



CITY COUNCIL

Strategic Planning Committee

Monday, June 2, 2014
Meeting Report

Attending: J. Waltman, C. Daubert (Co Chairs); M. Goodman-Hinnershitz (via telephone), D. Sterner, D. Reed, F. Acosta, S. Marmarou

Others Attending: L. Kelleher, A. Shuman, C. Younger, D. Kersley, C. Edwards, V. Spencer

The meeting was called to order by Mr. Waltman and Mr. Daubert at approximately 5:30 pm.

1. Meatless Monday Resolution

Mr. Daubert distributed a draft resolution supporting the Meatless Mondays initiative championed by the Humane League to combat health issues and obesity. He explained that the initiative also supports sustainability and the environment. Council agreed to place the resolution on the June 9th agenda.

2. Penn Square Properties

Ms. Edwards stated that an internal committee met to review the two (2) proposals submitted for the development of the Penn Square Properties, purchased by the City. She explained that a larger committee composed of various employees, City Council members and external parties also met to review the proposals. Their input was considered by the internal review committee.

Mr. Acosta asked Ms. Edwards to name the members of the internal committee. Ms. Edwards stated that she was not authorized to release that information.

Ms. Edwards explained that the proposals were evaluated using the criteria listed in the RFP. She noted that some criteria were more heavily weighted than others.

Mr. Waltman asked Ms. Edwards to provide the shortcomings or strengths of each proposal. Ms. Edwards stated that both developers have proven capacity and are "neck in neck".

Ms. Edwards stated that she is unsure if the façade covering the buildings on Penn Street can be moved a second time. Ms. Reed explained that the façade was moved in the 1980s to its current location.

Mr. Acosta stated that he attended the larger review committee meeting where a number of parties from various organizations attended and commented on the two proposals. He stated that overall the group did not support the expansion of Ricktown to the 400 block of Penn Street, they did not support placing housing in the upper floors of the properties and they did not support the addition of another business incubator in the downtown. Mr. Acosta stated that the Berks County Community Foundation runs a successful incubator operation that supports start-up businesses.

Ms. Edwards stated that while the internal committee liked the proposal submitted by Shuman Development Group (SDG), the Shuman proposal relies on obtaining the CRIZ designation. She noted that expanding the Ricktown designation to the 400 block of Penn Street enables the BEDI grant and Section 108 loan.

Ms. Edwards stated that the Our City Reading (OCR) proposal was deemed stronger as it will allow the City to retain ownership of the properties for a five year period. Under the Shuman proposal the properties would be purchased for \$1 and the City would cover the cost of the demolition of one of the buildings that fronts Penn Street.

Mr. Waltman asked Ms. Edwards how the two proposals match up with the Main Street vision and design for Penn Square. Ms. Edwards expressed the belief that the OCR proposal matches best with the vibrancy requirement of Main Street because it incorporates a live-work approach.

Mr. Waltman asked Ms. Edwards about the progress made to redesign Penn Square by the Main Street Design Committee. Ms. Kelleher reported that she and Mr. Shuman serve on the Main Street Design Committee and that the Committee has a draft plan for the design; however, because the Economic Restructuring and Promotions committees are not meeting they have been unable to obtain their collaboration on the plan.

Mr. Waltman noted the success of Lancaster in rebuilding its downtown. He described the Lancaster downtown and its features. He suggested looking at Lancaster's vision and work plan for the downtown. Mr. Spencer stated that Reading's plan is to move neighborhood businesses to Penn Street. He stated that his team has had conversations with the owner of Sofrito about moving to the downtown. He stated that there will be incentives for businesses moving into the downtown area.

Mr. Waltman and Ms. Reed expressed the belief that "live-work" housing is improper for Penn Street. They expressed the belief in the need for middle class living. They stressed the need to improve the payout of center city.

Ms. Edwards again noted that the OCR proposal provides business incubator space along with live-work housing.

Mr. Acosta expressed the belief that there is no need for an additional incubator space in the downtown, as there is already a successful incubator at the Community Foundation. He stated that at the larger review meeting, someone noted that the size of the space is too large for an incubator. He again stated that he does not agree with the type of housing proposed for the upper floors of the Penn Square Properties.

Mr. Acosta and Mr. Waltman stated that Council will need to more closely review these proposals before moving forward with a vote.

Mr. Marmarou inquired about the developers' timelines. Ms. Edwards stated that the completion timelines are similar.

Mr. Waltman and Mr. Acosta noted that SDG has been successful at renovating and filling various developments across the City. They used the M & T Bank, the Burlington property and the strip mall space at 8th and Oley Streets as examples. They noted that the OCR proposal to create a restaurant/retail space around the Goggleworks has not been successful to date.

Mr. Marmarou asked Mr. Shuman how he would respond if the CRIZ designation was unavailable. Mr. Shuman stated that his proposal has two parts; the retail component and the high rise component. If the CRIZ was not available, he would simply adjust his plans.

Mr. Waltman expressed the belief that each building in the downtown is its own incubator. He stated that Reading needs a proactive vision, polish and outreach. He noted that the businesses in Lancaster didn't appear from nowhere. Someone performed specific outreach to the varying business types. Mr. Shuman agreed, noting that development spurs more development.

Council agreed that the design of the Penn Street area needs improvement.

Mr. Spencer again stated that he and his team are working to move existing City businesses into the downtown area.

