



BLIGHTED PROPERTY REVIEW COMMITTEE

**THURSDAY, MARCH 18, 2010
CITY COUNCIL OFFICE
6:00 p.m.
AGENDA**

- I. Call to Order**
- II. Public Comment**
- III. Approval of the Agenda & February Minutes (attached)**
- IV. Certification & Eminent Domain (D. Robinson)**
- V. Update on Agreement w/ RRA**
- VI. Update on Target Properties**
 - A. 2009 Certification List – update on eminent domain process from Redevelopment Authority**
 1. 317 Schuylkill Avenue – progress report
 2. 157 Walnut Street – progress report
 3. 210 North Front Street - progress report
 4. 228 North 2nd Street – progress report
 5. 127 North 2nd Street - progress report
 6. 212 South 8th Street (Penn Optical Bldg) - owned by 212 South Eighth Street Ltd, Isaac Teitelbaum, President, Brooklyn NY
 7. 118 West Elm Street (Steven Roberson) – demolition scheduled
 8. 343 McKnight Street (Buy We Will, LLC)

9. **360 McKnight Street** (Sheila Perez)
10. **127 Walnut Street** (Sandra I. Greer)
11. **628 North Front Street** (Franklin Heredia) – demolition scheduled
12. **328 Pear Street** (Stephen Pettiway) – demolition scheduled
13. **317 Schuylkill Avenue** (Napoleon Scott Stephany)

B. Under Appeal to the Building and Fire Appeals Board

1. **153 Walnut Street** – under appeal to Building & Fire Appeals Bd

VII. Follow Up List

2. **Follow-up w/ Opportunity House on 124 North 4th Street** – D. Wright
3. **Disposition of 620 North Front Street** – Ms. Mayfield and Mr. Franco
4. **116 N 6th Street** – OCR Interest in obtaining?

VIII. 2010 Target List

2010 Target Properties

TARGET AREA PROPERTIES

- **243 North 4th St.** owned by Lobos Four LLC aka Ben Epstein 134 N 6th St Reading Pa 19601 & 145s E 15t Brooklyn Ny 11230 *Listed in the GVC Book*
- **104 North 4th Street** owned by Three Brothers Corp (no corporate info available) 4614 5th Ave # 3fl Brooklyn NY 11220 - *Listed in the GVC Book*
- **124 North 4th Street**, owner Opportunity House *Listed in the GVC Book*
- **207 North 4th Street, Vic Properties** aka Victoria Hernandez 179 Huron St Apt 1R Brooklyn NY 11222 - Also Lists 824 Franklin St, Rdg *Listed in the GVC Book*
- **213 N 4th Street** – owned by Lobos Nine LLC 145 SE 15th Street Brooklyn, NY 11230
- **300 North 4th Street** owned By Yanio Garcia 2228 Raymond Ave Reading Pa 19605 *Listed in the GVC Book*
- **302 N 4th Street** Mireya Pagan 760 E 166th St Apt 5H Bronx NY 10456 *Listed in the GVC Book*
- **304 N 4th Street** owned By Yanio Garcia 2228 Raymond Ave Reading Pa 19605 *Listed in the GVC Book*
- **306 North 4th Street** owned By Yanio Garcia 2228 Raymond Ave Reading Pa 19605 *Listed in the GVC Book*

