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## REUSE PLAN

### FOR THE NAVY/MARINE CORPS RESERVE CENTER KENHORST BOULEVARD, READING, PENNSYLVANIA



#### **I. Background**

In 2005, the Department of Defense Base Closure and Realignment Commission (BRAC) evaluated recommendations from the services for the closure and realignment of bases and missions, and made recommendations to the President and the public. The Commission designated the Reading Navy/Marine Corps Reserve Center in Reading, Pennsylvania, for closure. The original date for closure was September 2010, but this date was later changed to September of 2011.

When no other Federal agency expressed interest in the property, the Department of Defense, Office of Economic Adjustment (OEA), made the site available to other entities and initiated the Defense Economic Adjustment Program. This program provides

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technical and financial assistance to communities impacted by base closures or Defense Department changes, including base closures, expansions, or realignments. The Reading Berks Public Safety Local Redevelopment Authority was created in 2006 to pursue acquiring the property. However, this Authority opted for the acquisition of another site for its intended purpose, and withdrew from the Acquisition process.

Early in 2008, the City of Reading created the City of Reading Local Redevelopment Authority (LRA), made up of a representative group of stakeholders from the community. The Authority includes elected officials, representatives of community organizations, and a member of the City Planning Commission. A roster of members and their affiliations may be found in the Appendix. The LRA was charged with directing the process of acquiring the property, including analyzing the condition of the property, assessing community needs, reviewing the letters from parties submitting Notice of Interest letters for the use of the property, and developing a reuse plan for the site and facilities. The LRA was recognized by the OEA as the designated organization to prepare a reuse plan on May 30, 2008. The Authority sought assistance with the assessment of the property and the development of a reuse plan, issuing a Request for Proposals for professional services. By the end of the year, the Authority had selected a consulting team, and work on the development of a reuse plan began early in 2009. Because of the hiatus between the withdrawal of the Reading Berks LRA and the creation of the City of Reading LRA, the new Authority had a short period in which to complete its work. The original deadline for submission of a reuse plan was extended from April 30, 2009 to March 31, 2010 in light of complexities that arose in the review and decision-making process.

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## II. The Reuse Plan Process

The Department of Defense has defined the process for the reuse of former military facilities and the City of Reading LRA has carefully followed the required procedures.

As noted, the LRA membership includes persons with diverse backgrounds and interests. The names and affiliations of the members of the LRA are provided in Appendix A. The members of the consulting team selected by the LRA to assist with this evaluation and planning process are provided in Appendix B.

The LRA conducted public meetings in the affected neighborhood on

January 28, 2009

June 11, 2009

January 13, 2010

These meetings were well publicized, well attended, and covered by the regional media. Summaries of the meetings are included in Appendix C.

The LRA also held public meetings in the City Hall on:

January 14, 2009

March 4, 2009

April 30, 2009

March 11, 2010

March 17, 2010

The Plan approved by the LRA was submitted to the City Council, considered at an open, noticed meeting, and approved by the City Council on March 22, 2010.

These meetings and hearings were open to the public and publicized in advance of each meeting.

The LRA sought and evaluated Letters of Interest from community organizations. This process included reviewing the Letters of Interest from three community organizations; the Reading School Board, the Reading Hospital and Medical Center (RHMC), and a

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joint letter of interest from the Berks Women in Crisis (BWIC) and Mary's Shelter. These four organizations provided the LRA additional, detailed information about their reuse plans, and made presentations and answered questions about their respective plans at a public meeting, held in the neighborhood, on June 11, 2009. The LRA evaluated these proposals in terms of their practicality and economic viability, their potential for implementation in a timely manner, and their responsiveness to the community's needs. As events unfolded, the Berks Women in Crisis withdrew their Letter of Interest. Mary's Shelter maintained its interest in the site, and negotiated with the Reading Hospital and Medical Center to create a joint expression of interest in the site. The RHMC plans for the site also evolved during the review process, and a second neighborhood meeting was held in January of 2010 to present the new concept to the area residents. The public was provided an opportunity to question and comment on the revised proposal.

The LRA had the full and timely cooperation of the Department of the Navy throughout the process. The Navy had made a number of documents available to the LRA initially, including an Environmental Condition of Property. The Navy BRAC Program Management Office, Northeast, in Philadelphia, subsequently made property records (maps, drawings, and specifications) available to the consulting team's engineers and architects, arranged for access to the facility for the site inspection, and sent a Real Estate Specialist to the site on the day of the inspection to answer questions and provide any additional information requested. The information obtained from this site inspection was very helpful in determining potential uses for the site, as well as for identifying concerns and problems in developing the facility for civilian uses.

In addition to the Facility Condition Assessment Report (FCAR) noted above, the consulting team prepared a Community Needs Analysis, an Economic Profile and Market Assessment, provided guidance for the evaluation of the Letters of Interest, and provided general guidance to the LRA on the technical aspects of the planning and conveyance process and procedures. The FCAR, the Community Needs Analysis, and the Economic Profile materials are included as chapters in this report.

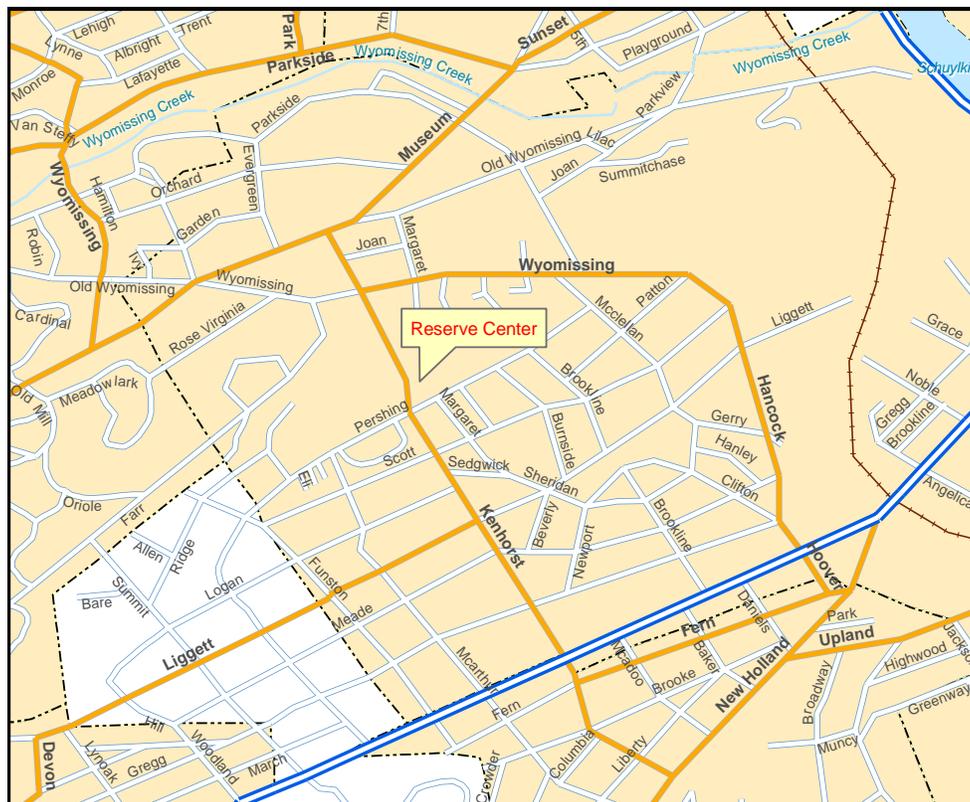
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## III. Property Description

The Reading Navy/Marine Corps Reserve Center is located at 615 Kenhorst Blvd. in the western quadrant of the City of Reading, Berks County, Pennsylvania. The 7.05-acre property is physically located at the northeastern corner of the intersections of North Kenhorst Blvd. and Pershing Blvd. Kenhorst Boulevard is a minor arterial street and connects to Lancaster Avenue to the south and Museum Street to the north.

The property is located on the edge of a residential neighborhood with the City's R-2 Residential Zoning District. This zoning permits single-family detached dwellings, single-family semi-detached dwellings, and single-family attached dwellings. Though the site is located in residential neighborhood, it is across the street from a Pennsylvania State Police barracks, the Olivet Boys and Girls Club of Reading is immediately to the rear of the site, and there is a Reading Housing Authority apartment complex to the north and east of the facility. There are numerous commercial and office uses to the south along Kenhorst Boulevard, though the area to the north of the site is exclusively residential.

The map below locates the site within the City.



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The site includes five individual buildings known as the Reserve Training Building, a Paint Locker, the Auto Vehicle Shop, a Garage, and the General Storage “Howitzer” Shed. There are two large asphalt parking lots on the property, one located in the northwestern corner and adjoining Kenhorst Blvd, and the second in the eastern corner and accessed from Pershing Blvd. On the northern quarter of the site another asphalt surfaced area surrounds the Howitzer Shed. Five access driveways serve the site; the main vehicle entrance to the building’s front from Kenhorst Blvd, three access drives to the parking lots and a driveway access from Pershing Blvd. that extends past the main building area to the property rear. This access appears to be in general alignment with Margaret Street on either side of the parcel. The aerial photo below shows the site and buildings.



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The facility is served by public water and sewer with connections to the utility mains located in the adjacent streets. Natural gas is provided also from the services located within the public streets. Electric, telephone, cable television serve the property by overhead lines from existing poles located adjacent to the surrounding streets. Large overhead electric transmission lines bisect the property on a general east-west line behind the Reserve Training Building. All utilities appear through visual inspection to be in good condition and no deficiencies were noted regarding their function or service capacity.

The site generally slopes from south to north, with storm water runoff generally conveyed away from the building and to the property's lowest elevation adjacent to Margaret Street along the northern property line. An existing at-grade storm water basin is located at the northern corner of the Kenhorst Blvd parking lot.

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## IV. Community Profile

### Demographics

The figures that follow describe a defined study area of approximately one mile from the site in relation to the City of Reading and Berks County. Appendix A provides very detailed information on demographic and economic conditions in the area.

The 2009 study area population (Exhibit 1) of 5,996 residents represents 7.4% of the total City population. This population declined from 1990 to 2000, and again from 2000 to 2009. The Hispanic component is a significant minority, 46% of the total population of the area.

### Exhibit 1

#### Demographic Overview, 2009 Neighborhood, City of Reading and Berks County

Description	Neighborhood		City		County	
	No.	%	No.	%	No.	%
<b>Population</b>						
2013 Projection	6,147		81,862		429,115	
2009 Estimate	5,996		80,652		426,640	
2000 Census	6,053		81,207		373,638	
1990 Census	6,267		78,441		336,524	
Growth 1990 - 2000 (%)	-3.41%		3.53%		11.03%	
<b>Population by Single Classification Race (2008)</b>						
	6,091		81,221		407,817	
White Alone	3,315	54.4	37,759	46.5	345,729	84.8
Black or African American Alone	503	8.3	11,421	14.1	17,940	4.4
Hispanic or Latino	2,822	46.3	42,463	52.3	54,523	13.4
<b>Household Income</b>						
<b>Average</b>	\$45,212		\$36,188		\$64,873	
<b>Median</b>	\$31,777		\$28,275		\$52,544	
<b>Average Household Size</b>	2.39		2.67		2.54	

Source: Claritas, Inc.; Thomas Point Associates, Inc.

The study area population is significantly older than the City population (Exhibit 2): one resident in five is age 65 or older, and 3.6% is age 85 or older. The median age for the area population, 34.6 years, is significantly older than the City population as a whole.

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The proportion of females (56.2%) is very high compared to the City (51.7%) and the County (51%).

<b>Exhibit 2</b>						
<b>Population by Age and Sex (2000), Neighborhood, City of Reading and Berks County</b>						
<b>Description</b>	<b>Neighborhood</b>		<b>City</b>		<b>County</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
<b>Population by Sex</b>	6,053		81,207		373,638	
Male	2,650	43.8	39,205	48.3	182,956	49.0
Female	3,403	56.2	42,002	51.7	190,682	51.0
Male/Female Ratio	0.78		0.93		0.96	
<b>Population by Age</b>						
Age 85 and over	216	3.6	1,369	1.7	7,260	1.9
Age 16 and over	4,475	73.9	59,258	73.0	291,984	78.1
Age 18 and over	4,324	71.4	56,913	70.1	281,729	75.4
Age 21 and over	4,109	67.9	52,559	64.7	265,519	71.1
Age 65 and over	1,221	20.2	10,068	12.4	56,190	15.0
<b>Median Age</b>	34.6		30.6		37.4	
<b>Average Age</b>	38.2		33.8		38.0	
Source: Claritas, Inc.; Thomas Point Associates, Inc.						

The diversity of the area is evident in the household income figures: 6.2% of households had annual income greater than \$100,000. This is twice the representation at this income level in the City.

Median household income (\$29,621) (Exhibit 3) is low by national standards and just 60% of the County income (\$45,118), but it is 12% higher than the City figure.

At the same time, there is significant poverty in the area: 43% of area households had income under \$25,000 compared to 47% in the City as a whole.

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<b>Exhibit 3</b>						
<b>Households by Household Income (2000), Neighborhood, City of Reading and Berks County</b>						
<b>Description</b>	<b>Neighborhood</b>		<b>City</b>		<b>County</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
<b>Households by Household Income</b>	2,398		30,104		141,609	
Income Less than \$15,000	668	27.9	8,485	28.2	18,578	13.1
Income \$15,000 - \$24,999	354	14.8	5,587	18.6	17,583	12.4
Income \$25,000 - \$34,999	382	15.9	4,840	16.1	18,309	12.9
Income \$35,000 - \$49,999	335	14.0	4,829	16.0	24,216	17.1
Income \$50,000 - \$74,999	405	16.9	3,990	13.3	32,048	22.6
Income \$75,000 - \$99,999	106	4.4	1,364	4.5	16,420	11.6
Income \$100,000 - \$149,999	85	3.5	724	2.4	9,993	7.1
Income \$150,000 - \$249,999	35	1.5	215	0.7	3,427	2.4
Income \$250,000 - \$499,999	18	0.8	59	0.2	804	0.6
Income \$500,000 or more	9	0.4	11	0.0	231	0.2
<b>Average Household Income</b>	\$41,220		\$34,396		\$54,872	
<b>Median Household Income</b>	\$29,621		\$27,025		\$45,118	
<b>Per Capita Income</b>	\$16,974		\$13,085		\$21,232	

Source: Claritas, Inc.; Thomas Point Associates, Inc.

In summary, the population in the immediate area around the site comprises 7.4% of the City population. This neighborhood population is older and, while generally low-income, is a little better off than the rest of the City. There are two income modes that include significant numbers of households in poverty (annual income under \$25,000) and a relatively affluent population (income over \$100,000).

