

**RESOLUTION NO. 2015-149**

**RESOLUTION AUTHORIZING (i) THE TERMINATION OF THE REDEVELOPMENT AGREEMENT WITH NEW EASTWICK CORPORATION WITH RESPECT TO CERTAIN UNDEVELOPED PARCELS LOCATED WITHIN THE EASTWICK REDEVELOPMENT AREA, EASTWICK URBAN RENEWAL AREA, (ii) THE UNDERTAKING OF A PLANNING PROCESS FOR THE UNDEVELOPED PARCELS, (iii) THE TRANSFER OF THAT PORTION OF THE UNDEVELOPED PARCELS THAT ARE WETLANDS TO THE CITY OF PHILADELPHIA FOR NOMINAL COST, AND (iv) THE GRANTING A RIGHT OF FIRST REFUSAL TO THE CITY OF PHILADELPHIA FOR THAT PORTION OF THE UNDEVELOPED PARCELS WHICH ARE NOT WETLANDS**

**WHEREAS**, In 1961, the Authority and New Eastwick Corporation ("NEC") entered into the "Agreement between Redevelopment Authority of the City of Philadelphia and New Eastwick Corporation for Stages I, II, III, and IV of the Eastwick Redevelopment Area Also Known as Eastwick Urban Renewal Area" ("Redevelopment Agreement");

**WHEREAS**, under the Redevelopment Agreement, NEC had to redevelop the Eastwick Urban Renewal Area (the "Eastwick URA") in Southwest Philadelphia. The Eastwick URA encompassed an area of approximately 2,500-acres, broken into four stages for development: Stage I, Stage II, Stage III, and Stage IV;

**WHEREAS**, after initially encountering some problems with construction, NEC partnered with Korman Corporation ("Korman"). Thereafter, NEC entered into a Joint Venture Agreement with Korman on January 30, 1970 (herein, the "JVA"), for the redevelopment of Stages I through IV. Upon entering into the JVA, NEC and Korman created over time multiple legal entities known as Eastwick Joint Development Venture (collectively, "New Eastwick");

**WHEREAS**, on August 6, 2015, the Authority received notice from New Eastwick's counsel that New Eastwick wished to take title to two parcels in Stage IV (the "Stage IV Property"), which is comprised of (i) a 128.54-acre, largely residential tract bounded by 84<sup>th</sup> Street, Lindberg Boulevard and Mario Lanza Boulevard, and (ii) a 5.65-acre commercial tract at the northwest corner of 84<sup>th</sup> and Lindbergh. The requested acreage is nearly all of the remaining undeveloped property in the Eastwick URA;

**WHEREAS**, the Authority refused New Eastwick's request on the basis that New Eastwick did not and has not provided, among other things, viable plans and a budget for development of the parcels. In an effort to resolve any potential dispute among the Authority and New Eastwick, the Authority has discussed with New Eastwick the potential of settlement of all outstanding issues;

**WHEREAS**, the Authority has carefully considered the terms of the potential settlement and the future plans for the undeveloped parcels in the Eastwick URA;

**WHEREAS**, the Authority has determined that it is in the best interest of the parties to terminate the Redevelopment Agreement with respect to certain undeveloped parcels in the Eastwick URA and to effect a plan for future use of such undeveloped parcels.

**NOW THEREFORE, BE IT RESOLVED,** by the Philadelphia Redevelopment Authority, that approval is hereby given for:

1. The termination of the "Agreement between Redevelopment Authority of the City of Philadelphia and New Eastwick Corporation for Stages I, II, III, and IV of the Eastwick Redevelopment Area Also Known as Eastwick Urban Renewal Area" ("Redevelopment Agreement") and the termination of all of New Eastwick's development rights to any undeveloped parcels in the Eastwick URA, with the exception of the La Quinta parcel (as defined below);
2. In consideration of the agreement to terminate the Redevelopment Agreement (as to all parcels but the La Quinta Parcel) and the release of all past and future claims that can or could at any time in the future be raised against the Authority (as to all parcels but the La Quinta Parcel), the payment by the Authority to New Eastwick of Five Million Dollars (\$5,000,000), to be paid at closing;
3. The Redevelopment Agreement continuing in full force and effect only with respect to the development of that certain 0.815 acre parcel located in Stage III of the Eastwick Urban Renewal Area and acquired under the Redevelopment Agreement by Eastwick Development Joint Venture XII, L.P. (informally known as the "La Quinta" parcel), subject to the conditions set forth in the Redevelopment Agreement and that certain Indenture dated May 30, 2001 from the Authority to Eastwick Development Joint Venture XII, L.P., recorded in the Department of Records of the City of Philadelphia as Document Number 50270341 on June 12, 2001;
4. The Authority (i) undertaking an investigation to determine which portions of the Stage IV Property are wetlands, which may include hiring a surveyor and/or engineer, with such reasonable costs to be paid by the City of Philadelphia ("City"), (ii) following the conclusion of such investigation, conveying all portions of the Stage IV Property determined to be wetlands to City at One Dollar (\$1.00) per acre, and (iii) taking any and all reasonable action necessary to free the wetlands portion of the Stage IV Property of all use restrictions under the New Eastwick Development Plan to the greatest extent permitted by law;
5. Upon the City's receipt of a planning report or similar document reflecting the completion of the feasibility and planning process being performed in association with the Planning Commission and for forty-eight (48) months thereafter, granting the City the right of first refusal to meet any reasonable offer the Authority has received for that portion of the Stage IV Property that is not wetlands;
6. Irrespective of whether the feasibility and planning process is complete or whether the Authority has received another offer, the Authority and the City negotiating (i) the sale and purchase of that portion of the Stage IV Property that is not wetlands and, (ii) the purchase price with respect thereto. Any transfer of the non-wetlands portion of the Stage IV Property to the City is conditioned on the Board's approval and the City's agreement to comply with the results of the feasibility and planning process being performed in association with the Planning Commission and any valuation will take into consideration any limits on uses established in that process;

7. The Authority releasing the City and the Authority receiving a release from the City of all claims and obligations arising out of or pertaining to the condemnation of "Parcel C" and/or the Redevelopment Agreement.

**FURTHER AUTHORIZING**, the preparation, execution, and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel.

**FURTHER AUTHORIZING**, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

**Adopted by the Board at its meeting of December 23, 2015**