- **200 North 4th (Aldine Mansion)** owned by Diversified Investment Properties aka Gary Wegman 1900 Holly Rd, Reading 19602 *Listed in the GVC Book*
- **227 N Front Street** – Wendy Rosado, 1546 Perkiomen Ave Reading PA 19602
- **217 North 2nd Street** owned by Ventura Octavio R Lopez 514 W 211th St Apt 2A New York NY 10034 property no longer for sale through a realtor, no improvement to the condition of the property *Listed in the GVC Book*
- **363 North 2nd Street owned by** Martin Jermaine L 622 Pine St Reading Pa 19602 owner reports that interior work progressing, no change to exterior, interior inspection needed *Listed in the GVC Book*
- **200 North Front Street – Our City Reading, 4500 Perkiomen Ave, Rdg 19606** *Listed in GVC Book*
- **235 N 3rd Street – Migual Martinez, 405 S 7th St 19602** *Listed in GVC Book*
- **257 N 3rd Street – Joyce and McCrea Boykins 628 Spruce St 19602** *Listed in GVC Book*
- **213 N 4th Street 1158 Buttonwood Street** - Lobos Nine LLC % Ben Epstein 1455 E 15th St Brooklyn NY 11230
 - **827 N 5th Street** – owned by Bayview Financial Holdings, L.P., David Quint, President, Legal Department , 4425 Ponce de Leon Boulevard Fifth Floor , Coral Gables, Florida 33146
 - **116 N. 3rd St** owned by Carlos Cordona 8707 35th Ave # 18 Jackson Heights NY 11372

INDIVIDUAL TARGET PROPERTIES

- **530-532 Penn St** owned by Phyllis Knoblauch 619 Walnut St
- **112 S. 6th St** owned by Brazzle Angela L 2206 Upper Gap Rd Coatesville PA 19320
- **123 S 6th** owned by Antoine Ketty 1743 Reading Blvd Wyomissing PA 19610
- **125 South 6th Street** owned by Esther and Gary Gebhard - 521 N Funk Rd Boyertown PA 19512
- **534 Walnut St** Hafner Daniel F 2730 NE 6th Lane Wilton Manors Fl 33334
- **158 West Green Street** owned by Amin Farouk Ghorah 216 Holiday Ln Blandon PA 19510 - *Listed in the GVC Book*
- **506 N 12th – DBC LLC Bruce Becker 1200 N 11th St** – *Listed in the GVC Book*
- **1237 Buttonwood St** owned by Harry Stouffer PO Box 70 Cressona PA 17929 *Listed in the GVC Book*

- **1158 Buttonwood St** owned by Dwight Amole and Rose Torres 930 Centre Ave
- **645 Locust** owned by Michael Gregory 609 Madison Ave Reading PA 19601 *Listed in the GVC Book*
- **647 Locust** owned by Michael Gregory 609 Madison Ave Reading PA 19601 *Listed in the GVC Book*
- **305 Locust Street** – owned by Pagan Mireya 760 E 166th St Apt 5H Bronx NY 10456 *Listed in the GVC Book*
- **161 Clymer St (Clymer Apartments)** owned by J & B Investments aka Jill and Robert Savory PO Box 553 Douglassville PA 19518
- **476 Schuylkill Ave** (Old Firehouse Bldg) owned by Will Gernert 100 Dewald Rd Reading PA 19606
- **644 North Front Street** owned by Barrera Walter 3020 Curtis Rd Sinking Spring Pa 19608 *Listed in the GVC Book*
- **525 Lancaster Ave** owned by 525 Lancaster Partners LP aka Andrew Hicks 150 E Pennsylvania Ave Downingtown Pa 19335 *Listed in the GVC book*
- **922 Penn St** - owned by Richard Camelio, PO Box 8108 Reading Pa 19603
- **924 Penn St** – owned by 531 South 14th Street LLC, aka Angelo Amendolia, 820 Nicolls St Reading PA 19604-06
- **930 Penn St** – owned by 531 South 14th Street LLC, aka Angelo Amendolia, 820 Nicolls St Reading PA 19604-06
- **932 Penn St** - owned by 531 South 14th Street LLC, aka Angelo Amendolia, 820 Nicolls St Reading PA 19604-06
- **644 North Front Street** owned by Walter Barrera 3020 Curtis Rd Sinking Spring Pa 19608 - renovations ceased, property vacant and not maintained - new violation letter will be issued
- **516 Franklin Street** – owned by Francisco Mercado 351 Broad St Apt 816-B Newark NJ 07104
- **522 Franklin Street** – owned by Enterprize TNT Inc aka Theodore Gaul 282 Woodside Drive Boyertown 19512-06 & 4311 Kutztown Rd Temple 19560-0
- **526 Franklin Street** – Milton Brendle 170 N Bingaman St, Rdg 19606
- **531 Franklin Street** – Evelyn Ramirez, 531 Franklin St
- **530 Franklin Street** – Liddy Toribio 530 Franklin St
- **532 Franklin Street** – Xavier Mendoza 813 N 11th St 19604
- **538 Franklin Street** – Crespo Realty Inc aka David Crespo **5918** 57th St Maspeth NY 11378
- **1158 Buttonwood Street** – Dwight Amole & Rose M Torres 930 Centre Ave, Rdg 19601