### **Projected Population**

The figures in Exhibit 4 show the official population projections for Reading and Berks County. It is projected that there will be some 10,614 new residents in the City in the period 2010-2030, a growth of 531 residents per year or 222 households. The causes of the projected growth include the expansion of the Latino population and relocations from the City of Philadelphia.

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<b>Exhibit 4</b>		
<b>Population and Projections, 1990-2030</b>		
<b>City of Reading and Berks County</b>		
<b>Year</b>	<b>City</b>	<b>County</b>
1990	78,380	336,523
2000	81,207	373,638
2010	86,028	397,537
2020	91,172	421,304
2030	96,642	446,582

Source: Berks Co. Planning.

These projections were prepared in 2004, using the “shift-share allocation method, based on the 2000 Census. The County’s Planning Commission staff holds the view that census-based figures actually understate population and growth.

## **Economic Overview**

The site is in the center of the City of Reading and Berks County. Local and County economic forces have a significant bearing on what can happen at this location. In this section, we describe the economic context for site redevelopment.

## **Reading Region and Berks County**

Berks County is growing in population, due largely to the expansion of the Philadelphia area economy to the east and the growth of the local Latino population in the City of Reading. It is a reasonable commute south from Berks County on Route 422 to job centers in King of Prussia and the fringes of the greater Philadelphia area.

The manufacturing sector remains large, 20% of the total economy in terms of employment, in spite of recent losses of manufacturing companies. Strong manufacturers include Carpenter Technologies (specialty steel) and East Penn Manufacturing (batteries). Closures in recent years have included the Hershey Company and Tyco Electronics. Along with other counties in southeastern Pennsylvania, Berks County is strong in agriculture and a national leader in growing mushrooms. One of the strengths of the region is the presence of five colleges.

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The County's manufacturing strength is also a weakness in light of global trends and the off shoring of American manufacturing jobs. To expand its economy in line with its strengths, the County has targeted several sectors for growth:

- Entertainment, hospitality, and tourism.
- Food production.
- Professional services.

The theme of the regional strategy is the idea of "dealing with reality" and the strategy puts a high priority on the redevelopment of the City, stating, "the region cannot be successful without a vibrant urban core."

## **City of Reading**

The City of Reading also has a large manufacturing base (18% of total employment) with significant concentrations in manufacture of auto batteries and medical supplies and food processing. While the recession is in full force, these sectors are less vulnerable to the downturn than are most other industries. According to a recent Moody's analysis, "Reading's future may brighten considerably if local employers can adapt to advancing battery technology and if hybrid and electric cars take hold in the next decade." However, the long-term prospects for manufacturing in general are poor as the national economy continues in transition to knowledge- and service-based industries.

The continuing redevelopment of the downtown is the leading component of the City's economic picture. The City has a very aggressive strategy to revitalize the downtown, and has entered several partnerships with developers to construct office, hotel, and other space. These projects have included commercial and residential redevelopment of various types:

- Buttonwood Gateway Redevelopment, a 14-acre industrial project.
- Goggleworks, a 138,000 square foot community arts center.
- Sovereign Plaza, a 130,000 square foot downtown office building.
- Reading Theater Complex, an \$11 million, 1,600-seat center.
- Sovereign Convention Center
- Sovereign Performing Arts Center

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The City has faced formidable economic challenges for years and its situation has worsened because of the collapse of the national and global economies. The Comprehensive Plan 2000 is still on target in its identification of the principal problems:

- Lack of land suitable for development.
- Declining tax base and increasing number of tax-exempt properties.

Unemployment in Reading has been in double digit figures for the past year and has averaged 12.8 percent for 2009, the latest figure available from the Bureau of Labor Statistics. This translates to over 4,000 people per month actively seeking employment.

The City budget crisis, continuing unemployment, and the continuing population growth only make City's problems more severe.

## **The Neighborhood**

The study area is a composite in most respects of the Reading region: diverse, working class, industrial and residential all at the same time.

Kenhorst Boulevard is essentially a residential street with a strong institutional-commercial flavor. At one time, it was known as "insurance row" but it has taken on a stronger medical-professional orientation. From an economic development perspective, the neighborhood elements that are most relevant to redevelopment of the site include the following:

- Job needs associated with residents of the neighborhood itself; many of those residents are lower-income.
- Proximity to the Reading Hospital and its Health School; this complex constitutes one of the major employers in the region.

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## V. Community Needs Analysis

### Introduction

The Reserve Center site location is the west side of the City of Reading, about a mile west of the Schuylkill River that separates West Reading Borough from the downtown. This part of Reading is bounded by various jurisdictions: West Reading Borough on the north, Wyomissing Borough to the northwest, Cumru Township on the west and Kenhorst Borough on the south.

Kenhorst Boulevard connects West Reading and Lancaster Avenue. As described earlier, the primary uses along Kenhorst are homes and offices converted from residential structures, and the Pennsylvania State Police (Troop L) Barracks complex directly across from the site. The Boulevard was once known locally as “Insurance Row” since most insurance brokers had offices on Kenhorst.

The area is generally residential in character but includes a very diverse range of uses:

- Two public housing complexes, Oakbrook (526 units) and Sylvania (126 units); together these make up 40 percent of the City’s public housing stock.
- Two private apartment complexes including the 150-unit Wyomissing Garden Apartments and the 4-story Wyomissing Park Apartments (32-units).
- Several schools and churches including Reading Junior Academy, a Seventh Day Adventist Christian School, Thomas H. Ford Elementary School and Holy Name High School.
- Several large industrial properties east of the site, including Baldwin Brass and Reading Body.
- The 10-story condominium, Hummingbird Hill (84 units), two blocks west.
- The Reading Public Museum at the northern edge of the area.
- Several health-related facilities including The School of Health Sciences of the Greater Reading Hospital, the Wyomissing Nursing and Rehabilitation Center and the Villa St. Elizabeth, a personal care home.
- Four parks, including Museum, Yarnell, Schlegel and Angelica Parks, three playgrounds (Oakbrook Housing, Brookline and E.J. Dives) and the Olivet Boys & Girls Club.

There are two major commercial streets near the site:

- Lancaster Avenue (State Route 222) to the south.
- Penn Avenue (State Route 422) to the north.

The map below shows the site location and the area defined as the neighborhood around it, bounded by the Schuylkill River on the east, Lancaster Avenue on the south,

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Summit Avenue on the west and Wyomissing Park on the north. The area includes small portions of Cumru Township and West Reading Borough, just outside the boundaries of the City of Reading. The demographic statistics described above relate to this defined area. We refer to the area as a “neighborhood” but recognize that it is quite varied in character, and includes parts of several neighborhoods in five jurisdictions.



*The Site and Vicinity,  
West Side, City of Reading*

## **Community Goals and Objectives**

Community goals and objectives are important considerations in determining the best reuse of the property. The City's Comprehensive Plan and direct public input provide a framework for making this determination. The consultants also reviewed the City's 5-Year Strategic Plan (HUD Consolidated Plan), the 2007 Consolidated Annual Performance and Evaluation Report (CAPER), and the Berks County Department of Human Services document, "Assessing the Needs of Our Community, 2007/2008."

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## City of Reading Goals and Comprehensive Planning

Reading's Comprehensive Plan 2000 is diverse and still very relevant. Its main themes address the future of the City and the redevelopment process:

- The overall fiscal health of the City must be improved.
- Greater efforts are necessary to deter crime and drug-related activities, as well as improve perceptions of the city.
- Reading's residential neighborhoods need to be reinvigorated and housing stock stabilized.
- The overall quality of the urban environment needs to be protected and enhanced.
- The City needs to become an equitable partner in the region to build a successful future.

With respect to fiscal health, the Plan notes: "Reading's tax base is declining as properties are abandoned, property assessments are appealed, and the number of tax-exempt properties increase. Appropriate development of vacant or underutilized tracts of land must be encouraged. The reuse of former industrial sites would help to expand the City's economic base and increase employment opportunities. Additional revenue sources and assistance must be explored and utilized."

The Comprehensive Plan also noted: "There are limited opportunities for new residential development in the City since the amount of undeveloped land has decreased by more than 43% since 1978 to 232 acres, much of which is difficult to develop or is zoned for non-residential use. Although there is a minimum amount of undeveloped land, there are opportunities for appropriate adaptive reuse and residential infill. The residential use of the upper floors of buildings in commercial areas could increase property value as well as stimulate activity." Since the Plan was written in 2001, an estimated 100 acres has been developed in the City, further reducing development opportunities.

In the Plan the City identified two "Issues" that are relevant to the redevelopment of the site, and policies to address them:

1. There is very little vacant land remaining in the City that is suitable for any kind of development. Policies to address this situation include:
  - Evaluate alternative uses for vacant or underutilized land in the City.
  - Encourage the appropriate development of vacant land or reuse of former industrial sites to address the City's economic, housing, employment and neighborhood objectives.
  - Maintain inventory of larger sites for development or reinvestment.

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- Market opportunities for additional development.
- Utilize State and Federal programs to mitigate impacts.

2. The City of Reading is facing a declining tax base as well as an unusually high number of tax-exempt properties compared to the surrounding area. Policies to address this situation include:

- Support development of businesses that will increase the tax base.
- Encourage financial investment in taxable organizations.
- Review the use of all tax-exempt properties within the City to determine if the criteria for tax-exempt operations are met.
- Seek regional support for countywide services situated in the City.
- Encourage non-profit organizations to submit a payment in lieu of taxes for the services received from the City.

## **Public Views**

Approximately 50 residents attended a public meeting held in the neighborhood on January 29, 2009. Many attendees expressed views about what should be done with the property, as summarized below:

- A government center, possibly a city police and fire station.
- Meeting and storage space for the Marine Corp League, which has been meeting in the building since 1984.
- Joint city-county use, possibly including the Reading Police Academy.
- The County Probation office (Berks County had evaluated the cost of remediation and decided against taking the property).
- Shared use of the gymnasium as a neighborhood recreation center, to supplement the Olivet Boys & Girls Club facility.
- A public park, play area, or swimming pool.
- Expansion site for Reading Hospital.

The general view of the citizens attending the meeting was that the reuse program should be compatible with the surrounding area.

A second public meeting to review and discuss the proposed plan was held on March 11, 2010, after public notice was given and the draft plan made available.

**Based upon this research and input, the LRA, with the assistance of the consulting team, agreed that the City would be best served with a reuse that:**

- 1) created or maintained jobs in the City,**
- 2) created tax ratable or improved the tax base, and**
- 3) was compatible with current neighborhood uses.**

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The establishment of these criteria provided focus and direction for the LRA in assessing potential reuse options.

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## VI. Market Analysis

This section addresses potential uses of the site from a market-based, real estate perspective. It describes conditions related to development of residential, office, retail, and mixed-use activity at the site. The analysis provides a basis for estimating economic and financial aspects of site redevelopment.

### **Residential**

Exhibit 5 presents an overview of housing in the area including the vicinity of the site, the City of Reading and Berks County.

- The study area is a majority rental area (52% of households), like the City (49%) but very different from the County as a whole (72% of County households live in owner-occupied housing).
- Most owner-occupied houses in the vicinity are valued in the \$60,000-\$80,000 range; 72% had values under \$100,000.
- Single-family attached and detached units make up two-thirds of all the housing units.
- The largest number of units was built in the 1950's; median year of construction is 1955.

Rental units in the area are affordable. As an example, apartments at Wyomissing Gardens are \$635 (1 bedroom) and \$740 (2 bedrooms).

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<b>Exhibit 5</b>						
<b>Housing Overview:</b>						
<b>Neighborhood, City of Reading and Berks County</b>						
	<i>Neighborhood</i>		<i>City</i>		<i>County</i>	
<b>Tenure of Occupied Housing Units</b>	2,420		30,113		141,570	
Owner Occupied	1,157	47.8	15,355	51.0	104,719	74.0
Renter Occupied	1,262	52.1	14,758	49.0	36,851	26.0
<b>Avg Length of Residence</b>	11		11		13	
<b>Owner-Occupied Housing Values</b>	1,175		15,367		104,693	
Value Less than \$20,000	0	0.0	823	5.4	2,506	2.4
Value \$20,000 - \$39,999	17	1.4	5,379	35.0	7,033	6.7
Value \$40,000 - \$59,999	164	14.0	4,766	31.0	7,948	7.6
Value \$60,000 - \$79,999	396	33.7	2,176	14.2	12,756	12.2
Value \$80,000 - \$99,999	273	23.2	982	6.4	18,844	18.0
Value \$100,000 - \$149,999	171	14.6	742	4.8	32,783	31.3
Value \$150,000 - \$199,999	77	6.6	287	1.9	13,201	12.6
Value \$200,000 - \$299,999	49	4.2	131	0.9	6,440	6.2
Value \$300,000 - \$399,999	10	0.9	20	0.1	1,781	1.7
Value \$400,000 - \$499,999	4	0.3	28	0.2	565	0.5
Value \$500,000 - \$749,999	1	0.1	21	0.1	568	0.5
Value \$750,000 - \$999,999	9	0.8	6	0.0	153	0.1
Value \$1,000,000 or more	4	0.3	6	0.0	115	0.1
<b>Housing Units by Units in Structure</b>	2,544		34,314		150,222	
1 Unit Attached	919	36.1	17,242	50.2	34,822	23.2
1 Unit Detached	753	29.6	3,944	11.5	81,581	54.3
2 Units	106	4.2	3,237	9.4	6,587	4.4
3 to 19 Units	415	16.3	7,220	21.0	16,056	10.7
20 to 49 Units	54	2.1	663	1.9	2,010	1.3
50 or More Units	262	10.3	1,915	5.6	3,436	2.3
Mobile Home or Trailer	7	0.3	88	0.3	5,650	3.8
Boat, RV, Van, etc	0	0.0	0	0.0	80	0.1
<b>Year Built</b>	2,544		34,314		150,222	
Housing Units Built 1999 to March 2000	6	0.2	113	0.3	2,639	1.8
Housing Unit Built 1995 to 1998	11	0.4	108	0.3	7,674	5.1
Housing Unit Built 1990 to 1994	56	2.2	430	1.3	10,310	6.9
Housing Unit Built 1980 to 1989	151	5.9	1,112	3.2	16,834	11.2
Housing Unit Built 1970 to 1979	389	15.3	2,047	6.0	19,089	12.7
Housing Unit Built 1960 to 1969	272	10.7	2,369	6.9	14,922	9.9
Housing Unit Built 1950 to 1959	769	30.2	3,483	10.2	17,458	11.6
Housing Unit Built 1940 to 1949	420	16.5	4,278	12.5	12,371	8.2
Housing Unit Built 1939 or Earlier	443	17.4	20,369	59.4	48,925	32.6
<b>Median Year Structure Built**</b>	1955		1939		1958	
<b>Average Contract Rent</b>	\$419		\$373		\$451	

Source: Claritas, Inc.; Thomas Point Associates, Inc.

The construction of new housing units in the City (2003-2008) declined in most years since 2003 (Ex. 6 below).

