



COMMITTEE of the WHOLE

CITY COUNCIL

SUMMARY

April 18, 2022
5 pm
Hybrid Meeting

COUNCIL MEMBERS PRESENT:

D. Reed, M. Goodman-Hinnershitz, C. Daubert, J. Cepeda-Freytiz, J. Waltman – in person and W. Butler and M. Ventura - virtually

OTHERS PRESENT:

M. Gombar, L. Kelleher, W. Stoudt, F. Denbowski, J. Kelly, I. Litvinov – in person and S. Smith, F. Lachat, M. Oppenheimer, D. Hoag, S. Bachman, T. Krall, B. Ayers-Fisher, R. Gensemer - virtually

I. Private Sale Bids

Ms. Kelleher stated that the City received two (2) private sale bids for 1253 Spruce St for \$7,000 and 326 S 17th ½ St for \$3,000. She stated that Private Sale bids can occur if the property does not sell at the Upset Tax Sale, the first step in the Tax Sale process, which is a State law. She noted that if Council objects to the sale, a resolution must be adopted. If there is no objection no action is required.

If the property does not sell at Upset Sale, a party may make a **Private Sale Bid**. The bid does not need to be equal to the amount of the tax delinquency. The bid is advertised twice in the Reading Eagle and Law Journal. If no objections are filed with Tax Claim within 45 days of the 1st ad, the bid is approved. Tax Claim splits the fund to clear the tax delinquencies, and liens, etc. if possible. Any remaining mortgages, liens and encumbrances become the responsibility of the new owner. If no objections are submitted the Court will approve the transfer of the property to the new owner at the end of the 45 day period. (Note: the current property owner has the ability to object within the 45 day period also)

Ms. Goodman-Hinnershitz stated that the Spruce Street property appears to be in good condition; however, the property on S 17th ½ Street has been vacant since Adams Dry Cleaners went out of business.

Mr. Waltman expressed the belief that the bids are very low.

Ms. Goodman-Hinnershitz expressed the belief that allowing the sale may increase the likelihood that the properties will be improved.

Ms. Reed suggested that the CD and Finance Departments explore the various development incentives that could be offered to encourage redevelopment. Mr. Waltman agreed, noting that Council allocated \$1M to blight remediation several years ago and the administration has not yet developed a program to utilize those funds.

Mr. Abodalo arrived at this time.

Mr. Daubert questioned the property maintenance violations at the properties. Mr. Waltman asked Ms. Kelleher to obtain a report on property maintenance violations for both properties and make a report at the April 25th COW. Council can then consider accepting or opposing the bid.

Ms. Cepeda-Freytiz questioned if the properties are vacant. Ms. Kelleher stated that both are vacant.

II. 5th & Penn Properties

Mr. Denbowski circulated the engineer's report electronically prior to the COW. Mr. Abodalo gave a PowerPoint on the properties. The recent events are copied in from Mr. Abodalo's PowerPoint:

- ▶ Thursday-3/24/2022-The engineers report was circulated Administration including Chief Building Officer CBO for review.
- ▶ Friday-3/25/2022-Departmental discussion ensued, CBO reported back stating that the report appear accurate and the recommendations suggested by the engineer concur with the observed findings noted.
- ▶ Monday-4/4/2022-The information was presented to City Council for directives on how to proceed. Council decided to move forward with mitigation and address the concerns presented at the meeting.
- ▶ Tuesday-4/5/2022-A meeting with the CBO was conducted and a plan of action was discussed and put into motion. An onsite meeting was scheduled for the following day Wednesday 4/6/2022.
- ▶ Wednesday 4/6/2022- An onsite meeting was conducted. Representatives from the City and Alvernia were in attendance. The engineer described the structural concerns and answered questions from attendees. During the meeting it was decided that a fence should be erected to keep people well out of the danger area if any pieces of the façade detached from the building. The "Unsafe Structure" letter was posted.
- ▶ Friday 4/8/2022-The engineer is in process of obtaining exiting drawings and construction documents of the building in order to better understand how the building is constructed and what materials have been used. This will better ensure the plan of deconstruction will be safe and expeditious. This task is investigative and not exact so it took a few days to gather the correct information.
- ▶ Monday 4/11/2022-The site fencing was erected and the Mayor released a statement asking the public to stay away from the building as a precautionary measure.

