

Site at Third and Washington streets slated for redevelopment

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By [Don Spatz](#)

The Reading Redevelopment Authority on Friday took title to the three-story building at 301 Washington St., with plans to replace it with a building that would attract 24-hour pedestrian and vehicular traffic.

The building's former owner had defaulted on a Sovereign Bank mortgage for the property and several others, but the authority bought the mortgage and Sovereign's foreclosure rights, said authority Executive Director Adam Mukerji. He said the deal cost about \$250,000 for the buyout as well as closing costs and legal fees.

The building isn't suitable for adaptive reuse, Mukerji said, so the plan is to demolish it and replace it with another facility that could house several businesses, such as fast-food restaurants or a coffee shop.

The size of a new building would depend on what proposals are made for the site, he said.

The parcel already has a gravel parking area on two levels of the eastern side.

However, Mukerji said his board is in discussions with Mayor Vaughn D. Spencer about getting additional parking by acquiring the parking lot at Rose and Washington streets, a lot owned by Reading Eagle Company.

The building and 11 others had been owned by Migdalia Nieves, the ex-wife of former city mayoral candidate Robert Melendez who lived in the building.

She filed for Chapter 13 bankruptcy in early 2014 to prevent the authority from taking over the building.

However, a judge threw out the bankruptcy case in October when the court-appointed trustee said there wasn't enough money available to pay off creditors.

Mukerji said the unpaid mortgage at closing amounted to \$450,000.

In addition to the Third and Washington building, the redevelopment authority got several of the other properties, Mukerji said.

He said some of them are near the GoggleWorks Center for the Arts just a block away and another is across Second Street from Reading Area Community College.

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