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There are notable patterns in the types of units built in those years:

- More than half the units constructed in the City (54%) were apartments.
- Single family detached units (20%) and townhouses (17%) were smaller components.
- Overall/average pace of construction has been 28 units per year.

There is no new housing under construction in the City at this time. Plans for the construction of new housing on Canal Street are on hold.

## Exhibit 6

### **New Housing Units Built by Year, 2003-2009\*** **City of Reading and Berks County**

Year	Type of Unit												Total	
	Detached		Semi-Det.		Townhouse		Apt.		Mobile					
	City	Co.	City	Co.	City	Co.	City	Co.	City	Co.	City	Co.	City	Co.
2003	8	1,568	4	86	-	71	90	351	1	124	103	2,200		
2004	7	1,359	2	66	-	110	-	-	-	157	9	1,692		
2005	10	1,081	4	49	7	82	8	245	1	124	30	1,581		
2006	7	1,283	2	50	13	87	-	313	-	111	22	1,844		
2007	4	900	1	106	11	109	-	35	-	112	16	1,262		
2008	2	627	-	87	1	98	3	250	-	105	6	1,167		
2009*	1	307	-	30	1	118	-	332	-	39	2	826		
<b>Total</b>	<b>39</b>	<b>7,125</b>	<b>13</b>	<b>474</b>	<b>33</b>	<b>675</b>	<b>101</b>	<b>1,526</b>	<b>2</b>	<b>772</b>	<b>188</b>	<b>10,572</b>		

Source: Berks County Planning Office

\* 2009 figures includes first three quarters.

The downturn in the housing market in Reading is apparent in terms of sales of units in the past four years (Ex. 7). Sales volume in 2008 was 41% below the 2005 figure, while average time on the market increased by fifteen days. Average list price in 2008 was slightly below the comparable figure for the previous year. According to builders, the market has been in a depressed state for over two years.

Recent asking prices for area sale units at this time include the following:

- Condo units at Hummingbird Hill (1,850 square feet, 3 br/2ba), a ten-story complex one-half block west of the site, are currently on the market at an asking price of \$179,000.
- A townhouse unit on Nassau Court, one block west of the site, is available; the asking price is \$89,900 for the 1,260 square foot unit with two bedrooms.

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<b>Exhibit 7</b>								
<b>Housing Units Sold, City of Reading and Berks County, 2005-2008</b>								
	<i>Year</i>							
	2005		2006		2007		2008	
	Reading	Berks Co.	Reading	Berks Co.	Reading	Berks Co.	Reading	Berks Co.
No. Listed	1,736	8,372	1,830	8,738	1,940	8,787	1,714	7,807
Average Price								
List	\$ 57,101	\$ 193,455	\$ 65,807	\$ 207,432	\$ 68,849	\$ 206,000	\$ 68,053	\$ 200,189
Sold	\$ 55,629	\$ 167,488	\$ 61,470	\$ 176,261	\$ 63,460	\$ 180,014	\$ 65,023	\$ 177,234
Units Sold	1,240	5,997	1,248	5,697	996	4,996	722	3,915
Sold Volume (millions)	\$ 69	\$ 1,004	\$ 77	\$ 1,004	\$ 63	\$ 899	\$ 47	\$ 694
Average Days on Mkt.	53	49	49	55	60	67	68	82
Source: Greater Reading Board of Realtors								

The Reading Housing Authority (RHA) is an important organization in this housing market. In mid-2009 there were just 16 vacancies in the 1,600 units that the RHA owns and manages throughout the City, including the 526-unit Oakbrook complex that is one block east of the site. The RHA rents units at Oakbrook at 30% of income, and the units were 99% occupied. The Authority had plans to construct five more units at another location in the near future.

The 3.2% tax that the City collects on the gross wages of its residents is no doubt a factor that affects demand for housing in the City. The tax rates in neighboring municipalities are typically much lower. Thus, higher income wage earners who have housing options are likely to choose a residence in the nearby suburban areas, all other things being equal.

The neighborhood includes 7.4% of the City population. If the City grows at the projected rate of 222 households/year (2010-2030) and the neighborhood maintained its current share of this growth, one could expect 17 new households per year, on average. Since most of the City is built-out and there are few sites for redevelopment outside the downtown, we expect that actual capture for units priced with the market would be in the range of 20-30 units per year. We could expect sales prices in the \$100,000-\$125,000 range at this location, and rents in the range of \$700-\$900, depending on the product actually developed.

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## Office

Exhibit 8 summarizes the office inventory in Berks County and its changes over the past several years. Inventory has grown slightly while the occupancy rate has increased from 81% to 85%. The overall lease rate is below the 2006 figure. Top rents in the area are for office space in the Wyomissing area which are in the range of \$14.50-\$16.50 (under “triple net” leases).

<b>Exhibit 8</b>			
<b>Berks Co. Office Inventory, 2006-2008: Space, Occupancy and Lease Rates</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Inventory, Total			
Buildings	336	339	340
Square Feet (000)	8,098	8,136	8,167
Space (000 SF)			
Available	1,410	1,399	1,161
Absorbed	10.4	4.4	23.6
Occupancy Rate (%)	81.1%	82.6%	85.0%
Lease Rate*	\$ 16.19	\$ 15.46	\$ 15.88

Source: NAI Keystone Commercial and Industrial  
\*Note: Includes figures for direct and sublet space.

The City of Reading Community Development Office has promoted a broad downtown redevelopment program with a significant office component. It estimated that there is 300,000-350,000 square feet of office space available in downtown Reading (January 2009). In its 2009 Market Report, the NAI Keystone commercial and industrial brokerage noted that downtown office vacancies have increased from 14.5% to 16.5%. The new IMAX Theater and the Reading Eagle Headquarters are expected to have a positive impact on the downtown.

The medical sector has been one of the driving forces with respect to demand for office space. According to NAI Global Reports, “The healthcare boom of 2006 and 2007 topped \$300 million in investment...In addition the outsourcing of insurance and administrative functions has helped to increase office leasing.” (NAI Global Market Report, 2008). Reading Hospital has continued to expand its presence in the market area.

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From the perspective of 2009, the wave of spending in the medical sector appears to be over for the foreseeable future and the medical infrastructure now in place may be sufficient to support local and regional needs. However, there are significant office needs associated with Reading Hospital that may be appropriate at the site.

One example of the type of office space currently available in the neighborhood is the residential structure at 100 Kenhorst Boulevard. It is located in a Residential Professional Office (RPO) zone. The property includes a 1,370 square foot building and six parking spaces; it has been for sale since July 2008 at an asking price of \$229,000.

One type of office project that is missing in the City of Reading and Berks County is the business/industrial incubator. The concept has been discussed for years but financial support to develop and operate an incubator appears to be missing.

In summary, this is a very slow office market and the total annual absorption of general occupancy space in recent years and likely in the near future is in the range of 20,000 to 30,000 square feet. There may be niches for office space at the site location in medical office space. It is also possible to consider the site for development of a business incubator. Rents in the range of \$10-12 per square foot would be possible at this location.

## 5.3 Retail

There are two commercial neighborhoods within a mile of the site location, and downtown Reading is just a mile to the east. Exhibit 9 summarizes retail potential in the designated area as well as in the City and the County.

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Exhibit 9			
<b>Retail Sales Opportunity Gap by Type of Store</b>			
<b>Study Area, City of Reading and Berks County, 2008</b>			
Retail Stores	Retail Opportunity Gap*		
	Study Area	Reading, City	Berks County
Motor Vehicle and Parts Dealers-441	17,214,241	(34,391,467)	263,758,955
Furniture and Home Furnishings Stores-442	482,301	5,393,190	28,197,947
Electronics and Appliance Stores-443	1,450,834	8,933,522	2,901,900
Building Material, Garden Equip Stores -444	(1,758,162)	24,710,526	174,381,131
Food and Beverage Stores-445	4,153,796	21,131,208	136,536,260
Health and Personal Care Stores-446	(1,566,900)	13,679,730	54,550,167
Gasoline Stations-447	325,792	(7,271,898)	(91,403,015)
Clothing and Clothing Accessories Stores-448	3,336,422	15,789,621	134,846,181
Sporting Goods, Hobby, Book, Music Stores-451	1,219,714	7,903,796	7,098,602
General Merchandise Stores-452	2,814,815	62,875,745	203,311,018
Foodservice and Drinking Places-722	6,632,981	53,684,251	272,601,117
Total Retail Sales Incl Eating and Drinking Places	(92,713,443)	241,146,856	1,279,059,890
Source: Claritas, Inc.; Thomas Point Associates, Inc.			

Overall, there appears to be no strong retail opportunity for the area and the retail “gap” amounts to a negative \$92 million. The motor vehicle sales category is highly represented by the dealerships on Lancaster Avenue along the south and east edges of the area. Discounting these uses, the strongest retail potential is in the category of “foodservice and drinking places” and the \$6.6 million opportunity is enough potential sales to support several restaurants. However, Kenhorst Boulevard is a relatively weak location for this type of use, which would be better located on the more heavily traveled Lancaster or Penn Avenues.

## **Mixed-Use**

There is one notable mixed-use project near the site. This is the manufacturing structure at 525 Lancaster Avenue that is undergoing redevelopment, mostly for office use. Demolition is underway and completion of finished space will depend on lease-up, according to the developer. Asking rent is expected to be in the \$11-12 range, and the developer will provide “turnkey” tenant allowances for a good tenant. The site and associated property will offer 500 parking spaces.

**Thus, the prospects for private sector development of any type are extremely limited, making job creation or preservation and ratable increases unlikely.**

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## VII. Existing Transportation Assessment

The Naval and Marine Corps Reserve Center (NMCRC) is located on the northeast corner of Kenhorst Boulevard and Pershing Boulevard, located in the City of Reading. The area surrounding the NMCRC is comprised of a mixture of residential, institutional, and small business users. Exhibit 10 lists the roadway characteristics for two roadways providing direct access to the facility.

<b>Exhibit 10 ROADWAY SYSTEM CHARACTERISTICS</b>							
<b>Road Name</b>	<b>Ownership</b>	<b>Orientation</b>	<b>Number of Lanes</b>	<b>Curb to Curb Width</b>	<b>On Street Parking</b>	<b>Roadway Condition</b>	<b>Speed Limit</b>
Kenhorst Boulevard	City of Reading	N-S	2	52 ft	* Both sides	Good	35 mph
Pershing Boulevard	City of Reading	E-W	2	36 ft	Both sides	Good	25 mph
* While the majority of Kenhorst Boulevard allows parking on both sides of the street, parking on Kenhorst Boulevard adjacent to the NMCRC is posted for "No Parking".							

Kenhorst Boulevard is a collector roadway that provides connectivity to many of the major arterial and collector roadways around Reading, including: New Holland Road (S.R.0625), Lancaster Avenue (Business Route 222), Wyoming Boulevard and Museum Road. Field observations of Kenhorst Boulevard and Pershing Boulevard indicate that both roadways operate at a high level of service, with a negligible level of delay and congestion

Berks Area Regional Transportation Authority (BARTA) currently provides service to Kenhorst Boulevard and Pershing Avenue (adjacent to the NMCRC) on the "Brookline" Bus Route #10. This particular route begins at the BARTA Transportation Center, located at 8<sup>th</sup> and Cherry Streets and terminates at the intersection of E. Wyomissing Boulevard and Margaret Street. Buses are scheduled on Route #10 to run from 30 to 45 minutes apart, Monday through Saturday. Transfers onto 21 other local routes can be made at the BARTA Transportation Center.

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## **VIII. Facility Condition Assessment Report**

The Project Team performed the general assessment of the Reading Naval & Marine Corps Reserve Center on March 4, 2009, including onsite review by the following sub-consultants/disciplines:

- Swiger Consulting, Inc. (SCI) – prime consultant
- TKS Architects, Inc. (TKS) – architectural
- C.S. Davidson, Inc. (CSD) – structural and civil/site
- Randy Paul & Associates, inc. (RPA) - mechanical, electrical and plumbing

The following section contains building descriptions as well as our findings, conclusions and recommendations.

### **A. GENERAL FACILITY DESCRIPTION**

As noted in the “Cultural Resources Survey and Assessment of Naval Reserve Centers” (CRSA – attached in Appendix B) prepared for the Reading Naval & Marine Corps Reserve Center, the facility is located on a 7-acre parcel in southwest Reading, Berks County, Pennsylvania, and it contains five building-type structures as follows:

#### **Property Description**

The Reading Naval & Marine Corps Reserve Center is located at 615 Kenhorst Blvd. in the western quadrant of the City of Reading, Berks County, Pennsylvania. The 7.05-acre property is physically located at the northeastern corner of the intersections of North Kenhorst Boulevard and Pershing Boulevard. The property is located with the City’s R-3 Residential Zoning District.

The site is comprised of five individual buildings known as the Reserve Training Building, a Paint Locker, the Auto Vehicle Shop, a Garage, and the General Storage “Howitzer” Shed. There are two large asphalt parking lots on the property, one located in the northwestern corner and adjoining Kenhorst Blvd, and the second in the eastern corner and accessed from Pershing Blvd. The northern quarter of the site another asphalt surfaced area surrounding the Howitzer Shed. Five access driveways serve the site; the

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main vehicle entrance to the building's front from Kenhorst Blvd, three access drives to the parking lots and a driveway access from Pershing Blvd. that extends past the main building area to the property rear. This access appears to be in general alignment with Margaret Street on either side of the parcel.

The facility is served by public water and sewer with connections to the utility mains located in the adjacent streets. Natural gas is provided also from the services located within the public streets. Electric, telephone, cable television serve the property by overhead lines from existing poles located adjacent to the surrounding streets. Large overhead electric transmission lines bisect the property on a general east-west line behind the Reserve Training Building. All utilities appear through visual inspection to be in good condition and no deficiencies were noted regarding their function or service capacity.

The site generally slopes from south to north, with storm water runoff generally conveyed away from the building and to the property's lowest elevation adjacent to Margaret Street along the northern property line. An existing at-grade storm water basin is located at the northern corner of the Kenhorst Blvd parking lot.

## **Reserve Training Building**

Based on our review of the provided 1988 Renovation Project (1988RP) drawings as well as our site visit, this 36,000 SF building – originally constructed in 1959 - was determined to consist of two floors: the lower Ground Floor; and the upper First Floor (see attached Floor Plans in Appendix C, and Photos G-1 and G-2 in Appendix D). With the exception of the southwest building wing where only the upper level is present, both floor levels are present within the entire building footprint. The site's gently rolling topography means that the exterior grades vary around the large perimeter of this building, and certain portions of each floor are grade-accessible depending on the location of interest (see attached Exterior Elevations in Appendix C).