Mr. Kersley stated that the Administration is seeking the ability to do further planning. A final plan will be brought back for Council approval. Mr. Acosta disagreed, noting that if Council adopts the resolution, Council has selected the developer.

Mr. Kersley questioned if Council would like to be included in the planning process. Mr. Acosta stated that in general, he would like to see Council included in all planning efforts and he again stated that if Council adopts the resolution, the developer has been selected.

Mr. Acosta inquired about the participants on the administrative team who reviewed the proposals. Ms. Edwards stated that she is unsure how the team was assembled.

Mr. Waltman stressed the need for deeper Council review.

Mr. Spencer spoke about the merits of the Main Street initiative and noted that the project has nothing to do with Main Street. He stated that when the City went out on the limb to purchase these properties, they had mixed use (commercial/residential) in mind.

Ms. Edwards stated that the Main Street Board is not currently functioning and they are having a difficult time finding members. She stated that the CD Department has offered to provide staff support to the Main Street initiative. She also stated that they plan to hire a Main Street Developer to seek businesses for the Main Street area. *(Note: names of potential Main Street Board members were submitted to the mayor in early 2014 with no result or outcome)*

Mr. Waltman again noted the vibrancy of the Lancaster downtown and its main attractive features. Mr. Spencer questioned the Lancaster vision as Lancaster was assisted by the Meds/Eds community.

Mr. Waltman stated that Council will need 3-4 weeks to perform their due diligence on the proposals.

Mr. Acosta questioned the cost to hire a Main Street Developer. He inquired how this employee will interact with the CDC Manager. Mr. Spencer stated that the Berks County Community Foundation is funding this position. Mr. Acosta asked Ms. Kelleher to arrange a meeting with Mr. Murphy, Executive Director of the Community Foundation.

Council stated that they would like to meet with OCR and SDG. The developers can make 10 minute presentations about their proposals and then take questions from Council.

Mr. Spencer and Mr. Shuman left the meeting.

3. Curbside MOU

Ms. Kelleher distributed a draft resolution and MOU.

Mr. Kersley stated that you cannot unscramble an egg and he noted the need to move forward to settle the curbside collection billing for 2014. He stated that outsourcing the curbside collection billing saves the City \$320,000 annually and creates various positive efficiencies. He stated that the billing by RAWA also reduces the collection risks. The City's collection rate was approximately 86% and RAWA's collection rate is approximately 96%.

Ms. Kelleher noted that all references that relate to the 2013 collection for the curbside program were eliminated from the draft resolution and MOU.

4. Other Matters

Mr. Marmarou stated that he is tired of taking various complaints about the water authority.

Ms. Goodman-Hinnershitz explained that she has asked the City Auditor to make a presentation on the water authority audits at the June 16th Finance Committee meeting. She stated that the Committee will review the management letters that were obtained via Right To Know request. She stated that review of these issues is a precursor to a forensic audit, if the group determines one is required.

Council agreed with need to review RAWA's financial documents was agreed upon.

5. Priorities

Mr. Waltman stated that a list of priorities was completed at a prior Strategic Planning Meeting. These items were discussed at an agenda planning meeting with Ms. Snyder and Mr. Kersley and the following priorities were identified:

- a. Recovery Plan Amendment
- b. BPRC Acquisition & Demolition
- c. Act 111 Amendment
- d. Capital Improvements re streets and street lights
- e. Main Street initiative
- f. UGI Gas Meters
- g. Egelman's Park

Ms. Kelleher was asked to contact Mr. Mann to see if he is available for the June 16th Finance Committee meeting to discuss the Recovery Plan amendment.

Mr. Sterner noted the need to complete the demolition of the property in the 1200 block of Buttonwood Street. He stated that the partial demolition has existed for over a year. He stated that it is time to complete the demolition and clear the debris.

Mr. Kersley stated that the BPRC has excelled at certifying blighted properties; however, the City has been slow to take the next steps. He stated that an acquisition handbook has been prepared that contains "how tos" for eminent domain, foreclosure and other acquisition methods.

Mr. Waltman asked Mr. Kersley to prepare and return with a model showing the various needs and solution suggestions.

Mr. Waltman asked Ms. Kelleher to place Act 111 on the Finance agenda and to send him the Act and the latest draft amendment. Ms. Goodman-Hinnershitz noted the need to consider the impacts and the affects this legislation imposes.

Mr. Waltman stated that the “lowest hanging fruit” issues are the Pagoda Foundation, the Fire Fighters Museum and the Library.

Mr. Waltman suggested inviting the Library Board to a meeting to discuss the possibility of imposing a Library Tax or the dedication of a portion of the existing property taxes for library funding. Ms. Reed noted that the Oley electorate recently voted down a library tax and she questioned if the City electorate would react in the same way. Mr. Waltman suggested holding the discussion on Library funding at the beginning of the budget process.

Mr. Daubert and Mr. Waltman suggested inviting the Fire Fighters Museum to a meeting to discuss options.

Mr. Waltman adjourned the meeting at approximately 7:10 pm.

Respectfully Submitted by Linda A. Kelleher CMC, City Clerk

Follow Up Topics

Finance Committee

- *Act 111 Review - June*
- *RAWA Audit Review - June*
- *Recovery Plan Amendment - July*

Standards of Living

- *BPRC Acquisition & Demolition - June*

Strategic Planning or COW

- *CDC Manager - June*
- *Library Tax*
- *Firefighters Museum*
- *Pagoda Foundation*