- ▶ Wednesday 4/13/2022-The CBO and the Engineer conducted an onsite walkthrough to observe the interior condition and access the existing structural elements to the best of their ability.
- ▶ The CBO also updated the Historic Preservation Specialist on the progress of the project.
- ▶ Thursday 4/14/2022-The CBO and the Engineer conducted a second site walkthrough of the rear of the building to continue assessment of the existing structural elements. Upon completion of the assessment a scope and method of deconstruction/construction was discussed and agreed upon.
- ▶ Discussing the proposed methods of deconstruction/construction and problem solve any areas of concern in regard to the actual execution and logistics of the deconstruction/construction process. At least two contractors will be in attendance to voice any concerns with the proposed methods of deconstruction/construction.
- ▶ Tuesday 4/19/2022-The project meeting is scheduled for 11:00a. After the project meeting we will have a better idea of the time frame and the contractors will have enough information to create and submit a bid. At 6:30p the CBO will present for HARB and answer any question that may arise.

Note: Deconstruction is defined as “a method of critical analysis of philosophical and literary language which emphasizes the internal workings of language and conceptual systems, the relational quality of meaning, and the assumptions implicit in forms of expression. Deconstruction focuses on a text as such rather than as an expression of the author’s intention, stressing the limitlessness (or impossibility) of interpretation and rejecting the Western philosophical tradition of seeking certainty through reasoning by privileging certain types of interpretation and repressing others. It was effectively named and popularized by the French philosopher Jacques Derrida from the late 1960s and taken up particularly by US literary critics.”

Mr. Abodalo continued with photographs of the property and the areas of concern and deconstruction, such as the partial roof collapse which is currently covered by a membrane. He stated that the membrane has been damaged by water and extreme temperature shifts.

Note: Membrane Roofing is a roof system that creates a continuous watertight covering to protect the interior of a building. Membrane roofs are predominately used as a flat roofing system since they are watertight, which is critical where water is not shed immediately.

Ms. Goodman-Hinnershitz stated that she has an unobstructed view of this roof from her office and the covering resembles a tarp, not a roof membrane.

Mr. Abodalo stated that the three developers who submitted RFQ’s will be advised of these conditions and asked to resubmit their bids for the properties by May 6th. He noted that the deterioration of 431 Penn has public safety concerns, as depicted in the report submitted to Council prior to the start of this meeting and circulated in hard copy at the meeting. The property is secured with fencing. Council will be provided with another update after the developers who submitted RFPs have resubmitted their bids. The next onsite meeting is planned for Tuesday the 19th. *(Note RFP – Request for Proposals & RFQ – Request for Qualifications of the developers to take on this project not the developers intended use of the properties)*

Mr. Waltman inquired if the property will be repaired or demolished in whole or in part. Mr. Abodalo stated that deconstruction and repair is planned. Mr. Waltman stressed the need to find a balance between the cost of the repair work and the cost of demolition in whole or in

part. He also stressed that if the property is repaired the work must be of high quality to prevent future problems.

Ms. Goodman-Hinnershitz agreed with the correction of the problems at this property, noting that the buildings have been in a state of distress for over a decade. She stated that the City has a shared responsibility to correct the deterioration of the properties.

Ms. Cepeda-Freytiz noted the need to define a process to evaluate City owned properties and to ensure that the buildings are kept in good repair. Mr. Denbowski agreed.

Ms. Reed recalled that Council requested a list and assessment of City owned properties. *(This topic was originally scheduled for an early March COW and rescheduled for May 2nd)*

Mr. Kelly stated that PFM funded a City-owned facilities assessment in 2019.

III. Economic Development Update

Mr. Abodalo gave another PowerPoint presentation on the status of the current economic development projects. There are currently 27 active projects of which nine (9) are residential – creating 113 low-moderate housing units, 99 student apartments and 4 projects creating market rate and luxury apartments. New projects slated to go online in 2022-23 at American House, 500 Penn Street and the Callowhill buildings. He reminded everyone that the Stantec Downtown Plus report suggests creating over 1000 new residential units in the downtown. The PowerPoint shows that the projects currently underway are creating 404 units.