IX. Committee Reports

1. Codes
2. Education
3. Research
4. Grants

X. Other Matters

XI. Adjourn

Blighted Property Review Committee

Thursday, February 18, 2010

Meeting Report

Committee Members Attending: A. Grant, M. Wolfe, M. Candelario, W. Bealer, D. Luckey

Others Attending: L. Kelleher, M. Mayfield, V. Spencer, A. Mukerji

Mr. Luckey called the meeting to order at 6:07 p.m. He announced that Mr. Olsen had a conflicting appointment and asked him to chair the meeting in his place.

Public Comment

Mr. Luckey opened the floor for public comment.

Heidi Masano, Esquire, stated that she is representing the Masano Auto Group and she described the Masano Auto Group's acquisition plan for Lancaster Avenue and their longstanding commitment to the City of Reading and their significant investment in the community. She stated that the group is very concerned about the dilapidated building at 525 Lancaster Avenue and the detrimental affect it has had on their business. She stated that she and the Masano Group will assist in any way to move this property through the process quickly.

Mr. Luckey explained that the Blighted Property process takes 12-18 months and is followed by the eminent domain process which can also take 12-18 months.

Mr. Mukerji stated that Tripoint's forward action on this property has been slowed due to the recession. Tripoint originally wanted to develop this property for Reading Hospital's use; however, they are now hoping to convert the building for an apartment use. He stated that Tripoint has recently been advised that this property is on the 2010 Target List; however, they have no funding to move forward to take corrective action. He expressed the belief that Tripoint would be willing to hand the keys over to the City. Mr. Mukerji offered to speak with Tripoint about turning the property over to the City.

Agenda and Minutes

Mr. Lucky asked the members present to consider the agenda for this meeting and the

minutes from the January Meeting.

Mr. Bealer moved, seconded by Ms. Wolfe, to approve the agenda for this meeting and the minutes from the January meeting. The motion was approved unanimously.

Reading Redevelopment Authority

Mr. Spencer stated that he invited Mr. Mukerji to attend the meeting due to the Committee's concern about the delayed start of the eminent domain process.

Mr. Luckey stated that the BPRC is waiting for a cooperative agreement to be drafted that will provide the Redevelopment Authority with compensation for the costs associated with the eminent domain process and procedures. He stated that he, as a member of the Redevelopment Authority, directed Mr. Mukerji and Mr. Mooney to finalize the agreement. Ms. Mayfield and Ms. Kelleher said that there were two (2) e-mails from Mr. Mooney a few days after the January BPRC meeting and nothing since.

Mr. Mukerji claimed that he never expressed the need for the Redevelopment Authority to receive a lump sum payment. He stated that his intent was misunderstood. He stated that instead he was seeking only sufficient funding to cover the costs of the eminent domain process and surety that funds to cover the cost of maintenance had been allocated.

Ms. Kelleher stated that Mr. Mayes secured approximately \$200,000 in funding from CDBG-R Stimulus funds received around August-September 2009. After the completion of the Certification Hearing a group of representatives from the BPRC, CD Office and Redevelopment Authority met to discuss the need for an agreement. A draft agreement was provided to Mr. Mukerji in November-December. Mr. Mukerji and Mr. Mooney were to review and submit revision requests and comment that would assist in the finalization of the cooperative agreement. Ms. Mayfield agreed and noted that Mr. Mooney and Mr. Mukerji have not yet provided comment or any response.

Mr. Luckey again noted that he too attended some of these meetings and instructed Mr. Mooney and Mr. Mukerji to finalize this agreement so the start of the eminent domain proceedings would not be delayed. Mr. Luckey also recalled discussions relating to the Redevelopment Authority owning the properties but leasing them back to the City for maintenance purposes. Ms. Mayfield suggested that the use of a maintenance agreement for these properties would be a better approach.

