

TO: Mayor and City Council, Frank Denbowski, Acting Managing Director

FROM: Ernest Schlegel, Chairman Reading Redevelopment Authority (RRA) Board

DATE: February 14, 2022

SUBJECT: RRA 2021 Annual Report to City Council

I am pleased to submit this report to City Council which summarizes the work of the RRA Board this past year. As a reminder to Council, the RRA Board **“Exist and operates for the public purposes of the elimination of blighted areas through economically and socially sound redevelopment in conformity with the comprehensive plan for residential, recreational, and commercial use, and otherwise encouraging the provision of healthful homes, a decent living environment, adequate places of employment for the City of Reading and the people of this Commonwealth.”**

The RRA Board members serve through appointment by the Mayor and City Council. Our Board did not have any new members appointed in 2021 and most importantly had nearly a 100% attendance for the year 2021.

Operations

RRA started 2021 with a zero budget and built on the needs of the Authority. MS Yomary Castro with the assistance of Hailstone Economics developed our budget and RRA has done well with monthly finance reporting, coming up under what was budgeted for the 2021 year, by cutting \$77,049 for insurance cost. We have also addressed our inventory issues.

City Center Redevelopment Authority Activities

Based on the number and type of projects the RRA reviewed this past year, it is evident that development conditions continue to be very favorable for the downtown and surrounding neighborhoods.

The Board continues to be interested in issues that are important to the economic success of the downtown, including availability of parking for new businesses, how city-owned properties can best be used or redeveloped to catalyze economic

development, ensuring that projects are well-designed and contribute to the overall look and vibrancy of the city.

Projects

301 Washington Street and 124 N. 4th Street:

Spak Group, in partnership with the Reading Redevelopment Authority, is in the final stages of creating a partnership to begin development of 301 Washington Street and 124 N. 4th Street. Both properties will be renovated into a combined total of 54 residential units and 2 commercial spaces of approximately 4,000 square feet of space by utilizing the existing structures plus an additional floor on both properties. Total Project Combined Costs of these projects is \$8,000,000 (Rounded). We look to begin these projects in 2022.

Buttonwood Gateway West:

Delaware Valley Development Company in partnership with the Reading Redevelopment Authority broke ground on the Buttonwood Gateway West project in May 2021, which is a new build in this marginalized neighborhood, bounded by the 400 blocks of, Gordon and Tulpehocken Street's.

Upon completion there will be 46 income producing units and one unit for the manager.

The targeted population: 60% and less of Area Median Income (AMI) for Berks County.

The price point: Rents range from \$800 to \$900 for 2BR unit and \$900 to \$1,000 for 3BR units. There's also a hand full of handicap accessible units that are targeting extremely low-income households.

Three buildings (6 units) are complete. The remainder will be delivered between now and July 2022. The total development cost is approximately \$16,200,000.

1404 Fairview St:

We have secured \$127,000 for 1404 Fairview St and are in the process of seeking contractors through RFP to begin rehab of this property.

638-640 Schuylkill Avenue:

RRA is in the final stages of completing eminent domain and upon completion will move forward with rehab of these properties.

627 PENN ST Courtyard:

Construction should begin this summer to rehab the courtyard. This is paid for by a \$250,000 Grant.

824-842 PENN ST

The City of Reading received a Grant to rehab this courtyard in 2021 in the amount of \$500,000.

Landbank:

RRA has identified all names totaling 15 for the Steering Committee and will begin meetings in the coming weeks with the assistance of Hailstone Economics.

On behalf of the entire Board, I would like to thank you sincerely for the opportunity to serve the citizens of the City of Reading. Please do not hesitate to contact us if you would like to receive any additional information about our activities, or should you require our assistance in either proposing or vetting specific downtown redevelopment initiatives and strategies.

2021 RRA Board of Directors

Ernest Schlegel, Chairman

Wellington Santana, Vice Chairman

Thomas Catagirone, Secretary

Goslyn Fleming, Director

Nate Rivera, Director

