



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
June 16, 2014
5:00 P.M.

COUNCIL MEMBERS PRESENT:

D. Sterner, S. Marmarou, J. Waltman, M. Goodman-Hinnershitz

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, C. Younger, C. Snyder, A. Shuman, D. Kersley, J. Varghese, A. Boscov, G. Donnelly, V. Spencer

The Committee of the Whole meeting was called to order at 4:32 pm by Council Vice President Waltman.

I. Penn Street Properties

- Presentation by Our City Reading

Mr. Boscov stated that Our City Reading has been working to improve the City for the past ten years. He stated that much of the work is self funded. He stated that 575 homes have been rehabilitated, and projects at the Goggleworks, the Goggleworks apartments (which are 100% full), the IMAX, the Sovereign Plaza (which employs 620 people), the Hotel, Sun Rich Foods, Hydrojet, KVP, and Quaker Maid Meats have been completed.

Ms. Reed arrived at this time.

Mr. Boscov stated that he continues to work on restaurant row and that Panevino is doing well. He stated that the Goggleworks Two project will consist of 25 artist apartments and that buildings are expensive to restore. He stated that the 3rd and Walnut project will consist of five units.

Mr. Boscov stated that the 5th & Penn project will be a difficult project. He stated that the tall building will contain a business incubator and offices. He stated that he does not propose transfer of ownership of the properties and the City will receive all rent payments. He

suggested that the former bank branch remain a bank or become a restaurant. He stated that he is unsure if the other buildings must be demolished but that he hopes to save them. He stated that Our City Reading is not out to make a profit but that he is ready for the challenge.

Mr. Boscov stated that \$1 million of the Section 108 loan will be paid back in 2014 and that he would ask for a 5% commission while the project is under construction.

Mr. Boscov stated that he is working on many other projects and will not be upset if he is not chosen for this project. He stated that Reading has been very good to him and his family and that he will continue to work to improve the City. He explained that the City has done some work to these buildings to restore heat, air conditioning and the roof.

Ms. Goodman-Hinnershitz thanked Mr. Boscov for his work to improve Reading. She stated that this project is vital to the downtown and that much will need to be brought together to complete the project.

Ms. Reed expressed her appreciation to Mr. Boscov for his work. She questioned if this project was sustainable. She stated that many are fleeing Reading's downtown because of a lack of confidence. Mr. Boscov noted the need to attract people and businesses back. He suggested that the best way to do this was with restaurants. He stated that evening parking is not problematic.

Mr. Agudo arrived at this time.

Ms. Reed noted the decline of the middle class in Reading. She questioned how to restore consumer confidence. Mr. Boscov suggested that shopping would be the last element to come back. He suggested that restaurants and housing (not low income) is the quickest way to restore the downtown. He also noted the need for recreational activities. He stated that there was no magic way to bring people back.

Mr. Kromer arrived at this time.

Mr. Boscov stated that when there are events downtown you cannot get a seat at the restaurants. He noted the need for activity after 5 pm. He expressed the belief that fears will be reduced when activity and occupancy increase.

Ms. Goodman-Hinnershitz stated that she works downtown and frequents the downtown businesses. She noted that most downtown workers stay in their buildings. She noted the need for a feasibility study of what workers want. She expressed the belief that the long lines of young people at Sneaker Villa are encouraging and noted the need to market downtown to the young and new populations. Mr. Boscov agreed with the need to market to the young people. He stated that he is also working to increase lighting on Penn St so that people feel more comfortable. He noted the need to fill the empty spaces.

Mr. Waltman stated that all know his vision for the downtown. He noted the need to leverage people to return. He questioned if the City would set the rates for the project as it will retain ownership. Mr. Boscov stated that it will set the rates. He suggested starting with a low rate and increasing them after the buildings are full. He stated that he will not be requesting funding from the City. He expressed the belief that the City needs mobility to survive.

Mr. Johnson arrived at this time.

Mr. Boscov noted the need to make the City attractive and fun. He stated that if the City is chic and inexpensive businesses will return.

Chris Zale arrived at this time.

Mr. Sterner questioned when the project could begin. Mr. Boscov stated that he could start the project in three months.

Mr. Marmarou stated that many Berks Countians cite fear as a reason for not coming to Reading. He expressed the belief that if more people used the downtown the fears would diminish. Ms. Goodman-Hinnershitz agreed and noted the need to reduce the perception of fear in the County.

Mr. Boscov thanked Council for the opportunity to appear and again noted that he is working on many other projects and will not be upset if he is not chosen for this project. He also stated that he is not adverse to Shuman being awarded the project.

- Presentation by Shuman Development Group

Mr. Shuman highlighted several projects including:

- Hiester's Lane – all work done with private funding
- Reading Outlet Center – all spaces full with some national chains
- Exide, Baer, Berkshire and M & T buildings – all downtown spaces and all spaces full
- Big Mill – 70 residential units will be complete by the end of 2014

Mr. Shuman expressed the belief that if spaces are designed to give businesses what they need businesses will fill the spaces.

Mr. Shuman stated that for the 5th and Penn project he proposes a restaurant or brew pub for the former bank branch. He stated that he would keep the facades of the other buildings if he is able. If not, he would have molds made of the façade details so that new construction would replicate the current facades. He stated that the tall building would be office space and that there would be national retail shopping. He noted the need to expand the retail in the downtown.

Mr. Sterner questioned parking. Mr. Shuman stated that he would propose a TIF to have parking and sidewalks improved in this block. He suggested angled parking in the rear of the properties on Court St. He stated that his proposal also gives access to parking at the M & T lot and the Lincoln.

Mr. Shuman stated that this is a \$12 million project that can be a shovel-ready CRIZ project as requested by the CRIZ board.

Ms. Reed questioned why Mr. Shuman is successful with City projects when others are not. Mr. Shuman stated that he learned the hard way that to fill properties they must contain what the businesses want. He stated that they also cannot be too large of a space. He expressed the belief that if you fill the small spaces, the larger businesses will come in.

Mr. Waltman noted the need to remove the bus shelters and open the spaces. He questioned how this project would succeed if CRIZ is not awarded to Reading. Mr. Shuman expressed the belief that CRIZ would be awarded; it was just a matter of when.

Ms. Goodman-Hinnershitz questioned how the use of the former CNA building would impact his project. Mr. Shuman expressed concern about the building housing a school as the buses would tie up traffic on Court St. He stated that a school is not the best use for the building but that there are already other businesses on Penn St that are worse than a school.

The meeting adjourned at 5:21 pm.

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