Mr. Luckey noted the importance of moving to take ownership of the properties certified in 2009. He also noted the need to have funding in place to maintain the

properties, along with demolition if the property is unstable. Mr. Mukerji stated that CD funds cannot be used to maintain properties. He stated that the County uses Act 137 funds to cover the maintenance of properties secured by the County CD Office.

Mr. Luckey noted the importance of maintaining the properties to avoid Codes citations. Mr. Grant expressed the belief that this issue can be worked out. He stated that it is more important to start the lengthy eminent domain process while the details of the agreement are being finalized. He stated that this approach is the lesser of the two evils.

Mr. Mukerji noted the difficulties with codes issues at the Benner's Court area.

Ms. Mayfield noted that at the January meeting Mr. Pick called the BPRC's attention to the three (3) target properties that are currently on the Repository Sale list. She stated that the last day to bid on these properties is February 26th. She stated that in January the BPRC requested that action to purchase these properties occur, as it will be less expensive to purchase the properties through Repository Sale than through the eminent domain process.

Mr. Luckey instructed Mr. Mukerji to move forward with the purchase of the three (3) properties on the Repository Sale list and to complete the agreement required to fund the eminent domain process and the maintenance of the properties. All present agreed with the need to begin eminent domain to avoid the appearance that the ball has been dropped. Mr. Mukerji agreed to purchase the three (3) properties on the Repository Sale List.

The group discussed the availability of NSP funds to assist in the blighted property process. They also discussed the benefits of demolition versus property management after the transfer is complete. Mr. Mukerji stated that the NSP funds cannot be used for demolition, as demolition was not covered in the application. Mr. Candelario expressed his belief in rehabilitation before demolition. Mr. Grant expressed the belief that is less expensive to maintain a cleared lot than to rehabilitate a property. He added that cleared lots are viewed as more valuable.

Mr. Mukerji stated that CD funds can only be used for emergency demolition, not for demolition of any property. Ms. Mayfield explained that different funding pots are in place to provide for two (2) types of demolition and eminent domain.

The group next discussed the State Statute requiring the Redevelopment Authority to undertake eminent domain proceedings. Mr. Luckey asked Ms. Mayfield to review the

statute and to provide the BPRC with clarity on the issue. He also asked Ms. Mayfield to advise about the eminent domain timeline. He inquired if the process can occur at a schedule set locally or must eminent domain occur within a certain time period after it is certified as blighted?

2010 Target List

Ms. Kelleher stated that the Trades Office didn't provide any updates. She noted that Trades may need assistance from Codes, as the list now contains 45 properties. Ms. Mayfield expressed the belief that a cooperative effort to handle the new list is possible.

The BPRC instructed Ms. Kelleher to draft a memo requesting assistance from the Codes Office.

Ms. Kelleher noted that the pre-eminent strike letters were sent to all properties by certified and first class mail. Approximately one-half of the certified letters were returned to the office; however, none of the first class letters were returned.

Planning Commission Update

Mr. Bealer stated that the reuse recommendations for the 2009 certified blighted properties is now complete. The only property remaining is 153 Walnut Street which is under appeal. He explained the purpose of the reuse recommendation from the Planning Commission.

Follow-up List

Ms. Kelleher stated that Opportunity House is willing to turn 124 N 4th Street over to the City. Mr. Mukerji was asked to assist Mr. Wright with this acquisition.

Other Matters

Ms. Kelleher asked the BRPC to consider adding 827 North 5th Street to the 2010 Target List. She stated that the property has been vacant for over two (2) years, has tax delinquencies, and has not had water service for over one (1) year. She stated that complaints about this property are regularly received.

Mr. Bealer moved, seconded by Ms. Wolfe, to add 827 North 5th Street to the 2010 List and to send it pre-eminent strike letter.

Mr. Bealer stated that he was recently approached by an area architect who is interested in acquiring the Elks Building at 5th and Franklin Street. He is interested in restoring this building and opening a green technology business.

