

**Public Hearing on Final Plan for
Reading Downtown Improvement District
and Proposed Reauthorization
Council Chambers
Wednesday, October 21, 2015
5:00 p.m.**

Mr. Waltman, President of Council, called the 2nd public hearing to order and stated that the purpose of the hearing is to obtain public input on the renewal of the DID District.

Attending: City Councilors Sterner, Slifko, Goodman-Hinnershitz, Reed, Waltman, Daubert, City Clerk Kelleher, City Solicitor Younger, DID Executive Director Broad, DID Solicitor London, Managing Director Snyder

Mr. Waltman announced the need for anyone wishing to comment at the hearing to register by signing in at the podium.

Mr. Waltman explained the procedure to be used at the hearing. Ms. Kelleher collected the sign-in sheets.

I. Testimony from DID (No more than 10 minutes)

Joan London, Esquire, stated that she is the Solicitor to DID. She stated that DID was originally approved in 1995 under the State Act for Business Improvement Districts (BID). In 2005 DID was reauthorized under the Neighborhood Improvement District Act (NID) due to an amendment in the State legislation. The DID area was also expanded in 2005 to 2nd and 11th Streets. She stated that in 2013 DID's operations were expanded when the City asked DID to take on activities to manage the Main Street Program.

Ms. London stated that DID is seeking the reauthorization of a five (5) year renewal through the process defined in the State Statute: presentation of a preliminary plan and a public hearing which was accomplished in September, followed by the presentation of the final plan and a 2nd public hearing, which is occurring this evening. She explained that the plan and other required documents were mailed to all DID property owners, as is required by the Statute.

Ms. London stated that there will be no increase in the assessment charged to those non-exempt commercial property owners. The rate of 4.74 mils was established and approved in 2000 and will continue if DID is reauthorized in this renewal process.

Ms. London explained that the objection period, defined by the State NID, begins at the close of the hearing. The objection period lasts for 45 days and ends on Monday, December 7th (the 45th day actually falls on Saturday the 5th). She stated that there are 551 properties within the DID area and if 40% of the property owners (221 properties) file objections with the Secretary to the Governing body (City Clerk) the DID organization and program will end December 31, 2015.

Ms. London explained that to object a property owner must file a letter with the City Clerk that contains his or her name, property address and property identification number (PIN). She explained that petitions are not permitted and that only building owners may file objections, tenants may not file objections. The text of Ms. London's testimony is attached to this record.

Mr. Broad stated that Council received a copy of the packet that was mailed to the 551 property owners, which includes the final plan, ordinance, District map and list of properties within the DID District, endorsements, etc. He explained that DID is seeking a renewal of five (5) years – January 1, 2016 to December 31, 2021. He described the array of services and events provided by DID and their ambassadors to business owners, customers, workers and visitors.

Mr. Broad explained the funding streams used to provide DID services. He stated that the original assessment in 1995 when DID began was 3.747 mils and that assessment was increased to 4.754 in 2000 with no further increase.

Mr. Broad explained that originally the City contributed \$48K annually to compensate DID for the services that they provide to the downtown. In 2013 the City increased the contribution by \$12K to cover the expenses associated with the Main Street activities. He explained that the City is increasing their contribution to \$100K (\$80K for DID and \$20K for Main Street). This increased contribution eliminates the need for an increase in the assessment.

Mr. Broad stated that DID receives \$504,776 from the assessment, \$106,750 from other fees and \$95,000 from other contributions.

Mr. Zielinski stated that he is chair of the DID and he encourages the reauthorization of the DID. He expressed the belief that the DID improves the quality of life in the downtown. He noted the vast difference between the condition of DID and the condition of properties outside the DID. He noted the end of DID will also end the management of the Main Street program. He stated that business owners need to realize that while they focus on their day to day operations, they may not actually see the services provided by the DID or observe the actual benefits. He noted that business owners need to realize that DID has helped them

build and retain their customer base.

Ms. Goodman-Hinnershitz noted the need to distinguish between the authority of the State law and the City's role and authority. Ms. London stated that the Downtown Improvement District was formed initially as a "Business Improvement District" under State law, and in 2000, the Neighborhood Improvement District Act was adopted, and in accordance with that State law, the DID was re-authorized in 2005 as a Neighborhood Improvement District (NID). The DID is a municipal authority as defined in the PA Municipality Authorities Act. She stated that the State NID Act mandates the reauthorization/renewal process, not local ordinance or regulation. She explained that the local municipality has only the authority to define the services the Downtown Improvement District Authority will provide under the Municipal Services Agreement.