### **a) Architectural Description**

The Reserve Training Building (RTB) consists of two (2) levels, comprising approximately 24,700 square feet in total. The facility plan is roughly an "F" shape with the main entrance slightly off center in the leg of the "F". The plan consists of double loaded

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corridors that are centered in each appendage, or wing, of the facility. The corridors are six (6) feet wide with concrete masonry walls (see Photo A-1). Corridor ceilings are suspended, acoustical lay-in panels in good condition. Corridor flooring is 12" x 12" vinyl tile in good condition with some minor cracking apparent at intersections with the structural column footing pads. An unusual condition exists at the corridor walls where the structural column footing pads project beyond the surface of the walls, and could create a tripping hazard, should high corridor traffic occur. Additionally, these pads could be an obstruction for wheelchair travel (see Photo A-2).

The majority of the rooms are approximately 375 square feet and of a rectangular shape. These rooms would not qualify as reimbursable classroom space by the Pennsylvania Department of Education, which requires classrooms to be a minimum of 660 square feet.

The rooms are carpeted with vinyl cove base and have suspended, lay-in acoustical ceilings. It was discovered that these ceilings, which were installed in the 1988 renovation, were suspended approximately 30 inches below the original 12" x 12" direct-glued ceilings (see Photo A-3).

Corridor doors do not meet current codes. The original hardware is a knob, rather than a lever style, and the vision glass exceeds current allowable sizes. Additionally, it did not appear that the glass was tempered, as no seal was apparent (see Photo A-4). Several of the corridor doors are louvered, which suggest that the existing mechanical system does not meet current codes in terms of corridor pressure and smoke control (see Photo A-5).

The corridors contain skylights, which provide nice levels of daylighting, however, many were found to be in need of repair or replacement, evidenced by obvious leaking and moisture penetration (see Photo A-6).

A large multi-purpose room (#234) is located in the rear of the facility, just off center of the plan. This space is constructed of large laminated wood construction, with sloped metal deck roofing (see Photo A-7). The flooring is striped for basketball, and baskets with rectangular backboards are suspended at each end. A small mezzanine is located at one end (see Photo A-8). The ceiling in this space is experiencing severe paint chipping, suggesting either a misapplication of the paint or moisture issues (see Photo A-9).

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While the acoustical ceilings throughout the main floor of the facility are in good shape, the same is not true of the basement (ground) floor. The ceiling tiles throughout the level are bowed, and demonstrate either a humidity or moisture condition (see Photo A-10). These ceiling tiles will need to be replaced. The ground floor level, which is below grade to varying degrees, shows evidence of moisture penetration at the retaining walls in several locations (see Photo A-11).

Bathroom fixtures are, for the most part, original and no longer meet code. Floor mounted urinals will need to be replaced, and sinks and hardware need to meet current ADA codes (see Photo A-12).

Room 106, a large room currently used primarily for storage and weightlifting, appears to have originally been a vehicle maintenance space. This room has large expanses of fixed glazing along two (2) sides. This glazing is single pane set in non-thermally broken aluminum storefront mullions (see Photos A-13 & A-14).

The exterior of the facility is brick with large, square fixed windows with an operable awning light at the bottom, set into dryvit panels. These windows and dryvit panels were part of the 1988 renovations that replaced continuous banded windows (see Photos A-15 & A-16). The exterior materials and windows are in very good condition.

The roof of this building is a ballasted rubber roof with an approximate age of 20 years. The roof is scheduled for overall repairs in the spring of 2009, but given the age, a total replacement is recommended.

## **b) Structural Description**

Based on our review of the 1988RP as well as our site observations, it appears that the structural framing system consists of conventionally reinforced, cast-in-place concrete floor and roof slabs and beams supported by structural steel columns (wide flanges and hollow sections). An abundance of non-load-bearing CMU shear walls is used to laterally stabilize the structure. The only exceptions to this type of construction are the weight room and gymnasium “wings”, both having roof systems supported by glue-laminated wood beams. Cast-in-place concrete retaining walls are present along the

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entire perimeter of the basement, and, per the CRSA, this structure has a shallow concrete (spread footing) foundation system.

## **c) Mechanical System Description**

The original 1959 building's mechanical systems have gone through various mechanical upgrades and renovations through its history. Original system was installed in 1959 and consisted of an oil fired hot water heating system with base mounted hot water circulating pumps, (Photo H-11) wall finned radiation (Photo H-1, H-17, H-22, H-24) and pneumatic temperature control (Photo H-10). In 1988, a major renovation was provided for this facility. New hot water piping distribution was installed and reconnected to the existing wall fin radiation. System included a new hot water circulating pumps, (Photo H-8) expansion system (Photo H-14) and converting existing hot water oil fired boiler to gas. In 1994, the existing hot water boiler (Photo H-6) was replaced with a new gas fired hot water boiler. The most current renovation in 2001 included the addition of air conditioning, D.D.C. control systems, and hot water duct coils and associated piping systems.

A visual inspection of all existing mechanical systems was conducted and recorded. The existing mechanical systems of the Reserve Training Building consists of original 1959 hot water wall fin radiation heating with associated hot water piping distribution renovated in 1988. The current air conditioning system was added to the building in 2001 and consists of the following:

Packaged roof-top air conditioning with gas fired heating (RTU-1, 1½ ton, RTU-2, 1½ ton, RTU-3, 4 ton, RTU-4, 5 ton, RTU-5 12½ ton, RTU-6, 8 ½ ton, RTU-7, 3 ton RTU-8, 2 ton) (Photo H-31, H-33, H-34, H-35, H-36) and insulated metal duct distribution serving the first floor and basement west side class rooms. Split-system air conditioning with hot water coils, associated hot water piping distribution, outdoor condensing units, (A/C-1, 3 ton, AC-2, 2½ ton, AC-3, 1½ ton, AC-4, 6½ ton, AC-4A, 6½ ton, AC-5, 1½ ton, AC-6, 1½ ton)(Photo H-21, H-23) and insulated metal duct distribution serving the remaining classrooms. RTU-5 and RTU-6 system included a (VVT) variable volume temperature control system. Ventilation air is currently introduced into the building via packaged rooftop unit outside air intakes and split-system ducted outside air intake louvered

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openings. Also, in 2001, corridor walls were provided with transfer air grilles and fire dampers at transfer openings throughout the building.

In 1988 rooftop relief air hoods were added throughout the building providing general building pressure relief. (Photo H-35) The toilet areas are currently served by rooftop mounted exhaust fans and associated exhaust ductwork also renovated in 1988. All systems are currently controlled via D.D.C. (Direct Digital Control) system installed in 2001. (Photo H-25, H-29)

Site inspection revealed one abandoned fuel oil transfer pump and associated accessories located within the boiler room. (Photo H-12) In 1988 a 3" gas service and piping distribution was added to the building to facilitate the oil to gas boiler conversion. Later in 2001, the gas service was expanded to serve the new gas fired packaged air conditioning units. (Photo H-33)

The hot water heating is currently being generated by one gas fired cast iron sectional hot water boiler installed in 1994. (Photo H-6) In 1988, all boiler room piping ,including expansion tank, valves, air separator etc. were renovated with the exception of P-1 and P-2 pumps and associated chemical feed pot still vintage 1959. (Photo H-11)

The existing hot water boiler insulated flue is of conventional design extending and connecting to the existing chimney. Boiler make-up air is provided via a tempered power make-up air fan system (Photo H-13) and conventional outside air intake louver interlocked with boiler. (Photo H-16) Four hot water distribution pumps currently serve the building, two base mounted hot water pumps P-1 & P-2 installed 1959 (Photo H-11) and two inline mounted hot water pumps P-3 & P-4 installed 2001. (Photo H-8) All pumps are located within the boiler room. The site inspection revealed one abandoned pneumatic air compressor, dryer, main pneumatic control panel installed 1959. (Photo H-10)

The Gun Room is currently served by two hot water horizontal unit heaters (Photo H-18, H-19) and wall fin hot water heaters providing heating only. Ventilation via panel type thru the wall exhausts fans and louvered fresh air intakes installed in 1959. (Photo H-20)

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The Gym is currently served by two ceiling mounted hot water horizontal unit ventilators for heating and ventilation with wall fin hot water heaters providing supplemental perimeter heating. (Photo H-24) Rooftop gravity ventilator providing pressure relief installed in 1959 cooling is provided via two ceiling mounted split system horizontal air handlers with DX cooling coils and associated outdoor pad mounted condensing units installed in 2001. (Photo H-23)

The first floor computer and telecommunication room is currently being served by a floor mounted room environmental control unit with outdoor remote condenser unit installed in 2001.

## **d) Electrical System Description**

Throughout the life of this building, various upgrades have been made to the original dual voltage electric service, and to the building lighting.

During the 1988 Renovation Project, new panel feeders were installed for single phase 'LP' lighting and power panels throughout the building, fed from the switchboard's 1200 AMP single-phase section. A zoned, manual fire alarm system was also installed at this time. (Photo E-1) High-pressure sodium high-bay lights were also installed in the Gymnasium at this time. (Photo E-2) Exit signs and wall-mounted emergency battery lighting units were installed as part of this renovation. (Photo E-3)

The Gun Room is lit with suspended incandescent reflector lights, installed before the 1988 renovation. (Photo E-4) In addition, disconnect switches and one panel board, which serve boiler room equipment, appear to have been installed at the time the building was constructed.

In 2001, major electrical revisions were made to electrical distribution system. A new 2000 AMP, 120/208V, 3-phase service was installed, to replace a previous dual voltage service that used multiple service disconnects. (Photo E-5) Step-up transformers and additional 480V distribution panels were also added at this time to serve existing 480V equipment. (Photo E-6) Existing panels were re-connected to this new system.

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During these renovations, power to new rooftop HVAC units and split system A/C units were provided, using new panel boards located in the Electrical Room. (Photo E-7)

Lighting fixtures that use T8 fluorescent lamps and electronic ballasts were installed as part of the 2001 project. In office areas, parabolic fixtures were used. (Photo E-8)

According to the construction documents for the 2001 renovation, emergency lighting ballasts within the fluorescent fixtures provide emergency lighting in corridors, though we were unable to field verify their existence. Wall-mounted emergency battery lighting units remain from the previous remodel. (Photo E-9)

## **e) Plumbing System Description**

The existing plumbing systems of the Reserve Training Building consist of original 1959 piping and fixtures with the exception of a minor renovation of a few toilet and lavatory fixtures during the 1988 renovation. (Photo P-1, P-3, P-4)

The domestic water service to the building consisted of a 4" water main line entering boiler room. The visual inspection revealed that the domestic central hot water system was abandoned except for a small 40-gallon electric hot water heater installed for the break room. (Photo P-2)

The 1988 Renovation Project appears to have generally involved select demolition, architectural improvements and programming upgrades, and energy conservation improvements within the building footprint, as well as site grading improvements (including new site retaining walls) immediately outside of the structure.

## **Paint Locker**

This single-story, at-grade, 100 SF structure is comprised of load-bearing concrete masonry units (clad with exterior brick veneer) which support a wood-truss-framed gabled roof system (Photo G-3).

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The paint locker building is a facility of approximately 100 square feet, constructed of brick and block masonry bearing construction with a gabled, shingle-clad roof. It appears in good condition (see Photo A-17). There are no Mechanical, Electrical, or Plumbing systems present in this structure.

## **Auto Vehicle Shop**

### **a) Architectural Description**

This facility consists of two (2) distinct sections; a 2,300 SF high bay section consisting of four (4) garage bays with clerestory windows on both sides and a 1,000 SF single bay with entrance door (see Photo A-18, and G-4 through G-6)). The facility has a brick veneer exterior and appears in very good condition. The garage doors are in very good condition and operate well (see Photo A-19). All doors, interior and exterior, lack lever type hardware. The toilet room is large enough to accommodate ADA code features, but is currently also serving as a storage room. There is a steel construction mezzanine in the larger four (4) bay structure that spans one (1) structural bay (see Photo A-20). This facility appears to be in very good overall condition.

### **b) Structural Description**

The structure is comprised of load-bearing concrete masonry units (clad with exterior brick veneer as well as standing seam metal panel), steel columns, and structural steel beam and open-web joist roof framing, all supported by a shallow concrete (spread footing) foundation system.

### **c) Mechanical System Description**

The existing mechanicals of the Auto Vehicle Shop consist of original 1988 ceiling mounted gas fired horizontal unit heaters with flue extending through roof within the High Bay areas. (Photo H-3)

Toilet Room heating provided by a vertical floor mounted gas fired unit heater installed in 2001. (Photo H-4) Toilet exhaust provided by a rooftop mounted exhaust fan and associated exhaust ductwork installed in 1988.

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Vehicle exhaust consist of direct connecting (reel type) self-contained exhaust units including ceiling mounted fan terminal with drop down flexible hose reels vented directly up through roof. (Photo H-3) Make-up air for this system is provided via rooftop intake hood and duct distribution system installed in 1988. In 1988 a 2" gas service and piping distribution was provided to facilitate the gas fired heating equipment.

## **d) Electrical System Description**

This building is served with a 200A, 120/208V single-phase electrical service. (Photo E-10) This equipment varies in age and condition. The building is lit with high-pressure sodium high-bay light fixtures that use metal reflectors. (Photo E-11)

## **e) Plumbing System Description**

The existing plumbing systems of the Auto Vehicle Shop consist of original 1988 piping and fixtures. The domestic water service consists of a 1" water main line entering the garage. Hot water heating is provided via one, 40-gallon gas fired hot water heater. (Photo P-5)

## **Garage**

This single-story, at-grade, 525 SF structure contains two vehicle service/storage bays and is comprised of load-bearing concrete masonry units (clad with exterior brick veneer), and steel framing supporting a flat roof system (Photo G-7). Per the CRSA, this structure has a shallow concrete (spread footing) foundation system.

The roof is flat and slopes from front to back. There are two (2) garage doors in very good operating condition. There are opaque vision panels above the garage door, provided an acceptable level of daylighting. The facility appears to be in very good condition (see Photo A-17).

There are no mechanical or plumbing systems present in this building and it does not have a separate panel board serving it. It has a few incandescent lights.

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## **General Storage (i.e., “Howitzer”) Shed**

Constructed in 1991, this one-story, 4,700 SF structure contains six vehicle service/storage bays and is comprised of standard pre-engineered metal building framing (clad with standing seam metal panels) supported by a shallow concrete (spread footing) foundation system. See Photo G-8.

This structure appears to be the newest construction on the property, built in 1991. It is constructed of light gauge steel with corrugated metal panel exterior. It has six (6) garage bays (see Photo A-21). The roof is a flat, corrugated metal panel, similar to the wall panel system and slopes from front to back. The building is not insulated (see Photo A-22). The garage doors are in excellent operable condition. This facility is in excellent overall condition.

This building is served with a 100A, single-phase electrical service. (Photo E-12) Lighting is provided by suspended fluorescent lights that use T12 high output lamps. (Photo E-13) A minimal amount of receptacles is provided for general use. There are no mechanical systems present in this structure.