Buttonwood Gateway DVDC	46
Buttonwood Gateway Habitat	8
Madison Building	84
Bear Building	36
Dream Venture	20
Medical Art Building	35
Berks Trust Building	39
Berkshire Building	79
Barely Square	57
737 Washington Street	
American House	
Canal Street	
500 Penn Street	
Callowhill	
Total	404

Mr. Abodalo noted that CollegeTowne building at 401 Penn Street has dorm units that can house up to 300 Alvernia students and he noted that 500 additional Alvernia students are expected in the Fall of 2022.

Mr. Abodalo next covered the Reading Redevelopment Authority projects that are currently starting at 301 Washington Street (1st floor commercial & 30 residential units) and 124-126 North 4th Street (addition of a 4th floor to create 30 residential units).

Mr. Abodalo explained the use of the Residential Project Yield to determine if a project is economically feasible or if subsidies are required. He described the various incentives that developers use to assist with the cost of the development – ReTAP, LERTA, Enterprise Zone, Neighborhood Assistance Program or TIF (Tax Increment Financing). He suggested considering some additional changes that can provide development incentives such as downtown zoning overlays to encourage 1st floor residential use, expand the use of the existing parking garages, etc.

In response to a question from Ms. Cepeda-Freytiz about the length of time it takes a project from application to completion, Mr. Abodalo expressed the belief that projects move rapidly through the approval processes and he added that when hurdles are discovered processes are repaired. He suggested watching Planning Commission meetings to learn what projects are in development.

Ms. Reed inquired about the timelines for the completion of the projects at the Madison and the former Reading Eagle building. Mr. Abodalo stated that the project at the former Eagle building has not started and that occupancy will occur at the Madison at the end of April/beginning of May 2022.

Ms. Reed noted the need to regularly check the former Eagle building as several constituents reported seeing evidence that people are sleeping in the building. Mr. Abodalo stated that he too heard the rumor and checked into it personally with the owner of the building but found no supporting evidence. He added that there is also no supporting evidence at the Madison building.

Mr. Daubert noted that the project at the former City garage – Super Natural Foods III – is not progressing as quickly as expected. Mr. Abodalo stated that all permits have been approved and only permits for the HVAC system are outstanding. He expressed the belief that this project will have a grand opening later this year.

Ms. Goodman-Hinnershitz stated that former office buildings are being converted to residential units and the fire code protocols for residential units must be upheld to protect lives. Fire code requirements cannot be bypassed. She also expressed the belief that the square footage requirements in the Zoning Ordinance need to be adhered to without variance.

She stated that she recognizes that developers like to gain as many units as possible to increase their profit margin but that cannot occur at the expense of safety and overcrowding.

Mr. Waltman and Ms. Cepeda-Freytiz asked Ms. Kelleher to add a presentation on fire suppression systems in residential buildings to the COW topic list.

Mr. Abodalo stated that he never encourages work arounds and bypassing of the various code requirements. Mr. Denbowski agreed noting the need to protect public safety and continuously follow the rules/laws.

Chief Stoudt stated that the Fire Marshall is included in meetings about economic development to ensure that fire code requirements are met.

Mr. Abodalo stated that Council will be receiving various ordinances to update the building/trades codes and make process improvements.

Ms. Kelleher stated that in the slide pertaining to economic development incentives, Mr. Abodalo recognizes that the current ReTAP ordinance is flawed as it only applies to owner-occupied properties and it excludes projects such as the Madison, Berkshire, Medical Arts and Buttonwood Gateway. She inquired when Mr. Abodalo would be presenting Council with a corrected ordinance. Mr. Abodalo stated that he expects to do that soon.

Mr. Waltman stated that when the mayor returns he will be making an announcement about the Stantec Downtown Plus report.

IV. Public Works Update

Mr. Denbowski stated that Public Works will be providing a short presentation on the MS4 program. Mr. Zeiber asked Ms. Ayers-Fisher to make the PowerPoint presentation.