Ms. Goodman-Hinnershitz questioned what services the City would need to assume if the DID renewal was unsuccessful. Mr. Broad stated that the City would need to cover the Clean and Safe aspects that are currently covered by the Authority.

Mr. Broad explained that due to the staffing cuts, the Police Department no longer assigns officers to Police Districts, instead they assign officers to the four quadrants. He stated that as police calls are prioritized it could take an officer a few hours to respond to most lower level issues in the downtown, while currently the ambassadors are able to respond promptly to issues. He described how the ambassadors can assist business owners with issues such as shoplifting without seeking the assistance from the police.

Mr. Broad noted that the City would also have to take over the various Public Works related services that are currently provided by the Authority such as emptying the trash receptacles at least once per day.

Ms. Reed requested clarification on the \$50K allocated to promotions in the DID budget. Mr. Broad stated that this line item does not cover personnel expenses but advertisements, promotions and supplies for the activities within the downtown.

Ms. Reed inquired about the amount of bilingual advertisements. Mr. Broad stated that all non-newspaper, non-radio promotions are prepared on a bilingual basis.

Mr. Daubert and Mr. Slifko questioned how much it would cost for the City to resume the Clean and Safe services. Ms. Snyder stated that while she does not have an exact figure she knows the City costs would by far exceed the cost of the DID ambassador program.

Mr. Waltman asked Ms. London to provide Council with a copy of her testimony regarding the objection process and the relative section of the NID. Ms. London agreed to provide her

testimony to the City Clerk by email and it will be attached to the record.

Mr. Waltman stated that the room is full of business owners and citizens who support and oppose the renewal of DID. He stated that Council members need to make sure that the law is upheld in a fair and equitable way. He stated that the number of people in the room this evening points to a problem that needs to be identified and corrected. He asked Mr. Broad what DID can do to build bridges with the DID population.

Mr. Broad stated that DID will continue to engage their citizens through various types of outreach. He noted that the State Statute requires certain notifications can only be done via first class mail to property owners. He stated that DID Board meetings are advertised public meetings and that the DID office is open daily for interaction with business owners. He stated that the ambassadors preform person-to-person outreach with business owners every day.

Mr. Zielinski expressed the belief that some have misperceptions about DID. He stated that the DID Board needs to improve educational outreach with business owners. He noted that some business owners have unreasonable expectations, as they believe DID should provide all snow and ice removal services. However DID does not have the manpower required to shovel every walk in the area. DID instead clears snow/ice from the common areas and if more than that amount of snow and ice were removed by the DID Ambassadors, the assessment would need to significantly increase.

Mr. Broad described DID's work with Leadership Berks to develop a block captain program to improve outreach and communication.

II. Public Comment

Mr. Waltman opened the floor for public comment. He stated that twenty (20) people are registered to speak. He explained the public speaking rules.

Edward Terrell, of Franklin Street, stated that he has been attending similar events since 1967 and he noted the importance of the voice of the people in the democratic process. He stated that although he is not a property owner he will provide input. He expressed the belief that his offers to participate have been rejected at many levels and that many of his ideas were hijacked by DID. He expressed the belief that the services provided by DID are duplicative of those provided by the City.

Lori Kaplan, of Wyomissing, stated that she is a volunteer on Penn Street and she noted the universal importance of the services provided by DID. She expressed the belief that the City could not provide services at the level DID currently provides. She noted the visual importance of the ambassadors in the downtown.

Crystal Seitz, Executive Director of the Visitor's Bureau, noted the importance of DID to the downtown businesses. She stated that she applauds DID's role in promoting and providing services and events to the downtown.

Gary Dorsett, Esquire, of North 9th Street, stated that he is a property owner in the DID district and he was approached by a group of citizens who are displeased with the process to decide if DID is renewed or ends. He expressed the belief that the process does not provide an accommodation for those who do not understand English. He inquired if properties owned by the City and City agencies are excluded from voting. He questioned the process citizens must use to voice their objections.

