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No parking: City tells developers eyeing jilted police HQ site in West Philly to leave lots alone

Just weeks before proposals are due, city officials told the three finalists seeking to revamp the former life insurance campus at 4601 Market St. that two parking lots on the property cannot be included in their development plans.



The Provident Mutual Life Insurance Building at 46th and Market Streets.
MICHAEL BRYANT / Staff Photographer

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by Jacob Adelman
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The winning bidder to redevelop the former Provident Mutual Life Insurance Co. property in West Philadelphia — once seen as a future headquarters for the city Police Department — will now have less to work with.

City officials told the three finalists seeking to revamp [the campus at 4601 Market St.](#) that two parking lots on the property, now used by an adjacent juvenile jail, cannot be included in their plans.

The lots, to the immediate east and south of the Juvenile Justice Services Center (JJSC) at 48th Street and Haverford Avenue, cover two acres of the 15-acre site, according to Jessica Calter, a spokeswoman for



part of the JJSC's construction, which places "significant limitations" on their redevelopment, Calter said.

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The change came just weeks before a May 24 deadline for finalists to submit redevelopment proposals for the 92-year-old Provident Mutual building and surrounding land. It could reduce how much the city earns from the sale of the site, on which it had [spent tens of millions of dollars](#) before abandoning the property in favor of the former Inquirer Building at 400 N. Broad St. for the new Police Headquarters.

Finalists were selected in February from among six candidates who [responded to an August 2017 solicitation on the Provident Mutual project](#) that included the lots as part of the property's developable land. The finalists were first told last week that the lots had to be cut.

Ismail Abdul-Hamid, a vice president with one of the finalists, KBK Enterprises, said his company had to rethink its approach after getting the news.



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IMAGE: Pictometry

JON SNYDER / Staff Artist

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"We put everything on hold," said Abdul-Hamid, whose company has headquarters in Columbus, Ohio, and Pittsburgh.

The city's plan calls for the Police Department to move from the cramped and dated four-story concrete building at 750 Race St., popularly known as the Roundhouse, to the former newspaper building on North Broad Street by spring 2020 at an expense of \$280.3 million.

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That plan, approved by City Council about a year ago, reversed an earlier deal to move police to the 325,000-square-foot former Provident Mutual building. To date, the city has paid \$52.3 million to buy and renovate the West Philadelphia property, including funds spent to finish exterior improvements and make the building watertight after deciding not to put Police Headquarters there, city spokesman Paul Chrystie said.

Money for the abandoned West Philadelphia headquarters plan came from a \$65.2 million bond issue in 2014 that will cost the city \$117 million, including interest, if repaid through the debt's final maturity date in



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Philadelphia planning and development director Anne Fadullon has said [the city hopes to recoup some if its investment](#) in the insurance company site through the property's sale.

But the developers under consideration to buy the site now may change how much they're willing to pay for it because the lots are no longer part of the package, said City Councilman Allan Domb, who works as a real estate broker and investor alongside his public role.

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"I'm sure the bidders will use that as leverage," he said.

Alan Greenberger, the city's former deputy mayor for economic development, said the lot to the justice center's east may be particularly problematic, since it nearly separates the southern half of the Provident Mutual property — where the historic insurance company building is — from its undeveloped northern half.

Developers also may have been counting on using one or both of the lots as parking for tenants of their planned projects, said Greenberger, now a fellow with the Lindy Institute for Urban Innovation at Drexel University.

"Those lots — or the lack of their availability — may be instrumental in their thinking," he said.

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companies.

Ironstone’s past projects have included the redevelopment of the Medical College of Pennsylvania’s former campus in East Falls into a mixed-use educational and commercial complex. It recently [acquired the Girard Medical Center](#) at Eighth Street and Girard Avenue.

WinnCompanies’ area holdings include affordable-housing properties such as the Breslyn House rental building in West Philadelphia and the Venango House apartments in North Philadelphia’s Tioga-Nicetown neighborhood.


KBK has a deal to acquire and redevelop the historic Germantown YWCA building. The company is on track to finish purchasing the property and to begin work there in September, Abdul-Hamid said.

All three finalists declined to discuss their plans for the Provident Mutual site before submitting proposals.

Calter said the PIDC has not estimated how the lots’ exclusion may alter the land’s value to the developers.

“Any impact on revenue has yet to be determined,” she said. “We will have a better idea when [developer proposals] are received.

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I cover commercial real estate, economic development, and other financial news topics, with a focus on data and accountability.

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