Ms. Ayers-Fisher stated that the MS4 program is for the City's storm water system which is separate from the sanitary sewer system. She noted that some communities have combined systems and she thanked those who recommended the installation of a separate system in the late 1890s. She stated that the City's 96 mile separate system with 3700 catch basins does not treat or filter the water collected. The system is permitted by the DEP. She described the six (6) control measures required for this system and the damage sustained to the Heritage Park outflow during a storm in 2015. She stated that the City gets credits for projects such as gardens, tree trenches, rain barrels, etc. She described the City's partners.

Ms. Cepeda-Freytiz inquired if the City has a litter ordinance that can be enforced to discourage littering which ends up in the storm water system. Ms. Ayers-Fisher stated that the new SWEEP program can enforce the litter ordinance. She added that there are open SWEEP positions.

Mr. Denbowski agreed, noting that many sweep litter into the street on street sweeper day, which damages the City's sweepers and drives litter into the storm sewers.

Mr. Waltman agreed that sweeping litter into the street needs to stop and he suggested educating the public on a block by block system.

Ms. Goodman-Hinnershitz agreed with the need for public education to correct the disrespectful behavior of citizens.

Mr. Kelly inquired about a program to ban plastic bags. Ms. Ayer-Fisher stated that the ban is under consideration, noting that this ban would work best in a regional capacity.

Ms. Reed inquired if the City has considered netting the outflows to prevent debris from entering the river. Ms. Ayers-Fisher stated that netting is not feasible for a variety of reasons such as the location and size of the outflows. She added that it would also be very difficult for the staffing to keep up with managing the netting.

In response to a question from Ms. Cepeda-Freytiz, Ms. Ayers-Fisher explained the follow-up on the Reading for 100 project.

V. Community Development Update

Mr. Denbowski stated that there will be no report due to Mr. Abodalo's presentations at the beginning of the meeting. He stated that a report on CDBG funding will occur at the May COW.

VI. Schlegel Park Kiddie Pool

Mr. Kelly explained the work that will be completed prior to the Memorial Day opening. He noted that the mud runoff issue was resolved.

Mr. Waltman stated that City Council very clearly stressed the need for the kiddie pool to be retained. He noted that splash pads do not enable a small child to get comfortable in a body of water and learn how to swim. He asked why the kiddie pool was not retained.

Mr. Kelly stated that the administration moved forward to replace the kiddie pool with a splash pad due to the recommendation from the contractor and the insurance cost projections.

Mr. Waltman again stated that City Council very clearly instructed the administration to include a kiddie pool and to return to Council if further consideration was required.

Mr. Denbowski stated that the new trends are replacing kiddie pools with splash pads, as they are safer and conserve water.

Mr. Waltman stated that splash pads do not introduce children to an environment that prepares them to learn to swim. He noted that a parent or guardian always accompanies children when they are in the kiddie pool and that a lifeguard also keeps watch over this pool. He stated that as the Council unanimously agreed to the retention of the kiddie pool, the administration should have returned to discuss any deviation from that plan.

Ms. Ventura agreed. She also stressed the need for this sole public pool to reopen Memorial Day weekend.

Ms. Goodman-Hinnershitz stated that she agreed with the use of a splash pad in place of a kiddie pool due to the difficulties the Rec Commission has finding seasonal employees, especially coming off the closure of the pool for two consecutive seasons. She noted that while Council unanimously agreed with the retention of a kiddie pool, a formal vote never occurred. She suggested putting safety first.

Mr. Waltman agreed that the discussion occurred during a COW meeting with the administrative staff in full understanding of Council's directive. Any change in that plan should have been considered by the body of Council before changes to the plan occurred. He noted that the improvements to the pool are a 30-40 year investment. Ms. Reed and Mr. Daubert agreed.

Mr. Waltman and Ms. Cepeda-Freytiz asked Ms. Kelleher to add the public pool topic to the upcoming COW topic schedule.

VII. Executive Session

Mr. Litvinov noted the need for an executive session about the settlement of litigation.

The seven members of Council, Mr. Gombar, Mr. Lachat (virtually), Ms. Kelleher, Ms. Smith, Mr. Denbowski, Mr. Kelly and Mr. Litvinov entered executive session to discuss litigation settlements at 7:11 pm.

The executive session concluded and the meeting adjourned at approximately 7:20 pm.

*Respectfully Submitted by
Linda A. Kelleher, CMC, City Clerk*