Lazaro Pepen, of South 5th Street, stated that he owns seven (7) properties in the DID area and he has not observed any improvement in the downtown since 1998. He questioned why the City would want DID reauthorized. He expressed the belief that if DID ends it will make no difference and he compared the downtown to West Reading where streets and sidewalks are clean because business owners take care of the properties. He also expressed the belief that the process to reauthorize DID is unfair.

Jon Scott, Executive Director of the Greater Reading Economic Partnership, of Penn Street, expressed the belief that the services provided by DID are critical to the downtown. As a person who is in regular contact with developers and owners of downtown businesses, he has heard that many will choose to move their businesses out of Reading if DID ceases to exist. He stated that both the Greater Reading Chamber of Commerce and the Greater Reading Economic Partnership wholly endorse the reauthorization of DID.

Melvyn Jacobson, of North 5th Street, stated that he is a member of the Main Street Design Committee and serves in many other volunteer capacities. He stated that he has lived in Reading for 25 years. He expressed the belief that the services provided by DID are critical to the downtown and he expressed the belief that DID should be renewed. He suggested that the City increase the funding stream to support DID.

Angel Figueroa, CEO of the I-Lead Charter School, of Penn Street, stated that the number of people who decided to attend this hearing shows the importance of the voice of the people. He stated that his welcome to 401 Penn Street was a tax bill and he expressed disbelief that his non-profit organization should receive a tax bill. He stated that as he was forced to pay a Real Estate Transfer Tax of over \$400K and he suggested that tax bill should replace the DID assessment. He stated that as an exempt property he would prefer to provide in-kind services.

Sunilda Tejada, of Penn Street, expressed the belief that while DID does a good job the

services that they provide are unnecessary. She compared the downtown with West Reading where property owners are responsible for cleaning the sidewalks and curb areas. She expressed the belief that the owners of downtown businesses should be treated with respect. She questioned the need for DID to continue. She described difficulties with obtaining information on the voting process from various people and organizations. She expressed the belief that legal advice should not be required and that the voting process is unfair.

Bui Mai Dung Tio, of South 5th Street, registered to speak but was not present.

Felix Placido, of Penn Street, stated that he owns one property in the DID area and he expressed the belief that the services provided by DID should be greater due to the amount of the assessment. He stated that his calls to the DID office go unanswered and that DID is only successful in sending out bills.

Stu Kapoor, no address listed, registered to speak but was not present.

Daniel Laws, of Penn Street, stated that he is a member of the DID Board of Directors and that his business is located at 5th and Penn and he described the outreach of DID ambassadors with his employees. He stated that his female employees utilize the services of DID when they work after dark and need to walk alone to the parking garages. He stated that he began attending committee meetings and then became interested in serving in a greater capacity on the DID board. He expressed the belief that more people should choose to become involved. He noted that the process to renew DID is defined in State legislation, not local legislation. He suggested that those who want the process changed should speak with their State legislators.

Alicia Santiago, of Washington Street, noted that as a blind individual she counts on the services of DID ambassadors to help her cross the streets and navigate through the downtown. She noted the need for additional traffic signals in the downtown.

Jason Orth, of Cherry Street, is an owner of a business in the DID area and he expressed the belief that the services provided by DID ambassadors allows business owners to concentrate on business operations rather than cleaning the exterior of their properties. He expressed the belief that property owners would not do enough on their own to keep the downtown safe and clean. He expressed the belief that DID does a great job.

Johanny Cepeda, of Penn Street, stated that as a business owner she supports the DID; however, she stated that she can understand that some do not believe they get their money's worth. She noted the need for DID materials to be in multiple languages and distributed throughout the downtown. She expressed the belief that these materials could be prepared in a cost effective manner.

Mike Oulds, of Penn Street, stated that he is the owner of the Outside Inn and he expressed his belief in the services provided by DID to his customers and to his business. He stated that he has seen DID ambassadors clearing snow and assisting people with disabilities, and he encourages patrons to be escorted to evening functions by DID Ambassadors. He stated that DID ambassadors provide a visual presence in the downtown that increases the security of downtown pedestrians.