## **B. INSPECTION PROCEDURES**

In preparation for our site visit, the team reviewed all available documentation of the facility, especially the 1988RP and CSRA documents. Our site visit consisted of visual observations of readily available and accessible areas, with no physical or material testing being performed. Documentation of our inspection was performed via hand-written field notes and photographs.

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## **C. INSPECTION FINDINGS & CONCLUSIONS**

### **Reserve Training Building**

#### **Architectural Findings & Conclusions**

As noted in the description section of this report, this building is primarily constructed of very durable cast-in-place concrete floor framing, concrete masonry walls, and painted structural steel columns. This type of construction is considered extremely redundant in that the masonry walls assist the columns in supporting the vertical loads, and also prevent the columns from experiencing bending forces caused by lateral loads (e.g., wind or seismic). This redundancy is most likely the result of design practices and requirements for military facilities in the late 1950's (i.e., during the Cold War); in fact, it is quite probable that this structure – especially its Ground Floor – was specified as a Civil Defense shelter. Given the inherent strength and durability of its construction, as well as its obvious good maintenance and the fact that it was extensively renovated in 1988, it is not surprising that there are so few noted structural deficiencies. These deficiencies include minor hairline cracks in isolated locations of the masonry walls, and peeling paint from the steel deck roof in the gymnasium, neither being serious in nature. Otherwise, there are no obvious indications of overstressed or deteriorated elements, nor was there any evidence of groundwater infiltration through the basement walls.

#### **Structural Findings & Conclusions**

As noted in the description section of this report, this building is primarily constructed of very durable cast-in-place concrete floor framing, concrete masonry walls, and painted structural steel columns (Photos S-1, S-2). This type of construction is considered extremely redundant in that the masonry walls assist the columns in supporting the vertical loads, and also prevent the columns from experiencing bending forces caused by lateral loads (e.g., wind or seismic). This redundancy is most likely the result of design practices and requirements for military facilities in the late 1950's (i.e., during the Cold War); in fact, it is quite probable that this structure – especially its Ground Floor – was specified as a Civil Defense shelter. Given the inherent strength and durability of its construction, as well as its obvious good maintenance and the fact that it was extensively renovated in 1988, it is not surprising that there are so few noted structural deficiencies. These deficiencies include minor hairline cracks in isolated locations of the

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masonry walls (Photos S-3, S-4), and peeling paint from the steel deck roof in the gymnasium (Photo S-5), neither being serious in nature. Otherwise, there are no obvious indications of overstressed or deteriorated elements, nor was there any evidence of groundwater infiltration through the basement walls.

## **Mechanical Findings & Conclusions**

In general, the mechanical systems were found in good condition and appeared to function properly during our site inspection. The site inspection did reveal a few items that were found to be at the end of their normal life expectancy as follows:

Base mounted hot water pumps P-1 and P-2 and associated chemical feed pot system located within Boiler Room, (Photo H-11) horizontal unit heaters and panel wall exhaust fans located with the Gun Room, (Photo H-18, H-19, H-20) ceiling mounted hot water horizontal unit ventilators and roof-top pressure relief hood located within the Gym.

Also found were systems abandoned in place as follows:

Fuel oil transfer pump and associated fuel gauge, filter and piping. (Note – system no longer needed for boiler operation) located within Boiler Room. (Photo H-12) Pneumatic control system and compressor also located within Boiler Room. (Photo H-10)

## **Electrical Findings & Conclusions**

Generally, the electrical systems and lighting throughout the building are in good condition and have been well maintained.

The switchboard, transformers, and other distribution equipment located in the Electrical Room are relatively new, and in good condition. (Photo E-14)

These =LP= lighting and power panels located throughout the building were installed prior to 1988, but have been well maintained and are in good condition. (Photo E-15)

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The fluorescent lights, installed as part of the 2001 renovation are energy efficient, and are appropriate for use in a future business or educational occupancy. The high-pressure sodium lights in the Gym are reaching the end of their useful life.

The wall-mounted emergency battery lighting units are in poor condition. If the integral emergency batteries were not installed as in the corridor lights, as shown on the 2001 plans, then the amount of emergency lighting provided by the wall-mounted units will be inadequate to meet current code-mandated lighting levels.

The fire alarm system is a zoned system, but only half of the available zones are currently in use.

The incandescent lights in the Gun Room provide a minimal amount of light that may not be adequate to support usage of that space during evening hours.

The disconnect switches and original panel board, which serve boiler room equipment, have exceeded their useful life. The manufacturer of this equipment is no longer in business so replacement parts for this equipment are scarce and may be expensive. (Photo E-16)

## **Plumbing Findings & Conclusions**

In general the plumbing systems were found functional but in poor condition. During the 1988 renovation, a few toilets and lavatories were replaced throughout the building. The evaluation revealed that the plumbing system is over its normal life expectancy. (Photo P-1, P-2, P-3, P-4, P-7)

## **Paint Locker**

### **Architectural Findings & Conclusions**

This building is in good structural condition, once again due to the fact that it is constructed of durable masonry materials. There is evidence of insect infiltration (i.e., a

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wasp nest in the southeast corner of the roof framing) due to the open nature of the gables; however, there was no obvious damage to wood roof joists.

## **Structural Findings & Conclusions**

This building is in good structural condition, once again because it is constructed of durable masonry materials (Photo S-6). There is evidence of insect infiltration (i.e., a wasp nest in the southeast corner of the roof framing) due to the open nature of the gables; however, there was no obvious damage to wood roof joists.

## **Auto Vehicle Shop**

### **Findings & Conclusions**

This building is in good structural condition, with only minor “cosmetic” deficiencies noted. These include a moderate crack in the east section’s floor slab; evidence of minor groundwater infiltration and efflorescence on the inside face of the east retaining wall; a severe corner spall of the exterior brick façade; missing/deteriorated joint material between the exterior apron slabs and the building column piers; and delaminated exterior wood veneer above the maintenance bay doors.

This building is in good structural condition, with only minor “cosmetic” deficiencies noted. These include a moderate crack in the east section’s floor slab (Photo S-7); evidence of minor groundwater infiltration and efflorescence on the inside face of the east retaining wall (Photo S-8); a severe corner spall of the exterior brick façade (Photo S-9); missing/deteriorated joint material between the exterior apron slabs and the building column piers (Photo S-10); and delaminated exterior wood veneer above the maintenance bay doors (Photo S-11).

In general, the Mechanical Systems were found in good condition and appeared to function properly during our site inspection. There is an existing backbox from an abandoned panel, which currently serves as a pull box. This box has a hinged, non-lockable cover, which allows potential access to wiring by unauthorized personnel. In general the plumbing systems were found functional and in good condition.

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## Garage

### Findings & Conclusions

This building is in good structural condition. The only noted structural deficiencies are the deteriorated wood jambs for the roll-up doors, and minor corrosion on the exposed steel column between these doors (Photo S-12). The lighting in this building is adequate.

## General Storage (i.e., “Howitzer”) Shed

### Findings & Conclusions

Given its young age, this building is in good to excellent condition with the only noted structural deficiencies associated with its exterior metal panel veneer: a loose/detached trim piece at the base of the southeast corner (Photo S-13); and damaged portions along the south wall due to obvious (but minor) vehicular impact (Photo S-14). The electrical equipment and lighting in this building are in good condition.

## **D. RECOMMENDATIONS**

As noted, all five of the buildings are in good structural condition with only minor deficiencies noted. Most of these deficiencies are “cosmetic” in nature and do not necessarily have to be repaired. The others can easily be prioritized and incorporated into a general repair or maintenance program. As such, no specific structural recommendations will be made at this time.

Regarding the potential re-use (or changed use) of the Reserve Training Building, given its previously noted redundant construction and associated inherent strengths, it can be anticipated that very few structural modifications (including code-required strengthening) will be required, regardless of the proposed use. For example, given the fact that the floor framing system is currently supporting office space, which requires a rather high live load capacity of 100 PSF, it is doubtful that any other reasonable use of this space

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will exceed this capacity. It should be noted that building additions, select demolition, and/or other significant building changes most likely will require structural modifications. Possible examples of this would include elevator retrofits, an entrance canopy, and creation of open interior spaces by wall and slab removals, etc.

## **Mechanical Recommendations**

Replace base mounted hot water pumps P-1 and P-2 and associated chemical feed pot system located within Boiler Room, replace horizontal unit heaters and panel wall exhaust fans located with the Gun Room, replace ceiling mounted hot water horizontal unit ventilators and roof-top pressure relief hood located within the Gym.

## **Electrical Recommendations**

We recommend replacing the high-pressure sodium lights in the Gym with a T5 fluorescent high bay if the space is to be used frequently during evening hours.

The wall-mounted emergency battery lighting units are in poor condition. If the integral emergency batteries were not installed as in the corridor lights, as shown on the 2001 plans, then the amount of emergency lighting provided by the wall-mounted units will be inadequate to meet current requirements.

Update emergency lighting throughout building if upon verification of battery units.

In conjunction with the recommended replacement of boiler and controls by HVAC contractor, install new starters, disconnect switches and panel board to replace outdated boiler room equipment.

Depending on the future occupancy of the building, it may become necessary to provide additional strobe lights to augment the existing fire alarm system.

In the Auto Vehicle Shop, we recommend that the panel which currently serves as a pull box be replaced with an enclosed junction box. We also recommend replacing the high-pressure sodium lights with energy efficient fluorescent lights of the building will be occupied and used daily. If it used as storage, the existing lights will suffice.

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## Plumbing Recommendations

Replace all above ground sanitary and domestic piping systems, replace all out-of-date non-efficient and non-A.D.A. compliant plumbing fixtures. Provide a new complete domestic hot water piping distribution system and hot water heaters.

## E. PA-UCC ISSUES

This facility is being considered for several uses once it is decommissioned as a Reserve Center. These alternatives include use as a shelter, a school, outpatient services center, or hospital use, any of which could entail significant building alterations to bring the facilities up to code. To assist the LRA in evaluating reuse alternatives we have prepared the following preliminary code assessment, outlining some of the Pennsylvania Uniform Code issues for each of these general use categories.

### 1. Shelter for Homeless, Women's Shelter:

- a. Occupancy Type:
  - i. R-1 (2006 IBC designation), Boarding House, Transient.
  - ii. OR - R-2, Dormitory or Boarding House Non-Transient.
- b. Assume mixed occupancy, separated (fire separation of different occupancies such as Lobby-Business area will be separated by fire barrier from residential occupancy).
- c. Quick response sprinkler required (903.2.7)
  - i. 13R system where allowed.
- d. Smoke alarms required [907.2.10]
- e. 1-hour separation between rooms (or ½ hour in IIB, IIIB or VB)
- f. Attic draftstopping above every two sleeping units but not more than 3000sf
- g. Assumed construction type: IIIB, building area limitation 16,000sf. If greater, then firewall can separate areas.
- h. Accessible dwelling and sleeping units based on total number provided, e.g. with 1 to 25 units, only one is required to be accessible.
- i. Existing Building – Renovations, Change of Occupancy (Section 3406, 2006IBC):
  - i. (3401.3) ...comply with requirements of 2006 IFC, IMC, IPC and ICC International Electrical Code for the new occupancy.
  - ii. (3406.1) ...comply with requirements of 2006IBC for the new occupancy.
  - iii. (3409.4) ...[change of occupancy – accessibility compliance]...
    1. At least one accessible entrance
    2. At least one accessible route from an accessible building entrance to primary function areas
    3. Signage complying with section 1110 [Accessibility]
    4. Accessible parking where parking is being provided

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5. At least one accessible passenger loading zone (when loading zones are provided)
  6. At least one accessible route connecting accessible parking and accessible passenger loading zones to an accessible entrance.
  7. [to extent technically feasible]
- j. Energy Conservation Code: Change in Occupancy (101.4.4), " ...resulting in increase in demand for either fossil fuel or electrical energy shall comply with this code."

## 2. School/Education (Adult)/Outpatient-clinic Use (If classified as type B\*):

- a. Occupancy Type:
  - i. B (Section 304, 2006 IBC), Business Group, Educational Occupancies for Students above the 12<sup>th</sup> grade and outpatient-clinic use.
- b. Assume mixed occupancy, separated (for example, Business or Education area will be separated by fire barrier from Assembly occupancy.
- c. Sprinkler not required (Section 903) unless certain limitations for Assembly (lecture hall) are exceeded (300 persons, 12,000sf).
- d. Fire alarm not required (unless city ordinance specifically requires it, or if sprinklers required)
- e. Assumed construction type: IIIB, building area limitation 19,000sf (B use only, but if Assembly use included, then most stringent, or 9,500sf).
- f. Accessibility, Existing Building – Renovations only and no change of occupancy (Chapter 34, 2006IBC). Assume that the existing use is 'B':
  - i. (3401.3) ...comply with requirements of 2006 IFC, IMC, IPC and ICC International Electrical Code for the new occupancy.
  - ii. (3406.1) ...comply with requirements of 2006IBC for occupancy.
  - iii. (3409.4) ...[change of occupancy - accessibility]...
    1. At least one accessible entrance
    2. At least one accessible route from an accessible building entrance to primary function areas
    3. Signage complying with section 1110 [Accessibility]
    4. Accessible parking where parking is being provided
    5. At least one accessible passenger loading zone (when loading zones are provided)
    6. At least one accessible route connecting accessible parking and accessible passenger loading zones to an accessible entrance.
    7. [to extent technically feasible]
- g. Energy Conservation Code: Change in Occupancy (101.4.4), " ...resulting in increase in demand for either fossil fuel or electrical energy shall comply with this code."

\* See following paragraphs for School/Education Use classified as 'E.'

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## 3. School/Education Use (E):

- a. Occupancy Type:
  - i. E (Section 304, 2006 IBC), Educational Group, Educational purposes through the 12<sup>th</sup> grade.
- b. Assume mixed occupancy, separated (fire separation of different occupancies such as Education area will be separated by fire barrier from Assembly occupancy).
- c. Sprinklers required only above 20,000sf building area (all Group E) and 12,000sf (or 300 persons, Group A3)
- d. Assumed construction type: IIIB, building area limitation 14,500sf\* (but limitation is 9,500sf if A-3, Lecture Hall occupancy is added). Note: this does not include increase for sprinklers.
- e. Existing Building – Renovations, Change of Occupancy (Chapter 34, 2006IBC):
  - i. (3401.3) ...comply with requirements of 2006 IFC, IMC, IPC and ICC International Electrical Code for the new occupancy.
  - ii. (3406.1) ...comply with requirements of 2006IBC for occupancy.
  - iii. (3409.4) ...[change of occupancy - accessibility]...
    1. At least one accessible entrance
    2. At least one accessible route from an accessible building entrance to primary function areas
    3. Signage complying with section 1110 [Accessibility]
    4. Accessible parking where parking is being provided
    5. At least one accessible passenger loading zone (when loading zones are provided)
    6. At least one accessible route connecting accessible parking and accessible passenger loading zones to an accessible entrance.
    7. [to extent technically feasible]
- f. Energy Conservation Code: Change in Occupancy (101.4.4), " ...resulting in increase in demand for either fossil fuel or electrical energy shall comply with this code."

