps into the room or if there's another
7 Council -- I apologize. These bills
8 should not have been scheduled all at
9 once today.

10 Who else is to testify?

11 MR. ZURITSKY: Clyde Wilson,
12 who flew in from Texas.

13 COUNCILMAN KENNEY: Please
14 identify yourself and proceed. We're
15 back in the public hearing. And if you
16 can hit areas of testimony that have not
17 been talked about already, that will be
18 helpful. So please identify yourself for
19 the record.

20 MR. WILSON: I'm pretty sure
21 most of what I say hasn't been talked
22 about yet.

23 COUNCILMAN KENNEY: Good.
24 Thank you.

25 MR. WILSON: I'm Clyde Wilson,

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2 President of the Parking Network. The
3 Parking Network is a parking audit
4 company that audits parking facilities
5 nationwide for landowners and building
6 owners. In the process, about ten years
7 ago of being one of the largest parking
8 lotted company in the country, the City
9 of Miami imposed a parking tax in
10 September of 1999. A few months into
11 that, they realized that a very, very
12 wise Department of Finance Director
13 realized that they knew very little about
14 the parking business and that they were
15 really concerned that they were not
16 getting close to the revenues that they
17 had budgeted from the new parking tax.
18 So they put out a search and found us as
19 a company that understood the parking
20 business and understood the parking audit
21 business.

22 We were able to start nine
23 months after the parking tax had been
24 enacted, and immediately had an immediate
25 impact to the bottom line for the City of

1 3/23/11 - RULES - BILL 100610, ETC.

2 Miami. In the first nine months, we
3 increased on an annualized basis the
4 amount of parking tax collected by the
5 city by over 20 percent. It was around
6 22 percent in just the first four months.
7 That number continued to creep up through
8 the first year.

9 The City of Miami became a very
10 unique challenge for us because in the
11 first year, because we got to that tax
12 very early and a culture of cheating on
13 the parking tax had not really developed,
14 we were able to, in the first year,
15 really push the number up to about as
16 high as you could possibly get it by
17 finding all the rogue operators, getting
18 them in, finding all the people who just
19 didn't quite understand the payment
20 process, getting them in, and then
21 finding the ones that were going to, as
22 we found in many other cities, finding
23 the ones that were going to develop a
24 culture of underreporting their parking
25 tax, and we caught them very early and

1 3/23/11 - RULES - BILL 100610, ETC.
2 were really able to push the numbers up.

3 All this is to say and as I
4 continue to talk about some of the
5 experiences that we had, really to
6 promote the idea that there is a very
7 large amount of money in the parking
8 business and in the parking tax business
9 that never gets reported to the City.
10 It's a very difficult business. There
11 are a lot of parking facilities out
12 there. There's a very cash-intense
13 business, and it's a great opportunity
14 for somebody to develop that culture of
15 cheating and underreporting their parking
16 tax.

17 So we took the experience in
18 Miami -- in Miami we ended up an
19 administrator of the program, which was
20 not really what my company is designed to
21 do, but we did that over nine years. We
22 administered the whole parking tax
23 program for the City of Miami.

24 In 2003, the same thing as
25 what's kind of happening here was

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2 happening in the City of Los Angeles. In
3 the City of Los Angeles, the parking
4 tax -- I'm sorry; the commercial parking
5 operator groups went out and hired a
6 lobbyist to challenge the city to have a
7 better audit performance, because they
8 were really getting damaged. Their
9 business was getting damaged strongly by
10 operators who were underreporting parking
11 taxes.

12 It took them a few months and
13 they found us. We negotiated a contract
14 with the city. In that particular
15 contract, I'm completely at risk. We
16 only get a percentage of what we find and
17 the city collects.

18 In the first year, we
19 immediately found over \$5 million for the
20 City of Los Angeles, and believe me, it's
21 a big city and very spread out. Also in
22 that process of that first year, to show
23 you how serious this business is, I had
24 employees threatened, assaulted and I had
25 my office firebombed. And my office is

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2 on the 12th floor of the office building
3 on Wilshire Boulevard, and it was full of
4 people. There were over a thousand
5 people in that building and somebody
6 wanted us so badly that they firebombed
7 our office.

8 As we moved forward in the City
9 of Los Angeles, we continued to audit,
10 and we continue to audit today. The
11 findings there continue to be very, very
12 large. Over the course of the five years
13 that we've audited in the City of Los
14 Angeles, the amount of money that we now
15 can point to that we identified and
16 discovered for the City of Los Angeles is
17 \$35 million. That's 35 million that
18 grows now at a rate better than 5 million
19 a year every year for the City of Los
20 Angeles, and we do that with three
21 people. Because we're totally at risk
22 there, the waves go up and down and we
23 keep three people -- actually, we're at
24 four people now on staff to do that type
25 of audit. And in the City of Los

1 3/23/11 - RULES - BILL 100610, ETC.