Susan Becker, of North 5th Street, stated that she owns a business at the edge of the DID district. She stated that she does not believe her business is in the downtown and should be excluded from the DID area. She expressed the belief that businesses on the outside borders do not benefit from DID services and she stated that she and her employees do not see a DID presence in her area. She suggested re-examining the DID boundaries.

Steve Ott, of North 5th Street, registered to speak but was not present.

Shelia Perez called out from the audience. She stated that she was late getting to the hearing and did not have the opportunity to register to comment. She requested three (3) minutes to provide input. Council agreed to allow Ms. Perez three (3) minutes to comment.

Shelia Perez, address not provided, stated that she has many questions about the renewal and the voting process. She questioned how the conflict of interest on the audit of the vote would be handled. She inquired if the owners of multiple properties are able to vote once for each property. She inquired if owners of properties that are exempt from paying the assessment are eligible to vote. She stated that the voting process is very unclear. She questioned who would tally the votes and suggested having external oversight of the voting process. She questioned the level of security services provided. She expressed the belief that DID does not address blight, such as those properties owned by the Reading Redevelopment Authority, as stated on the DID materials.

III. Rebuttal from DID

Ms. London explained again that the voting process is defined in the State legislation, not the local enabling ordinance. She stated that local officials cannot define or dictate the voting process. She stated that she and Mr. Broad have made amendment suggestions to the PA Downtown Center, as they work with the PA DCED to implement Improvement Authorities. She stated that until the State legislators adopt new legislation to amend the current rules, the rules cannot change.

Ms. London stated again that the 551 property owners in the DID area have 45 days to file an objection with the City Clerk. The 45 day period begins tonight. She stated that as the 45th day falls on a Saturday, the objection period will extend until the close of business on

Monday, December 7, 2015. She stated that the voting is not done by secret ballot. The public can request copies of objection letters submitted, through the Pennsylvania Right to Know Law.

Ms. London explained again that a vote to object must be submitted in writing in the form of a letter that contains the address of the property within the DID area, the property owner's name and the property identification number (PIN) that is listed on the property tax bill. She explained again that if the property is owned by a corporation, the objection letter must be submitted by the President or Chair of the Board of Directors and attested to by the Secretary and properties owned by LLCs or limited partnerships must be signed by one of the partners.

Ms. London stated that the City or a City agency would be considered a corporation and the President or Chair of the governing body would need to submit a vote attested to by the Secretary to the governing body.

Ms. London explained that the owner of each property gets one vote, so if someone owns three (3) properties they can submit three (3) individual votes.

Mr. Broad stated that one member of the public claimed his volunteer offers were rejected; however, he stated that many people in this room tonight were encouraged to participate in numerous capacities and decided not to engage. He stated that no one is ever discouraged from participating on the Board or the committees.

Mr. Zielinski expressed the belief that the services provided by DID are to benefit the downtown as a whole, not each individual property or property owner. He stated that DID personnel cannot shovel all the walks in the DID area, instead they are charged with clearing the common areas like intersections. He stated that DID has not operated in an exclusionary fashion and they will continue to operate in an open and transparent fashion. He stated that although some believe the process to renew is "us against them", the DID is not operating in that fashion.

IV. Council Comment

Mr. Sterner noted the importance of DID in the downtown. He expressed the belief that the operation of DID has made improvements in the downtown and he expressed the belief that DID should continue to operate.

Ms. Goodman-Hinnershitz thanked those who decided to attend tonight's hearing. She noted, as an individual who works in the downtown, her own strong personal experiences with the DID ambassadors. She stated that it is easy to define the areas that are and are not part of the DID district by the cleanliness of the area. She suggested that those who have

expressed the desire to volunteer to review the Board, Authority and Commission openings on the City website. She noted that the application forms are on the website and can be printed.

Ms. Reed described the volume of trash in the downtown on Sundays, when DID ambassadors are not working. She stated that the City cannot possibly replace the services provided by DID. She expressed the belief that if the City must pick up some level of downtown services, the cost of those services will be obtained through property tax increases that are larger than the assessment.

Mr. Waltman recapped the voting requirements stated several times by Ms. London: Objection letters may be submitted by the owners of each property within the DID area. The letters must contain the property owners name, the property address and the PIN. Objection letters must be filed with the City Clerk by the close of business (4 pm) on December 7th. The voting requirements are defined by the State legislation, not local ordinance. He stated that a City or City agency is considered a corporation and would need to have a letter signed by the President or Chair of the Board and have the letter attested by the Secretary to the Governing Body if they wish to object.