\*Area increase for frontage (open exterior) can raise the table limit from 14,500 to 20,000.

## 4. Hospital Use (I-2, IBC and "Healthcare," NFPA 101):

- a. Inspection and Review by Department of Health in addition to local PA-UCC rules. DOH rules are NFPA 101 (2000) and AIA 2006 Guidelines for Design and Construction of Healthcare Facilities.
- b. NFPA 101: Section 4.6.12, Change of Occupancy.
  - i. Conform to rules for new construction.
  - ii. Assume that mechanical and electrical systems will need major overhaul.
- c. Occupancy Type:
  - i. I-2 (Section 304, 2006 IBC), Hospitals, 24-hr basis for care.
  - ii. Healthcare: Hospitals, limited care facilities, nursing homes.
- d. Assume mixed occupancy, separated (fire separation of different occupancies such as Business area will be separated by fire barrier from I-2 occupancy).

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- e. Automatic fire detection and smoke alarms required [407.2, 407.6]
- f. Smoke compartments required with smoke barrier and refuge areas [407.4.1].
- g. 1-hour separation between rooms.
- h. Assumed construction type: If IIIA, building area limitation 12,000sf , if type VA, area limitation 9,500sf (sprinkler increase not included)
- i. Existing Building – Renovations, Change of Occupancy (Chapter 34, 2006IBC):
  - i. (3401.3) ...comply with requirements of 2006 IFC, IMC, IPC and ICC International Electrical Code for the new occupancy.
  - ii. (3406.1) ...comply with requirements of 2006IBC for occupancy.
  - iii. (3409.4) ...[change of occupancy - accessibility]...
    1. At least one accessible entrance
    2. At least one accessible route from an accessible building entrance to primary function areas
    3. Signage complying with section 1110 [Accessibility]
    4. Accessible parking where parking is being provided
    5. At least one accessible passenger loading zone (when loading zones are provided)
    6. At least one accessible route connecting accessible parking and accessible passenger loading zones to an accessible entrance.
    7. [to extent technically feasible]

Energy Conservation Code: Change in Occupancy (101.4.4), ” ...resulting in increase in demand for either fossil fuel or electrical energy shall comply with this code.”

## **Other Considerations**

Please note that this inspection did not deal with environmental issues. The consulting team relied upon the findings reported in the Navy’s Environmental Condition of Property Report, and we refer interested parties to that document for information on this topic. We note that there are significant concerns about lead-based paint and friable asbestos. It appears that there was a firing range in the facility at one time, though the location of that range is not entirely certain. Also, the exact location and condition (or removal) of underground storage tanks was beyond the scope of this inspection.

Finally, we do note that this building was constructed in the early 1950s, and its supports and flooring appear to have substantial load-bearing capacity, which could make demolition a more difficult task. Plans, drawings, and specifications for the original building are not available, but it does appear that the structure may have been built as a Cold War era bomb shelter.

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## **IX. Development Opportunities**

Reading has a wide range of community needs as discussed above in the Community Needs Analysis. Unfortunately, Reading is in a weakened economic state right now, like many other cities, and has been for some time. The City remains strong in manufacturing, but vulnerable to changes in global production patterns, and the current recession has affected most sectors of the City economy. Private sector development interest in this site is likely to be very weak. The property itself is an excellent site, but the location presents constraints due to the largely residential character of the area, proximity to a large public housing project, distance to an interstate highway, and the availability of good commercial locations nearby.

### **Analysis of Research**

There are reasonable alternatives that could involve partnerships between the City and other participants. Such uses would include:

- Private sector housing to support the growing population, projected to include over 200 new households per year.
- Medical office space needs for clinics, office use, and training.
- Special care facilities for elderly and other populations with special needs.
- A business incubator, possibly linked to one of the local educational institutions that could function as a place to foster small business development.

The strong population growth suggests the need for more housing, but the demographics would dictate competitive prices. The challenge will be to develop housing that is affordable in this market and neighborhood. The relatively small size of the parcel, and the nature of the neighborhood, would appear to preclude any intense development of the site, which would likely be necessary to make such development economically viable.

Private sector investment in the development of office space or retail outlets would be practical and compatible with current uses. However, such development is unlikely because of the current supply of redevelopment sites in higher traffic and more compatible areas, as well as because of current economic conditions. The same is true for mixed-use developments.

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The development of a business incubator on the site would require an entity to construct and manage it. Beyond that consideration, there are a number of small business assistance programs in place and no demand for such an incubator has been expressed. The development of an assisted living facility could be a compatible use that would serve the community and generate employment. However, such a project would require a significant investment in the face of what appears to be a weak market and competition.

Open space or recreational use would not satisfy any of the key criteria for job or ratable generation, and would, in fact, create a cost in the development and maintenance of such a facility. The City does not currently have a need for or the resources to develop any new municipal structures or parks.

Proximity to the Hospital suggests an opportunity to explore the need for space that serves the Hospital and the School of Health. It may also be possible to bring together hospital and community use on the site depending on configurations of space and related requirements.

In addition to these concepts, the LRA considered the needs of homeless assistance providers by researching the needs as expressed in the Consolidated Plan, current homeless assistance

## **Community Input**

Research in the community included 1) the public meeting input described earlier, 2) a review of written materials including the Notices of Interest (“NOI”) that several groups submitted when the federal government published information on the availability of the property, and 3) interviews in the community. Five ideas surfaced in this review process:

- Hospital-related uses, including either an office complex for Hospital headquarters functions or a dormitory for the School of Health.
- Housing developed by the Reading Housing Authority.
- Transitional housing for women in special circumstances.
- Public school space, possibly including kindergarten and first grade classroom space, an alternative educational center, or a middle school
- A health services training center, coordinated with the Hospital, to train people from the neighborhood and the City for health related jobs.

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The following summaries are based upon the information provided by the Letter of Interest applicants, information provide at the public meetings and from follow-up interviews and replies to requests for information. The NOI letters and the responses to the LRA's follow-up questions are in Appendix E.

It should be noted that the NOI review process became complicated with the withdrawal of one member of a join submission and the realignment of the other member of that joint submission.

## **Hospital-related Uses: The Reading Hospital and Medical Center**

The Reading Hospital and Medical Center is very interested in the Center, and initially presented two options for potential use of the site:

1. Hospital office complex. This is the preferred and most immediate need. The complex would include about 200 staff who are presently working at a location in the Borough of Wyomissing. Functions that need space are medical records, human resources, fiscal management, and information technologies. There is no room on the main campus for these functions and the hospital complex is land-locked. The lease is coming up and the Hospital would like to own vs. rent. This is time-sensitive and Hospital staff is reviewing some dozen alternatives and will need to define a preferred option by spring 2010.
2. Dormitory for the School of Health. This is the 60,000 SF building about a half-mile north of the site. The hospital currently leases space for about 120 students at the Inn of Reading and that lease will expire in the near future. The students are mostly adults getting a two-year degree; they tend to be in the area Monday through Friday and somewhere else on weekends.

Both of these uses were "conceptual" when initially presented and no design work had been done, although the Hospital indicated that it would proceed with preliminary design work, if appropriate in working with the City. Subsequently, the RHMC decided to locate both facilities on this site, as described in more detail below. It is expected that the RHMC will demolish the existing structures.

Traffic and vehicular movement may be an issue with the office center, but movements would generally concentrate in the morning and late afternoon. The uses themselves would not generate much walk-in traffic during the business day. The payroll tax from this project would represent a large potential benefit for the City when applied to the 200 fairly well paid staff.

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The Hospital is non-profit/tax exempt. Its staff works with the City of Reading and other jurisdictions to pay “contributions” (they avoid the term “Payment in lieu of taxes,” or PILOT). In West Reading Borough, they have a liaison council that includes hospital representatives and the Board of Supervisors; at council meetings, they discuss the contribution, coordination with the community, and neighborhood issues. The facility in the City of Reading for which they pay a contribution is a clinic in an old building, meaning that there is a precedent for this relationship.

The RHMC did submit a Letter of Interest and make a presentation at the June and February public meetings, as well as at public hearings. Upon the withdrawal of the BWIC Letter of Interest, the RHMC began collaboration with Mary’s Shelter on a revised plan, described below, and made a presentation of its new plan at the February 2010 public meeting. A copy of the Memorandum of Understanding between these two parties may be found in Appendix E.

## **Transitional Housing: Mary’s Shelter and Berks Women in Crisis**

Mary's Shelter provides transitional housing and support services to pregnant teenage girls, helping young women find permanent housing after their babies are born. The organization currently operates from a home on Upland Avenue, near Alvernia. In recent years, young pregnant women return to the Shelter for services and support for themselves and their children. Due to space limitations, many are turned away.

Berks Women in Crisis (BWIC) provides comprehensive services to those who have experienced abusive relationships. BWIC provides shelter for 30 days and then moves clients into bridge/transitional housing for 90-180 days. BWIC's current Reading facilities serve 26 women and children; approximately 200 people have been denied shelter due to space limitations.

In the original submission, Berks Women in Crisis and Mary’s Shelter would retrofit the main building to provide temporary housing to clients of Mary's Shelter and BWIC. Currently 45 women (and their babies) and 300 families are currently served in their two Reading facilities. This combined use would take up only a portion of the parcel.

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The two groups submitted a Letter of Interest and made a presentation at the June public hearing.

As noted earlier, BWIC has withdrawn its Letter of Interest. This letter is also included in Appendix E. Mary's Shelter has approached the RHMC and the two organizations have prepared a joint expression of interest, again included in Appendix E. In this new plan, the RHMC will develop its administrative facility and School of Health building on six acres of the site; Mary's Shelter will construct a new facility for its programs on the remaining acre and work with the RHMC in providing services for its clients. A detailed description of the joint proposal appears below in Chapter Ten.

## **Public School Use: The Reading School District**

The Superintendent of the Reading School District (RSD) expressed the view that there is a strong need for additional school facilities in Reading and that the NMCRTC would be very useful for this purpose. RSD now has 18,000 students and expects that this population will grow to 22,000 by 2010. Its facilities are already crowded. For example, the new high school, designed for 3,000 students, has 4,500. Millmont Elementary School, one of two RSD elementary schools on the west side of the Schuylkill River in the City is nearing its 750-student capacity.

The Reading School District is pursuing a policy of "safer, smarter, and smaller schools" and the Superintendent sees the Center as an educational facility that could house kindergarten and first grade classes, an alternative educational center or a middle school. The small gym would be an asset and the outbuildings would be "swing space" such as temporary classrooms. There could be 150-300 students.

RSD operates on an annual budget of \$200 million (2009) of which 80% comes from the Commonwealth of Pennsylvania. This is the poorest school district in the State and the \$9,000 spent per student should be \$16,000, according to the Superintendent. The intent is to purchase the building for a token consideration and obtain State funds for the needed renovation.

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## **Housing: The Reading Housing Authority**

The Executive Director of the Reading Housing Authority (RHA) stated that the Authority “has the means” to make use of the Center site. The Authority has plans to construct five more units at another location in the near future and could probably do an additional five units if it had a site.

The RHA is an important organization in this housing market. There are just 16 vacancies in the 1,600 units that the RHA owns and manages throughout the City, including the 526-unit Oak Brook complex that is one block east of the site. The RHA rents units at Oak Brook at 30% of income, and the units are 99% occupied.

The RHA could develop a portion of the site as part of a larger development program, according to the Executive Director. He regards the vicinity of the site as one of the safest neighborhoods in the City and a good location for subsidized, but essentially private housing.

The RHA did not submit a Letter of Interest

## **Homeless Assistance Providers:**

The LRA also considered the needs of homeless assistance providers by consulting the current Consolidated Plan, the current activities of homeless service providers as shown in the most recent CAPER, and through contact with the Berks Coalition to End Homelessness and the United Way, among other providers. Also, as seen above, the two organizations, Berks Women in Crisis and Mary's shelter submitted Notices of Interest. All meetings and hearing were advertised and open to the public and members of the Authority with contacts among service providers were encouraged to advise community based organizations about these meetings and the potential use of the site. A member of the Berks Coalition to End Homelessness attended the March 11, 2010 public meeting.

An analysis of the data in the Consolidated Plan revealed that while there are program needs for victims of domestic violence, for job training and for housing placement, the greatest housing need was for Permanent Housing for Individuals, which had a high

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priority. The need for housing for Families with Children has a high priority need, again, for Permanent Housing, and a moderate need for Emergency Shelter. A more recent Annual Plan noted that there was a need for Transitional Housing (50 units), and for Permanent Supportive Housing (58 units) for Individuals and a need for 68 units of Permanent Supportive Housing for Families with Children. Use of the Marine Reserve Center for either Permanent Supportive Housing for Individuals or for Families with Children would provide a significant homeless assistance resource. As noted the Berks Women in Crisis and Mary's Shelter submitted and NOI. No other homeless assistance organization submitted a Letter of Interest.

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## X. Analysis of Notices of Interest

The LRA is charged with planning for future uses of the Navy-Marine Corps Reserve Center (“Center”) which was directed to be closed as part of the 2005 Defense Base Closure and Realignment (“BRAC”) process, to ensure the economic and social vitality of the Reading region. In this capacity, the LRA must submit a base reuse plan for the Center (“Reuse Plan”)<sup>1</sup> that addresses NOIs for Center property to serve the needs of the homeless in the region (“Provider Requests”) and NOIs for Center property through one or more permissible public benefit discount conveyances (“PBC”).

The Reuse Plan submitted by the LRA will be reviewed by the United States Department of Housing and Urban Development (HUD) and, if approved, will form the basis of the LRA’s homeless assistance plan and the basis for consideration of PBCs by Navy property disposal authorities and other Federal agencies, as appropriate. Accordingly, as part of the reuse planning process, the LRA must determine whether the NOIs received by the LRA generally meet the requirements for homeless assistance, as dictated by HUD and whether the PBC applications received by the LRA meet the appropriate requirements for a PBC.

By way of background, Chapter 2 of the Defense Department’s Base Redevelopment and Realignment Manual (“BRRM”) provides an overview of the base closure and realignment process, including the steps involved in base redevelopment and property disposal planning. Chapter 3 of the BRRM addresses issues such as base redevelopment, the identification of interests in surplus property and the accommodation of homeless assistance needs. Further sources of information on homeless assistance and the base reuse process are also available.<sup>2</sup>

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<sup>1</sup> Defined by the “Base Redevelopment and Realignment Manual,” Office of the Deputy Under Secretary of Defense (Installations and Environment), March 1, 2006, page 12, as: “A plan, agreed to by the LRA with respect to the installation, which provides for the reuse or redevelopment of the real property and personal property of the installation that is available for such reuse and redevelopment because of the closure or realignment of the installation.”