2 Angeles, we're able to find numbers that
3 are that large. It takes constant
4 effort, constant work in the type of work
5 that we do where we're at risk, so we
6 have a tremendous incentive to go find
7 that revenue.

8 For our part, city auditor
9 types tend to really be record audits and
10 audits -- accounting-style audits. The
11 type of audits we do are really much more
12 forensic audits, and that's how we're
13 able to find those levels of revenue.

14 I think in looking at the City
15 and in talking to everybody here, I think
16 we see the same thing here that we see in
17 many other cities. I never go into a
18 city where I'm asked to speak or asked to
19 look and really don't see things
20 differently than what I'm seeing right
21 here, good, hard-working commercial
22 parking operators really working hard,
23 working hard at doing their business,
24 paying a lot of taxes, which really
25 they're not paying the tax and realize

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2 the tax -- this is a trust fund tax. The
3 tax is on the citizens, but it drives the
4 parking rates up, and the higher you
5 drive the parking rates -- downtown
6 thrives on parking, this downtown. A
7 perfect example of that -- and I just
8 happen to be in national Tennessee a
9 couple of weeks ago. Thirty years ago I
10 was in national Tennessee and we are
11 trying to develop Second Avenue. Second
12 Avenue, the developers came in, but they
13 really didn't plan parking very well, and
14 Second Avenue absolutely died. With all
15 the money that was put into it, it
16 absolutely died. About five to seven
17 years later, parking began to develop
18 around Second Avenue. Friday night, I
19 don't think I've ever seen that many
20 people in a downtown street for no
21 particular event other than just to be
22 there because of the developments that
23 happened, and they were able to get there
24 because of all the parking that was
25 there.

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2 Downtown, heavy parking rates
3 impact the visitor traffic to downtown.
4 When the gentleman was asking earlier,
5 the Councilman was asking earlier about
6 direct employee increases as a result of
7 reducing the parking rates -- reducing
8 the parking tax, reducing the parking tax
9 reduces the parking rates in your city.
10 When you reduce the parking rates and you
11 attract more people, you increase their
12 business and they hire more people. And
13 not only do they increase their business
14 and hire more people, other downtown
15 institutions do as well. We saw the same
16 similar things in Los Angeles. As we
17 were moving out rogue operators, we got
18 rid of bad operators because they weren't
19 able -- their business model was built on
20 cheating. Once we moved them, good
21 operators came in. They were in a good
22 business, and business in the area
23 improved dramatically. A perfect
24 example -- and the City of Los Angeles'
25 tax is 10 percent.

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2 A perfect example of that has
3 been Hollywood. Hollywood today is very,
4 very, very busy and doing a great job,
5 but because of a lot of work that we did
6 five years ago to run out the rogue
7 operators that were in Hollywood,
8 everything has improved there. There's
9 still -- Hollywood, believe me, still has
10 a long way to go to get to the standard
11 it should be, but it's certainly improved
12 a lot.

13 Thank you very much. If you
14 have questions.

15 COUNCILMAN KENNEY: Thank you
16 very much for your testimony.

17 We're going to do this
18 housekeeping real quick. We're going to
19 temporarily recess the public hearing and
20 enter into a public meeting.

21 The Chair will note that Bill
22 Nos. 110133, 110134 and 110181 will be
23 held to the call of the Chair.

24 The Chair recognizes
25 Councilmember DiCicco for a motion on

1 3/23/11 - RULES - BILL 100610, ETC.

2 Bill No. 110083.

3 COUNCILMAN DiCICCO: Thank you,
4 Mr. Chairman. I move that Bill No.
5 110083 be reported out of this Committee
6 with a favorable recommendation and a
7 further recommendation that the rules of
8 Council be suspended.

9 (Duly seconded.)

10 COUNCILMAN KENNEY: Moved and
11 seconded.

12 All in favor?

13 (Aye.)

14 COUNCILMAN KENNEY: There are
15 none opposed. Bill No. 110083 will
16 report out of this Committee with a
17 favorable recommendation and a request
18 made for rules suspension for first
19 reading at our next Council session.

20 The Chair recognizes
21 Councilmember Reynolds Brown for a motion
22 to approve the amendment to Bill No.
23 100610.

24 COUNCILWOMAN BROWN:

25 Mr. Chairman, I make a motion that Bill

1 3/23/11 - RULES - BILL 100610, ETC.

2 No. 100610 be approved.

3 COUNCILMAN KENNEY: I need
4 approval of the amendment. There's an
5 amendment that was circulated.

6 COUNCILWOMAN BROWN: I make a
7 motion that Bill No. 100610 be amended.

8 (Duly seconded.)

9 COUNCILMAN KENNEY: Moved and
10 seconded.

11 All in favor?

12 (Aye.)