Announcement of expected date of decision

Mr. Waltman announced that Council will consider the enactment of the renewal ordinance at their meeting scheduled on or before December 14, 2015.

Mr. Daubert moved, seconded by Mr. Slifko, to adjourn the hearing.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

**TESTIMONY BY JOAN E. LONDON, READING DOWNTOWN IMPROVEMENT
DISTRICT AUTHORITY SOLICITOR, TO READING CITY COUNCIL PUBLIC
HEARING ON DOWNTOWN IMPROVEMENT DISTRICT FINAL PLAN
ON OCTOBER 21, 2015**

Good evening, I'm Joan London, Solicitor for the DID Authority. To give you some background, the DID was formed in 1995 as a Business Improvement District, and due to changes in the law in 2000, was re-established in 2005 under the Neighborhood Improvement District Act. The DID Board serves as the Neighborhood Improvement District Management Association, and, in order to allow the City of Reading to have a Main Street designation from

the PA Department of Community and Economic Development, City Council also authorized by ordinance, and for additional compensation from the City, that the DID provide administrative services to the Main Street Program for the City. Both the DID and the Main Street Program are vital parts of the City's effort to provide a clean, attractive and safe downtown for residents and visitors where people want to patronize local businesses, such as the stores and restaurants owned by many who are here tonight. The DID, under an agreement with the City which is part of any re-authorization, provides services including safety escorts, business checks, assistance with security concerns, sweeping, cleaning, weed control, and snow and ice removal from intersections and curb ramps. All of these services, plus programs like the Mid-Day Café, concerts, and festivals such as Tree Lighting and Fire and Ice, enhance the quality of life in a critical part of the City.

The DID Authority was re-established, with an expansion to the District, in 2005 for a period of 10 years, until December 31, 2015 under the Neighborhood Improvement District Act. We are seeking a re-authorization of the authority for an additional 5 years, until December 31, 2020. There is a procedure, which is the same everywhere in Pennsylvania, for re-establishing a NID. First, a Preliminary District Plan has to be presented in a public hearing. The preliminary plan has a map of the district boundaries, list of assessed properties, budget revenue sources, and services to be provided. This plan was sent to you in advance of the hearing, and the first hearing was held here in City Council Chambers on September 8, 2015. There were changes that were made after public and City Council comment and after the Mayor announced his budget to Council. Based on those changes, as required by the NID Act,

we prepared a final plan, which the Office of the City Clerk mailed to DID property owners, and we advertised the hearing for tonight on the final plan. Tonight, we are presenting to you the revised final plan, based on comments, as required under the NID Act. The most important change from the preliminary plan, for all of your purposes is the plan that Mr. Broad will be explaining to you contains NO assessment increase. The assessment in the event of a 5 year reauthorization will be the same as it has been since 2000, which will be 4.754 mills.

After tonight's hearing, you will have 45 days to object to the plan under Section 5 of the NID Act. Objections must be by persons representing 40% or more, in numbers, of the benefited properties in the DID. There are 514 properties in the DID area. Any objections must be made in writing, signed by the property owner, and filed with the office of the City Clerk - Ms. Kelleher, by December 7, 2015. Petitions are not acceptable, and you must have the property address, owner name and address, and property ID number, which is on your tax bill, on each objection. Only owners of properties may file objections - not tenants - even if the tenant is a business owner in the property. Objections not complying with these rules will not be considered. Again, the manner of voting is not unique to the City of Reading or the Reading DID - it's required this way statewide, as it was determined by the state legislature.

The next person to testify tonight will be Charles Broad, Executive Director of the DID, who will be presenting the proposed Final DID Plan, and will be describing the services that the DID provides FOR YOU, to keep the DID area clean and safe for your employees and customers so that they feel safe and confident in coming into town, and make Downtown Reading a destination for everyone. Mr. Broad will tell us more about what the DID provides for YOU and your businesses, including new programs and attractions managed and run by the DID designed to make people want to come into Downtown Reading and patronize

YOUR BUSINESSES, the funding of the DID, and its future plans. I introduce Charles Broad.