Mr. Bealer recalled that Allentown uses an agreement with housing partners that requires the organizations to take one property in poor condition for each 2-3 good properties they take.

Mr. Bealer also updated the group on the Rebuilding Reading initiative which seeks to improve various processes.

Mr. Grant moved, seconded by Mr. Candelario, to adjourn the meeting at 7:30 p.m.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP ISSUES

1. Follow-up from Redevelopment Authority re eminent domain
 - a. 317 Schuylkill Avenue
 - b. 157 Walnut Street
 - c. 210 North Front Street
 - d. 228 North 2nd Street
 - e. 127 North 2nd Street
 - f. 153 Walnut Street – under appeal to Building & Fire Appeals Bd
 - g. 212 South 8th Street (Penn Optical Bldg) - owned by 212 South Eighth Street Ltd, Isaac Teitelbaum, President, Brooklyn NY
 - h. 118 West Elm Street (Steven Roberson)343 McKnight Street (Buy We Will, LLC)
 - i. 360 McKnight Street (Sheila Perez)
 - j. 127 Walnut Street (Sandra I. Greer)
 - k. 628 North Front Street (Franklin Heredia)
 - l. 328 Pear Street (Stephen Pettaway)
 - m. 317 Schuylkill Avenue (Napoleon Scott Stephany)
2. Completion of agreement between RRA and CD Office re reimbursement of eminent domain costs
3. Reestablishment of De-conversion Incentive Program
4. Follow-up w/ Opportunity House transfer of 124 North 4th Street to City or RRA - D. Wright & A. Mukerji
5. Follow-up w/ OCR re their interest in obtaining 116 N 3rd Street
6. Memo to Police Chief, Managing Director re Codes assistance with inspections of the target properties
7. Blighted Property Statute Review re eminent domain timeline. Can eminent domain process occur at a schedule set locally or must eminent domain occur

- within a certain time period after it is certified as blighted? – M. Mayfield
8. Purchase of 3 target properties on the Repository Sale List – A. Mukerji

Wednesday, March 10, 2010

Good Afternoon,

Daniel Robinson and I took a tour of 124 North 4th Street today with Modesto Fiume. The structure is in poor shape and deteriorating rapidly. Although there is much potential for this building and it's proximity to the Penn corridor is enticing (this was the main reason why the Opportunity House initially acquired the building) the cost of rehabilitating it may exceed \$1.5 - \$2 million.

Community Development's question to the committee is what was/is the designed end-use for this structure? Was it to be demolished right away (at a cost of at *least* \$65-\$70,000.00, consuming a decent allocation of funding)? Was it to be rehabilitated (not a realistic approach at present time considering the capital that would have to be injected)?

Mr. Fiume currently owns this property – we would (CD, RRA, BPRC?) like to start negotiations in the very near future to acquire this property if we have a defined end use. My thought is that we should give serious consideration to an emergency demolition waiver and work through the City's Chief Building Inspector, Mr. Franco, on this front. Condemning this structure as a public hazard wouldn't be a challenge at all. Any response and feedback to me or Dan Robinson would be appreciated.

Thank you all for your time,
Dan Wright

Daniel Z. Wright
Community Development
City Hall
815 Washington St. 3-06
Reading, PA 19601
daniel.wright@readingpa.org
(610) 655-6023

-----Original Message-----

From: Wayne Jonas Bealer [<mailto:contempfan@gmail.com>]

Sent: Monday, October 26, 2009 10:04 PM

To: Linda A. Kelleher; Andrew W. Miller

Cc: lolsen@odgarchitects.com; lphillips@odgarchitects.com; cnett@odgarchitects.com

Subject: Re: October 27, 2009 City Planning Commission agenda

Good Morning Linda and Lee,

Sorry this has taken so long to get to you. As you see I'm working on this Monday night at 9:30 p.m. Hectic Days lately. Anyway, here is everything you ever wanted to know (I think) about the BPRC process and the Planning Commission.