<sup>2</sup> *Guidebook on Military Base Reuse and Homeless Assistance*, U.S. Department of Housing and Urban Development, May 2006; *Department of Defense Base Closure and Federal Property Disposal Authorities*, 20th Edition, (January 4, 2007); *Base Redevelopment Planning for BRAC Sites*, Department of Defense Office of Economic Adjustment; *BRAC Implementation Regulations and Base Redevelopment and Realignment Manual*, Department of Defense.

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As a result of the national priority of homelessness, Congress passed the Community Redevelopment Act of 1994 (“Redevelopment Act”). The purpose of the Redevelopment Act is to address the needs of the homeless with federal surplus property resulting from base closures. The Redevelopment Act places the responsibility for planning for the needs of the homeless in the vicinity of the base in the hands of the Local Redevelopment Authority. HUD launched its Continuum of Care approach in 1994 as well.

The Continuum of Care (“CoC”) helps communities across America address the problems of homelessness in a coordinated, comprehensive and strategic manner. The CoC is a community’s plan to organize and deliver housing and services that meet the specific needs of homeless individuals and families as they move toward stable housing and maximum self-sufficiency. Each CoC includes outreach, intake and assessment to identify needs and link the individual or family with appropriate housing or service resources. The CoC also includes emergency shelter and safe, decent alternatives to the streets. Another part of the CoC is transitional housing with supportive services to help people develop the skills necessary to live in permanent housing. Finally, permanent housing and permanent supportive housing complete the Continuum of Care. The Reading Local Redevelopment Authority (LRA), as the successor redevelopment authority to the Reading Berks Public Safety Local Redevelopment Authority, is acting on a published official notice from the predecessor LRA on **[date of the original notice]**, soliciting interest from public and non-profit organizations eligible to receive surplus military property through a no cost PBC. The public outreach period was June 15, 2006 to September 15, 2006, with the latter date as the deadline for receipt of those notices was the predecessor LRA received several notices of interest from various public entities as well as a joint notice from two providers of services to the homeless. The LRA and its consultants conducted follow up meetings and telephone discussions with each of these organizations in order to determine the financial ability of the entities to execute their programs, including their financial ability to adapt the facility to their intended use. Inasmuch as the facility will be transferred in an “as is, where is” condition, extensive renovation, code compliance improvements and environmental remediation are anticipated. In response to the published public notice, the LRA has received one Provider Request with respect to homeless assistance. This request is a joint request from two organizations: Berks Women in Crisis (BWIC) and Mary’s Shelter. BWIC

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subsequently determined that they would not seek use of the Center property and withdrew their Notice of Interest. With the withdrawal by BWIC, Mary's Shelter determined that their interests would best be served through a collaborative effort with one of the PBC applicants, The Reading Hospital and Medical Center (Hospital) (Attachment 2).

The LRA received two NOI's that are best characterized as PBC requests:

- 1) Reading School District, for use as an educational facility to operate an early childhood center and alternative education program for children.
- 2) The Reading Hospital and Medical Center for use as a hospital corporate operations center and possibly as residential housing for students in the hospital's School of Health Sciences. The Hospital has agreed that its development plan would accommodate a residential facility for Mary's Shelter (Attachment 3).

The documentation received from each applicant is presented in Appendix E.

## **HOMELESS PROVIDER EVALUATION REQUIREMENT**

The LRA is charged with developing a reuse plan that is balanced in terms of economic development, homeless assistance and other development. The Redevelopment Act mandates that the LRA's Reuse Plan address the needs of the homeless in the vicinity of the base. The way in which the needs are addressed is left up to the LRA but should be measured against gaps in the Continuum of Care. The gaps in the Continuum of Care are determined by the population need (documented) minus current inventory.

The LRA must evaluate each homeless assistance Provider Request and determine which, if any, NOIs should be accommodated. Homeless assistance conveyances may be made, at no cost, directly to a homeless provider or to the LRA to meet local homeless needs. The cost of maintaining the property or structure and operating the program should be addressed by the individual provider.

Accommodation of an NOI is not restricted by the land use plan. If the need exists and represents a gap in the Continuum of Care, and the NOI meets HUD criteria, the LRA Reuse Plan may accommodate the need either onsite within the land use plan, offsite

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(other comparable property within the area) or with payments in lieu of providing property, or some combination of all three. The LRA has 270 days to develop a reuse plan and Homeless Assistance Submission and provide it to HUD. Once submitted, HUD has 60 days to determine whether or not the LRA's submission is compliant with the Redevelopment Act and whether the Reuse Plan is balanced. If HUD deems the plan to be non-compliant or the land use plan to be unbalanced, the LRA will have to begin the process again.

## **PUBLIC BENEFIT CONVEYANCE**

A PBC is a land transfer mechanism available to the Defense Department ("DOD") when it disposes of surplus military base property. Under a PBC, a federal agency other than DOD sponsors the transfer of property at cost or no cost to a local or state agency or other eligible entity. For instance, the U.S. Department of Education would sponsor a PBC that would support development of a school at a former military base; the Department of the Interior would sponsor a PBC that would support development of a public park or other recreational facility; the Federal Aviation Authority ("FAA") would sponsor a PBC of surplus property that would support the creation or enhancement of an airport or aviation support services. An agreement stating the general terms of PBCs between DOD and other federal agencies was signed in March 1997.<sup>3</sup>

PBCs are a common transfer mechanism employed by DOD as part of the military base reuse process. According to a January 2005 report by the U.S. Government Accountability Office, 48,000 acres of former military base property had been transferred via PBCs as of September 30, 2004.<sup>4</sup> This represented 18 percent of all BRAC property transferred to non-federal entities.

As a subset of that total, communities requested park PBCs through the Department of the Interior's Federal Lands to Parks Program at 86 of the 97 bases (88 percent)

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<sup>3</sup> Regulations governing PBCs generally are found in 41 CFR 102-75, "Real Property Disposal." This section of the Code of Federal Regulations addresses public benefit conveyances (102-75.350-360), property for educational purposes (102-75.490-545), and property for public park or recreation areas (102-75.625-690).

<sup>4</sup> "Military Base Closures: Updated Status of Prior Base Realignments and Closures," U.S. Government Accountability Office, January 2005, page 17.

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recommended for closure in the 1988, 1991, 1993 and 1995 BRAC rounds. As of November 2005, 11,163 acres of BRAC land had been transferred via PBCs for new public parks and recreational areas. Requests for a total of 3,935 acres more were pending.<sup>5</sup>

Under its Federal Real Property Assistance Program, the Department of Education has approved educational uses that range from anchor tenants, such as entire college campuses, to complementary educational uses, such as libraries and vocational training centers. Educational PBCs require that the land be used for educational purposes for 30 years. Plans must be implemented in 12 months, or 36 months if major construction is proposed.

Once a PBC is agreed upon, and surplus Federal property conveyed to or otherwise made available to the end user, such end user may not radically alter the nature of the reuse. In other words, land transferred via a PBC for aviation purposes may not be converted into a residential or retail development area. Such a change would void the transfer terms and trigger a move by the federal government to seek the return of the property by means of a reversion or to otherwise secure the fair market value for the property from the end user. This restriction on usage explains why PBCs often are accomplished at little or no cost to the recipient.

Once the LRA determines whether to include a PBC request in the Reuse Plan, the Navy's BRAC Program Management Office, which has jurisdiction over the real and personal property at the Center, will undertake a screening process in accordance with the Federal Property Management Regulations (41 CFR 101-47.303-2) based upon the uses identified in the Reuse Plan. Federal sponsoring agencies (e.g. HHS for health care uses, Department of Education for educational uses and the Department of the Interior for park or recreational transfers) shall notify eligible applicants that any request for property must be consistent with the uses identified in the Reuse Plan.<sup>6</sup> Ultimately, the Navy PMO will render a record of decision as to the property disposal mechanism(s) to be employed at the Center.

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<sup>5</sup> Federal Lands to Parks Program Web site, <http://www.nps.gov/ncrc/programs/flp/brac.html>.

<sup>6</sup> 32 CFR 176.45(a)

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## **Summary of Notices of Interest and PBC Applications:**

Based upon our review of the candidate reuse alternatives set forth in the Base Redevelopment Plan, it is clear that the majority, if not all, of the Center Property will be used in the future for public purposes. Current economic development considerations make it unlikely that the Center property will be appealing to a private sector developer. Additional impediments to private sector development include extraordinary demolition costs for the existing improvements to the land, code compliance issues, size and location of the Center and community concerns about future use.

### **A. Homeless Assistance Applications**

As modified, Mary's Shelter is now focused on a collaborative relationship with The Reading Hospital and Medical Center. Mary's Shelter is included in the Berks County Continuum of Care Inventory and is a member of the Berks Coalition to End Homelessness. According to their expression of interest, Mary's Shelter provides temporary/emergency housing, as well as counseling and educational programs, to homeless pregnant women and their newborns in the community. Mary's Shelter proposes to utilize the Navy-Marine Corps Reserve Center to provide housing and social services to 12 homeless pregnant women and their newborns at a time and to expand their existing services to include eight units for homeless pregnant women with other children. Women will reside in the shelter for up to three months after the baby is born, during which time the shelter's counselors will assist them with coordinating medical care, education or job training and, most importantly, securing permanent affordable housing. At this time, the nature and extent of the collaborative relation between Mary's Shelter and the Hospital is being developed. Both parties have expressed their intent to reach such an accommodation and it is anticipated that a memorandum expressing the intent of the parties and the satisfaction of Mary's Shelter will be executed and attached to the submission to the Navy.

Mary's Shelter is licensed by the State of Pennsylvania as a Maternity Home and as a Private Children and Youth Social Service Agency. The primary mission of Mary's Shelter is to provide residential and non-residential services for homeless pregnant women and women and their newborns that are in need of a supportive environment

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because of a lack of suitable housing or favorable family relationships. In addition to housing, Mary's Shelter provides the following programs and services to pregnant women and their children:

## Pregnancy

- Pregnancy support through referrals to primary care physicians
- On-site pregnancy and parenting classes
- Support staff is available 24 hours a day, 7 days a week to provide individual assistance and guidance with personal issues and newborn care

## Education

- On-site educational programs are conducted one or two evenings a week, on a six-week rotating basis
- Community educational programs:
  - Mary's Shelter has established relationships with the following organizations to assist the residents with meeting that goal:
    - Reading High School
    - Reading Area Community College - GED classes
    - Arbor Career Center - GED and English as a Second Language (ESL) classes
  - Residents who have completed high school or an equivalency program have access to the following programs:
    - Reading Area Community College - college courses
    - PA CareerLink - provides career guidance for residents who have completed high school
    - Alvernia University - provides scholarships for residents who qualify for enrollment. Since this partnership began in 2001, four residents of Mary's Shelter have received Bachelor's Degrees and three residents are current students.

## Counseling and Referrals

- Individual and group counseling is provided on-site by Masters-level social workers
- St. Joseph's Medical Center's Women's Wellness Program and Reading Hospital and Medical Center provide all of the prenatal care and follow-up medical care for the residents and their babies
- BWIC provides on-site group counseling, individual counseling and legal assistance for the residents.
- Berks Counseling Center provides individual drug and alcohol counseling and residents can apply for their transitional housing program
- American House provides individual counseling for personal issues
- Service Access Management (SAM) provides individual mental health/mental retardation testing, counseling and housing options

## Housing

- Mary's Shelter provides residents with referrals and assistance in obtaining low-income housing at locations such as Oakbrook, Glenside,

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Jamestown Village Apartments, Park Terrace and Century Hall Apartments

- Mary's Shelter provides residents with referrals and assistance in obtaining transitional housing programs at locations such as Mary's Home, Beacon House, Y-haven, BWIC and the Salvation Army

Mary's Shelter's current housing capacity is 12 women and babies at a time. Residents may enter the program at any time during the pregnancy and stay for up to three months after the birth of the baby. The average length of stay for a resident is four to six months. In 2007, Mary's Shelter housed 30 young women and their newborns.

In 2006, Mary's Shelter started tracking requests for housing from homeless pregnant women with other children. Approximately 24 calls a month are from homeless pregnant women with children. Mary's Shelter is currently unable to house these women due to a lack of space at its current facility. Referrals to suitable housing for the homeless family are particularly difficult because the process can take several months, leaving the pregnant woman and her children unsheltered. The number of calls increased throughout 2007.

In January 2008, Mary's Shelter began a pilot program for pregnant women with other children. Five rooms at Mary's Shelter were designated for homeless women with other children, which reduced the number of single units available. During the first six months of the program, seven families had been housed.

Mary's Shelter's existing facility is not able to meet the need in the community for its services. All of their units/rooms are full, and Mary's Shelter receives an average of 15 calls per month for individual housing and an average of 24 calls per month requesting family housing. Approximately 40 calls/clients per month are turned away and referred to other agencies.

Mary's Shelter proposes to utilize the Navy-Marine Corps Reserve Center to provide shelter and social services to single young women or young women with children. Eight larger bedroom units could accommodate up to 16 homeless pregnant women and their newborns, as many as eight families, or a combination of young women and families at a

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time. This would double the organization's capacity and not limit the organization to serving any one population. The new facility would also provide much needed office space, not available in the current location, as well as play areas for toddlers. It is anticipated that Mary's Shelter's intentions will be satisfied through the collaborative relationship with the Hospital.

## Berks Women in Crisis

Because BWIC has withdrawn from consideration, they need not be considered.

## **Public Benefit NOI's**

### Reading Hospital and Medical Center:

The Hospital, or RHMC, proposes using the Reserve Center site as a corporate office campus and student residential facility. The Hospital is in need of over 60,000 square feet of office space to accommodate a variety of administrative operations in reasonably close proximity to the West Reading campus. These administrative functions include: fiscal affairs, materials management, human resources, and information management services. Other functions such as communications and public relations may be relocated to this site as well. It is estimated that approximately 300 jobs would be relocated to this site from disparate locations. Only a nominal number of new jobs would be created.

In addition, the RHMC has a need for a residential facility for students enrolled in the School of Health Sciences. Currently, the 120 students are housed at a local motel some distance from the Hospital and classrooms. The new facility makes it easier for students to get to class and the Hospital and, in the long term, save money.

A four-deck, 500 space parking structure is also planned, given the intense development of the site. The use of the deck structure will enable the development of some green space on the site.

The Hospital would demolish the existing structure on the Naval Marine Reserve Center site to create the space necessary for the capacity that is needed for these operations and student residential needs in addition to Mary's Shelter's requirements. No clinical services would be offered in the corporate office center. As noted, discussions are

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under way between RHMC and Mary's Shelter for the provision of various medical services for the Shelter residents.

