

**Public Hearing
DID Renewal
Council Chambers
Tuesday, September 8, 2015
5:30 p.m.**

Mr. Waltman, President of Council, called the 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, Goodman-Hinnershitz, Reed, Waltman, Daubert, City Clerk Kelleher, City Solicitor Younger, DID Executive Director Broad, DID Solicitor London, Managing Director Snyder

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

Mr. Broad, DID Executive Director and Main Street Manager, stated that DID was originally approved in 1995 replacing the Penn Street Marketing Committee. DID was renewed in 2000 for five (5) years and in 2005 for 10 years. In 2005 the DID area was expanded to 2nd and 11th Streets. He displayed a map of the DID area and stated that no further expansion is being requested at this time.

Mr. Broad stated that the 2005 renewal expires on December 31, 2015. He explained the services provided within the DID area. He noted that in 2013 DID became the manager of the Main Street program. He described the Main Street Committees and their function, along with the Main Street vision.

Mr. Broad explained that DID is funded through an assessment of the properties that benefit from the services provided by DID and that the assessments are applied to non-exempt commercial properties but not to residential properties. He explained other types of funding DID receives to support their services. He stated that the assessment in 1995 was 3.74 mils. The assessment increased in 2000 to 4.745 mils. There was no further increase. He stated that DID is proposing an increase of 12% with this renewal bringing the assessment to 5.327; the first increase since 2000.

Mr. Broad stated that DID services in the downtown replace the services generally provided by Public Works and the Reading Police Department, in part. The City has been making a contribution of \$48K; however the City added \$12K to cover the Main Street program in 2013. He stated that DID is asking the City to increase their total contribution to \$150K with the renewal. He explained the DID revenues and expenses.

Mr. Broad noted that they recently presented some financial alternatives to the mayor and

managing Director that could replace the increased assessment to DID properties.

Ms. London, DID Solicitor, explained that the DID is established through the State Neighborhood Improvement District (NID) act. She explained the steps in the renewal process, noting that 40% of the DID property owners (221 property owners) could vote to object to the renewal. She explained that Council introduced the DID renewal ordinance; however, that ordinance would not be implemented if 40% of the property owners vote to object to the renewal.

Ms. London stated that DID is seeking a five (5) year renewal at an assessment of 5.327 mils charged to commercial/industrial properties, not to exempt properties or to residential properties. She explained the documents mailed to all properties within the DID area, which includes a copy of the DID service agreement. She noted that the only new services include the Main Street program and management of the vending carts and newspaper boxes in the DID area.

Mr. Marmarou inquired about the PILOTS received from exempt properties. Mr. Broad explained that some exempt properties make a voluntary PILOT payment or provide in kind services. Ms. London explained that the NID Act encourages the use of PILOTs to replace the assessment for exempt property owners.

Mr. Marmarou noted the growth of the exempt properties and the impact the growth has had on property taxes. Mr. Broad agreed and noted how that affects the DID. He stated that properties owned by the City and Redevelopment Authority also negatively impact the DID budget.

Ms. Goodman-Hinnershitz observed that the City's cost to replace DID services would be much higher than both the current City payment to DID and the proposed payment to DID. Mr. Broad agreed. He stated that without the City's contribution, the assessment to property owners would increase by 20%.

Ms. Reed noted the overall benefit to property owners within the DID area for the past 25 years.

In response to a question, Ms. Snyder stated that the City does not know the exact cost the City would have to absorb if DID was not renewed.

Mr. Waltman requested copies of the DID 2015 and 2016 budgets.

Mr. Sterner inquired if the events held by DID have had a positive impact on the downtown businesses. Mr. Broad reported that the downtown events did have a positive economic

impact on the businesses, although a survey was not performed.

Ms. Goodman-Hinnershitz noted that those who work in the downtown are greatly benefited by the DID. She stated that as a downtown worker she sees the positive impact of DID services daily. She noted that it is easy to see where the DID services stop and start.

Public Comment

Mr. Waltman opened the floor for public comment.

Mr. Shuman, of the 100 block of North 5th Street, explained that the decrease in DID revenue created the need for the increase in the assessment. He noted that the cost of a police officer by far exceeds the cost of a DID ambassador. He noted that the Parking Authority and Redevelopment Authority do not make a PILOT although they both benefit from DID services.

Sean Moretti, property manager within the DID area, agreed with the remarks made by Mr. Shuman. He described the services provided by DID and the benefits provided by DID. He encouraged the renewal of DID.

Mr. Waltman inquired if any other citizens wish to comment. No citizens in the audience came forward to speak and the comment period was closed.

Announcement of expected date of decision

Mr. Waltman announced that Council will consider the enactment of the ordinance at their meeting scheduled for September 14, 2015.

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

Respectfully submitted by Linda A. Kelleher CMC, City Clerk