According to Pennsylvania Statute and our Establishing Ordinance (Paragraph 1-547 "Reuse of Acquired Property"):

"Acquisition and disposition of blighted property shall not require preparation, adoption or approval of a redevelopment area plan or redevelopment proposal, but at least thirty days prior to acquisition of any property, the Redevelopment Authority (sic) shall transmit identification of the property to the Planning Commission and shall request a recommendation as to the appropriate reuse of the property. The Redevelopment Authority shall not acquire the property where the Planning Commission certifies that disposition for residential or related use would not be in accord with the Comprehensive Plan of the City of Reading."

As the solicitor for the Allentown Redevelopment Authority stated at our conference call, the determination is based upon zoning and the Comprehensive Plan. The statement for reuse is usually pretty general: commercial, industrial or residential reuse. I will add some more details for background for the Commission, although their statement of reuse does not have to have all of the details.

The Planning Commission, however, would probably like to know some of the idea we have for the properties, as well as have a discussion on the Penn Optical Building. Linda and Lee, you will probably be there just to give some background to the process and history on the properties. At the last meeting I had already distributed copies of the property sheets. If Linda could make another set for the members, that could be very helpful — no powerpoint needed.

The Properties:

- 212 South 8th Street: there may be a discussion if this building should be demolished and then the zoning map updated to show this property as R-3 like the surrounding area if there is any thought towards new apartments. Otherwise, should the building be demolished to make way for light manufacturing or other commercial venture like an Auto Body shop (there is one on the corner of Bingaman and 8th that might be looking for more space, for example).
- 118 W Elm Street: This building is scheduled for demolition. I have already submitted a plan for using this lot and the neighboring lots, once they are

acquired, for the use of a parking lot for Funeral Home at the corner of W. Elm and Front St. I believe 116 W Elm will make it to the list for demolition in 2010. This would be a change from residential to commercial in this case. There will be a question from Fritz about how the properties are handled and dispersed. If Linda could give some background about the agreement that is being hammered out between Community Development and the Redevelopment Authority, this could be very helpful.

- 343 McKnight Street: This property is slowly making its way to the demolition list. Since this property has a \$10,000 water bill, it probably won't be rehabbed by the people who are taking care of 157 Front Street. I would recommend demolition and splitting the property between the neighboring owners (its a 15 ft. wide lot). This would be a residential reuse as green space.
- 157 N Front Street: The original intention was to combine this with 155 N Front Street and sell the two lots to Habitat for Humanity. Since the one couple has come forward with the intention to rehab, this idea has been put to rest. Either way this would be a residential reuse and considering the square footage this would become an apartment building again.
- 360 McKnight Street: This building is in pretty good shape. This would be a residential reuse, single-family residence, by rehab.
- 210 N Front Street: This one might be coming off the list. This would be a residential reuse, anyway. The question will be if it will become a single-family residence as Mr. Amado testified, or will it become an apartment building again. It would be a pretty big single-family home for that neighborhood (although I don't believe it is bigger than my house).
- 228 N 2nd Street: Since Celia Garcia is moving back to Puerto Rico, it looks like NHS might take control of this building. Although the background story is a little fishy. Anyway, this is a residential reuse, single-family residence, by rehab.
- 127 Walnut Street: I'm not sure of the condition of this building. Steve Franco hasn't mentioned demolition, so I assume this will be a rehab into an apartment building.
- 153 Walnut Street: Mr. Heckman's building. Although he is rehabbing into an apartment building, it would be nice to see this returned to a single-family home and combined with 155 Walnut Street, which was demolished this past year. Either way, this is a residential reuse by rehab.
- 628 N Front Street: This building will be demolished. The plan is to combine it with 626 N Front Street and the city will turn it over to the Lutheran Church (Ms. Wolfe's) on the corner of Greenwich and N Front Streets. This would be a change of residential to recreational space: I'm not sure what category this would be according to Zoning.
- 328 Pear Street: This will be demolished. The recommendation would be to split the property between the neighbors. This would be a residential reuse as green space.

I will drop off some photos and materials from the hearings with Andrew tomorrow.

Thanks,

Wayne