## Reading School District:

The Reading School District proposes using the Navy-Marine Corps Reserve Center property for an alternative education program. Alternative education programs serve students who are at-risk for failure within the traditional educational system. Students are placed in alternative education programs based upon at-risk characteristics including: suspensions for disregard for school rules, disruptive behavior, and habitual truancy. The goal of alternative education is to remove the student from the traditional school setting to provide a setting more conducive to meeting the needs of the student. The Reading School District alternative education program will offer students extra support and counseling, smaller class size, more personal environments, and positive relationships with adults. Students will receive educational programs that focus on academic skills, social services and/or community work-based learning with specific educational and transition goals. The short-term goal for the alternative education program is to modify the disruptive behavior for repatriation of the students back into the regular school setting, while still meeting students' educational needs so they do not fall further behind academically. Upon re-entry back to home school, students will continue to receive resource services to ensure successful reintegration into the regular education program. Administrative support for the alternative education program will be provided by three onsite administrators: principals, vice principal and instructional supervisor. The Director of Alternative Education and the Director of Student Services, both central office administrators, will provide additional administrative oversight of the alternative education program. A custodian and security guard will be on site for facility management. The district's facility foremen and Security Chief will directly supervise them.

Additionally, the Naval and Marine Corps Reserve Center site may be used to support additional pre-kindergarten and full-day kindergarten classes. Through creative use of existing school space, the Reading School District has been able to expand its half-day kindergarten program from just four classes in 2004-05 to 49 full-day classes in 2007-08. However, the district goal of providing full-day kindergarten for all children has yet to be realized due to lack of classroom space. Currently four of the 14 elementary schools still

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offer half-day sessions for some children. Additionally, due to expansion of full-day kindergarten, the number of pre-kindergarten sessions across the district was slightly reduced in the past two years. Currently, the district offers 25 half-day pre-kindergarten sessions. Regarding the proposed early childhood program, state law does not mandate pre-kindergarten and full-day kindergarten programs. However, they are both evidenced-based strategies that positively affect student learning. The District's Strategic Plan identifies early childhood education as a strategy for increasing student achievement. The district is compelled to increase student achievement to meet the academic accountability requirements of the Pennsylvania Accountability System, which applies to all public schools and districts. The system is based upon the State's content and achievement standards, valid and reliable measures of academic achievement, and other key indicators of school and district performance such as attendance and graduation rates. The Pennsylvania Accountability System was instituted to meet the requirements of the federal No Child Left Behind legislation and has the same end goal - having every child in the Commonwealth proficient or above in reading and mathematics by the year 2014. Schools and districts that do not meet the "Adequate Yearly Progress" achievement standards face consequences imposed under the federal No Child Left Behind legislation. Therefore, although expansion of early childhood programs is not required to comply with state standards, it is incumbent upon the district to do so.

## **LRA EVALUATION CRITERIA**

As part of its review process, the LRA should undertake the following:

1. Review the appropriate Continuum of Care and Consolidated Plan for Berks County. The purpose of the review is to become familiar with the services being provided currently and those documented within the five year consolidated plan. Note: there may be a need not yet documented within the CoC or Consolidated plan.
2. If the NOI proposes using the entire Center, compare its development potential and general objectives with the development potential and reuse goals of the LRA's contemplated reuse options. If the NOI proposes using a portion of the Center, consider how the proposal would fit with the LRA's contemplated reuse options and whether the two plans would be in conflict with each other.

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3. Read and evaluate each NOI separately, not comparatively or within the context of any other NOI. Each must be evaluated on its own merits. Within this evaluation, it is very important to consider the financial ability of the applicants to carry out their plans. Determinations must be made on an individual basis.
4. Evaluate each NOI based on HUD or other appropriate sponsoring Federal Agency criteria.
5. The LRA should consider whether to accommodate the NOI onsite within the Reuse Plan, offsite with property or payment in lieu of property or denial of the NOI. With respect to homeless providers, the LRA should take into account the role of HUD in approving the final reuse land, particularly where an NOI by a homeless provider is rejected without alternative accommodation. Examples of types of issues or considerations are age/condition of buildings, building code compliance, existing utility systems vs. standalone systems, transportation, roads, access, parking, public transportation, environmental contamination (lead based paint, asbestos etc), adaptive reuse of historic property, etc.
6. In evaluating each NOI, note the scope of the proposed programs and the depth and quality of information provided by the applicant. The level of detail in the NOI should be commensurate with the scope of the proposed program and request for property.
7. Once each NOI has been considered, the LRA should document each determination; all documentation will be included as part of the HUD homeless assistance submission.

In reviewing each NOI, the LRA carefully evaluated the intended use and weighed the proposed benefits against the broader goals and objectives of the redevelopment. Due to the special focus placed on applications from homeless service providers under the BRAC legislative mandate, the LRA's NOI review for PBCs required a somewhat different approach than other potential users.

The following criteria were utilized by the LRA for evaluating an NOI for a PBC transfer:

- Each submittal should contain all the required "Organizational Profile" elements as requested in the published **[date]** Notice of Interest Application.
- Degree to which the proposed use is compatible with and supports the overall civilian reuse plan for the Center property, as expressed in the LRA's goals and objectives statement.
- Extent to which the proposed use(s) involve a cooperative regional and/or multi-agency approach.

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- Organizational and financial capacity of the applicant(s) to carry out the proposed program.

Additional criteria identified for evaluating NOI applications submitted by homeless assistance providers concerning potential reuse of property included:

- Extent to which the proposal includes the necessary “legally binding agreement” commitments that will ensure the property will benefit the homeless in the future on a permanent basis.
- Degree to which the proposed homeless assistance use is compatible with and supports the overall planned use for the property.
- Degree to which the application achieves the local needs and objectives identified in the Berks County “Continuum of Care” and Consolidated Plan.
- Degree to which the proposed homeless assistance program can be “co-located” with other related uses on the site.
- Extent to which the proposed program serves to “ensure a balance between economic redevelopment, other development, and homeless assistance.”

Other concerns kept in mind by LRA members during this discussion included:

- Site location and neighborhood;
- Interim and long-term uses;
- Other possible methods of conveyance; and
- Special requirements of certain uses (i.e. security).

Finally, the LRA considered the community objectives of job creation and retention, tax ratable generation, and neighborhood compatibility.

## **NOI Determinations**

The NOI submissions received by the LRA were reviewed relative to these criteria. The Reading Hospital and Medical Center, Reading School District and Mary’s Shelter were the organizations whose submission was considered to be “complete,” in that they met most if not all of the criteria, and complied with the instructions provided by the predecessor LRA in its [date] legal notice. It should be noted that Mary’s Shelter was dependent upon BWIC for some financial and program support to execute its plan. With the withdrawal of BWIC from consideration, Mary’s Shelter would not have the necessary resources to develop the Center to meet its organizational objectives. However, the collaborative effort with the Hospital will allow Mary’s Shelter to contribute

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to the needs identified in the Continuum of Care. Essentially, Mary's Shelter's application has merged with the Hospital's and it is logical and appropriate to treat that submission as a single application.

All of the organizations were kept well informed of the process, and most sent representatives to many of the LRA's public meetings.

Thus, the review of these NOI submissions recommends that the combined submission of the Reading Hospital and Medical Center and Mary's Shelter is the preferred use. As noted, Berks Women in Crisis withdrew its submission. The Reading School District's application for the property is not deemed to be as beneficial to the community, yields no opportunity for accommodation of the homeless provider application, and does not maintain the residential character of the neighborhood. The Reading Hospital/Mary's Shelter submission provides expanded service and assistance to homeless women and children and facilitates the Hospital's ability to provide service and healthcare training to the community. A copy of the Legally Binding Agreement between the two organizations is attached.

In balancing the interests of the community and the applicants, the joint submission by the Hospital and Mary's Shelter is preferred for the following reasons:

1. The accommodation of Mary's Shelter, a homeless provider, satisfies a national priority identified in federal legislation and recognized as a need in the regional analysis in the Continuum of Care. The cooperative arrangement between Mary's Shelter and the Hospital for applicant consideration purposes provides an enhancement of the benefits to Mary's Shelter that would not otherwise be achieved.

2. Local community support for the Hospital's use has been clearly and overwhelmingly expressed in public meetings held to solicit community views on future use alternatives.

3. Hospital use provides a level of density that presents the potential for economic expansion in the neighborhood in support of the Hospital's activities.

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4. Considering the Hospital use (corporate office, residential facilities for Hospital students) and the School District use (educational facilities for, among others, at risk students), compatibility with the residential nature of the neighborhood favors Hospital use.

Ultimately, balance is gained by approving this joint submission, which

- 1) addresses the CoC needs,
- 2) provides or maintains jobs in the City,
- 3) creates jobs through the construction of new facilities on the site, and
- 4) provides some opportunity for increased revenues for the City through Hospital contributions in lieu of tax payments, and
- 5) meets LRA goals and criteria for neighborhood compatibility.

This submission can be effected in a reasonable period of time as both parties have the resources and capability to implement their respective plans. Finally, the use is compatible with the nature of the surrounding neighborhood and land uses.

**Thus, the Plan for use by the Hospital and Mary's Shelter presents Highest and Best use of the site by providing needed assistance to homeless families, while at the same time preserving jobs in the City, assisting the City in obtaining additional revenues both through jobs maintained in the City an potential contributions in lieu of taxes from the Hospital, and in maintaining the character of the neighborhood.**

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## **XI. Financial Impact**

In light of the minimal prospect for private sector development of the site, and the strong case for accepting the reuse alternative presented by the RHMC and Mary's Shelter, the consulting team prepared an overview analysis of the economic impact of the site based upon this alternative. There are four components to this proposed reuse; an administrative building for the RHMC, a residential structure for the students at the RHMC School of Health Science, a parking deck for the students and administrative staff, and a new structure for Mary's Shelter.

The new Mary's Shelter facility will be constructed on one acre of the seven acre site. The new facility will be a two story building with eight bedrooms, each capable of housing two young women or one family, an arrangement that doubles the organization's current capacity and offers more service options. The building would also provide three offices for client meetings, a classroom for training sessions, and toddler play areas both indoor and outdoor. The last mentioned features are not available at the current location. The group feels that the one-acre site will also allow for the construction of another residential facility at some point in the future, and the possible construction of a small storage building.

No new jobs are expected to be created with the construction of the new building. It is estimated that the facility will cost \$785,000, which would create an estimated 8 to 10 construction jobs. Mary's Shelter is a tax exempt organization, and would not pay any taxes to the City.

The RHMC envisions an 80,000 square foot administrative building that will provide office space for some three hundred workers transferred from locations in the immediate area, but not in Reading proper. This consolidation will benefit the Hospital by bringing various offices and functions closer together. The number of new jobs resulting from the new structure will be nominal, as administrative functions within RHMC have not grown substantially in recent years. The construction of the new facility will cost an estimated \$14.4 million, and create an estimated 140 construction jobs in the near term, and bring the three hundred jobs mentioned to the City.

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The RHMC also plans to construct a facility to house its 120 School of Health Sciences students. This number is not expected to increase in the near future, and the staffing for the building will not be large, given its use as a dormitory. The building will cost an estimated \$7.0 million, generating about 70 construction jobs.

The parking structure will be necessary in light of the intense development of the site. This 500 space facility will cost an estimated \$2.5 million and created 20 to 25 construction jobs.

RHMC is a not-for-profit organization and does not pay taxes as such. However, the Hospital staff works with the City of Reading and other jurisdictions to pay “contributions” (they avoid the term “Payment in lieu of taxes,” or PILOT). In West Reading, the Hospital has a liaison council that includes hospital representatives and the Board of Supervisors; at council meetings, they discuss the contribution, coordination with the community, and neighborhood issues. The facility in the City of Reading for which they pay a contribution is a clinic in an old building, so there is a precedent for this type of relationship.

Thus, the impact for the City will be appreciable. Some three hundred office jobs will be relocated to the City, as will approximately 120 students. These persons will contribute to the economic growth of the area. In addition, the four construction projects will create approximately 240 construction jobs and generate additional spending for supplies and materials, as well as generating indirect spending throughout the area.

Though both organizations are tax exempt, the RHMC has a history of making “contributions” to the municipalities in which its operations are located.

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## **XII. The Reuse Plan**

Based upon a careful review of the data and information presented above, the City of Reading Local Redevelopment Authority adopts the Plan that entails use by the combination of the Reading Hospital and Medical Center and Mary's Shelter as the preferred reuse alternative. This recommendation and the supporting documentation should be forwarded to the appropriate offices of the Department of Defense and the Department of Housing and Urban Development for review and approval.

We base this recommendation upon the following:

An analysis of community needs shows that the City's reuse priorities for the site and facility are 1) job retention and creation; 2) the generation of tax revenues, and 3) compatibility with the neighborhood. At the same time, however, the weakened condition of the local and national economies, as well as a weak housing market, the largely residential character of the area, proximity to a large public housing project, distance to an interstate highway, and the availability of good commercial locations nearby is very likely to preclude private sector investment in housing, commercial, or office development. At the same time, an analysis of the Continuum of Care documentation indicated a high priority need for housing for families. Thus, the emphasis for redevelopment alternatives became centered upon the Notice of Interest responses.

A review of these letters, follow-up responses, and information provided in public meetings was complicated by the withdrawal of one respondent and the realignment of two of the remaining parties. The result was a combined submission by the Reading Hospital and Medical Center and Mary's Shelter. This project entailed the use of the entire site, the demolition of the existing structures, the development of a hospital administrative building, a structure for the Hospital's School of Health, and the construction of a new building to house expanded operations for Mary's Shelter.

This plan meets a wide range of the criteria, including:

- 1) addresses the CoC needs,
- 2) provides or maintains jobs in the City,

# DRAFT

- 3) creates jobs through the construction of new facilities on the site, and
- 4) provides some opportunity for increased revenues for the City through Hospital contributions in lieu of tax payments,
- 5) meets LRA goals and criteria for neighborhood compatibility, and
- 6) can be implemented by the two organizations in a reasonable period of time.

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The following appendices will appear with the full report. Several of them are voluminous both in hard copy and electronically.

**Appendix A: Demographic and Economic Data**

**Appendix B: “Cultural Resources Survey and Assessment Of Naval Reserve Centers” (CRSA)**

**Appendix C: Floor Plans & Exterior Elevations**

**Appendix D: Photographs of Facility**

**Appendix E: NOI Letters and Follow-up Materials**

**Appendix F: Berks County Continuum of Care Berks County Continuum of Care Strategic Plan (date) and Latest Point in Time Survey**

**Appendix G: HUD Form 40090-1**

**Appendix H: Notices of Public Meetings and Hearings**

**Appendix I: Summaries of Meetings and Hearings**

**Appendix J: Local Redevelopment Authority Membership and Affiliations**

**Appendix K: Copy of Legally Binding Agreement**