13 COUNCILMAN KENNEY: There are
14 none opposed. Bill No. 100610 will be
15 amended accordingly.

16 The Chair recognizes
17 Councilmember Reynolds Brown for a motion
18 on the amended bill.

19 COUNCILWOMAN BROWN:
20 Mr. Chairman, I move that Bill 100610, as
21 amended, be reported out of the Committee
22 with a favorable recommendation and
23 further move that the rules of Council be
24 suspended so as to permit first reading.

25 (Duly seconded.)

1 3/23/11 - RULES - BILL 100610, ETC.

2 COUNCILMAN KENNEY: Moved and
3 seconded.

4 All in favor?

5 (Aye.)

6 COUNCILMAN KENNEY: There are
7 none opposed. Bill No. 100610, as
8 amended, will report out of this
9 Committee favorably and a request made
10 for rules suspension to allow for first
11 reading at our next Council session.

12 The Chair recognizes
13 Councilmember Greenlee for a motion to
14 approve the amendment to 100611.

15 COUNCILMAN GREENLEE: Thank
16 you, Mr. Chairman. I move the approval
17 of the amendment to Bill No. 100611.

18 (Duly seconded.)

19 COUNCILMAN KENNEY: Moved and
20 seconded.

21 All in favor?

22 (Aye.)

23 COUNCILMAN KENNEY: There are
24 none opposed. The amendment is approved.

25 The Chair recognizes

1 3/23/11 - RULES - BILL 100610, ETC.

2 Councilmember Greenlee on the amended
3 bill.

4 COUNCILMAN GREENLEE: Thank
5 you, Mr. Chairman. I move that Bill No.
6 100611, as amended, be reported out of
7 this Committee with a favorable
8 recommendation and that the rules of
9 Council be suspended to allow for first
10 reading at our next session of Council.

11 (Duly seconded.)

12 COUNCILMAN KENNEY: Moved and
13 seconded.

14 All in favor?

15 (Aye.)

16 COUNCILMAN KENNEY: There are
17 none opposed. Bill No. 100611, as
18 amended, will report out of this
19 Committee favorably and a request made
20 for rules suspension to allow first
21 reading at our next Council session.

22 That will end the public
23 meeting for today and we will now
24 reconvene the public hearing.

25 Any questions for these

1 3/23/11 - RULES - BILL 100610, ETC.

2 witnesses?

3 (No response.)

4 COUNCILMAN KENNEY: Seeing
5 none, anyone else to testify?

6 MR. ZURITSKY: If I may just
7 comment, we have letters of support from
8 the Building Managers Association.

9 COUNCILMAN KENNEY: BOMA. We
10 have that.

11 MR. ZURITSKY: And we've sent
12 that in. Corie Moskow was going to speak
13 for Rittenhouse Row Association. It's
14 like two or three hundred restaurants
15 along West Chestnut and Walnut.

16 The only point that I would
17 like to counter is Commissioner
18 Richardson's comments about our industry
19 being hurt. He mentioned that the tax
20 revenue went up 25 percent in the first
21 year of the tax increase. The tax went
22 up 33 percent, 33 and a third percent.
23 That was the impact of the tax increase.
24 So right there, you only collected 25
25 percent more. That means we did less

1 3/23/11 - RULES - BILL 100610, ETC.
2 revenue and you collected more, but he
3 would have collected \$16 million in the
4 first year, and that's what they had
5 budgeted for, if our industry had just
6 broken even with our revenues. So I just
7 wanted to comment on that.

8 COUNCILMAN KENNEY: Thank you
9 very much.

10 I want you to consider the fact
11 that we're going to have at least one
12 more hearing, maybe two. Just pull the
13 microphone close. We're desperately
14 behind on Capital Budget. So please
15 identify yourself for the record.

16 MR. SPEAR: I'm Harvey Spear,
17 EZ Park and the Parking Association.

18 It's very important to
19 understand that these rogue lots are not
20 insured. They're not lit. People that
21 come into the City that park in these
22 lots don't know if they're licensed or
23 not. I want you to know that if somebody
24 gets hurt, falls, there's no insurance.
25 I want you to know that the valet

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2 operations that operate have a way to get
3 around getting insurance. They call
4 their employees independent contractors,
5 which leaves the risk of not having
6 workmen's comp insurance. So if somebody
7 gets hurt working at a valet operation,
8 it's not just the tax and the money, it's
9 the perception to the public and what
10 happens in the future. That's why it's
11 important that this bill goes through.

12 COUNCILMAN KENNEY: Thank you
13 very much. Again, we will be having
14 continuing discussions with the
15 Administration relative to the rate and
16 the amount of the rate and the speed of
17 the reduction, and we will be having
18 other hearings before the passage of the
19 budget.

20 So thank you all for your
21 attendance and thank you for your
22 patience.

23 The Capital Budget hearing will
24 begin immediately.

25 (Committee on Rules concluded

1 3/23/11 - RULES - BILL 100610, ETC.

2 at 1:50 p.m.)

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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 March 23, 2011, and that this is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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