

PHILADELPHIA REDEVELOPMENT AUTHORITY

**1234 MARKET STREET, 16TH FLOOR
PHILADELPHIA, PA 19107**

**SPECIAL BOARD MEETING
WEDNESDAY, DECEMBER 23, 2015**

Open Session – 2:00 P.M.

A G E N D A

I. DEVELOPMENT

Page

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| (a) | 1018 W. Colona Street 1020-30 W. Colona Street & 1017 W. Susquehanna Avenue Amicable Acquisition & Approval of NTI QRB Funding | (1) |
| (b) | Eastwick Urban Renewal Area New Eastwick Corporation Settlement and Termination of Redevelopment Agreement | (5) |

Board fact sheets and proposed resolutions will be distributed at meeting.



BOARD FACTSHEET

Special Board Meeting of December 23, 2015
Amicable Acquisition & Approval of NTI QRB Funds
1018 W. Colona St, 1020-30 W. Colona St,
1019-21 W Susquehanna Ave, & 1017 W. Susquehanna Ave

Seller: Ebenezer Baptist Church

Nature of Transaction: The Board is requested to authorize the Authority to amicably acquire 1018 W. Colona Street, 1020-30 W. Colona Street, 1019-21 W. Susquehanna Avenue, and 1017 W. Susquehanna Avenue (the "Properties"), and to not expend beyond Two Hundred Thirty Thousand Dollars (\$230,000) of Neighborhood Transformation Initiative ("NTI") Qualified Revenue Bond ("QRB") funds to complete the purchase of the Properties.

PROPERTY INFORMATION:

Description: 18,000 sq. ft., vacant lots, I2 Industrial/Mixed Use

Acquisition Value: \$200,000

Through negotiations and research on comparable property sales, the Two Hundred Thousand Dollar (\$200,000) purchase price was established and agreed to by the seller.

COMMENTS OR OTHER CONDITIONS:

The PRA will acquire the property listed above with NTI QRB funding from an allocation of \$3 million in NTI funding that has been reserved as part of the City's match requirement under HUD's \$30 million Choice Neighborhood award for Philadelphia.

Proposed Resolution is attached with site map & photograph.

Prepared by: Tania Nikolic
Reviewed by: Ryan Harmon

RESOLUTION NO.

RESOLUTION AUTHORIZING THE AMICABLE ACQUISITION OF 1018 W. COLONA STREET, 1020-30 W. COLONA STREET, 1019-21 W SUSQUEHANNA AVENUE, AND 1017 W. SUSQUEHANNA AVENUE IN THE AMOUNT OF \$200,000 WITH NTI QRB FUNDING TO BE USED AS THE ACQUISITION FUNDING SOURCE

WHEREAS, Ebenezer Baptist Church is the owner of 1018 W. Colona Street, 1020-30 W. Colona Street 1019-21 W Susquehanna Avenue, and 1017 W. Susquehanna Avenue, Philadelphia, PA (collectively, the "Property"), and has offered the Property for sale;

WHEREAS, the Authority has agreed, subject to Board approval, to purchase the Property for Two Hundred Thousand Dollars (\$200,000), which Ebenezer Baptist Church has agreed to be the fair market value of the Property; and

WHEREAS, acquisition funding source is Neighborhood Transformation Initiative ("NTI") Qualified Revenue Bond ("QRB") funding and the purchase of the Property will further the public purposes of the City by assisting in future redevelopment of this area.

NOW, THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority that the Authority is hereby authorized to purchase from Ebenezer Baptist Church the properties located at 1018 W. Colona Street, 1020-30 W. Colona Street, 1019-21 W Susquehanna Avenue and 1017 W. Susquehanna Avenue, under terms and conditions as stated in an Agreement of Sale between the parties, with Neighborhood Transformation Initiative ("NTI") Qualified Revenue Bond ("QRB") funding in an amount not to exceed Two Hundred Thirty Thousand Dollars (\$230,000) to be used as the acquisition funding source.

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.

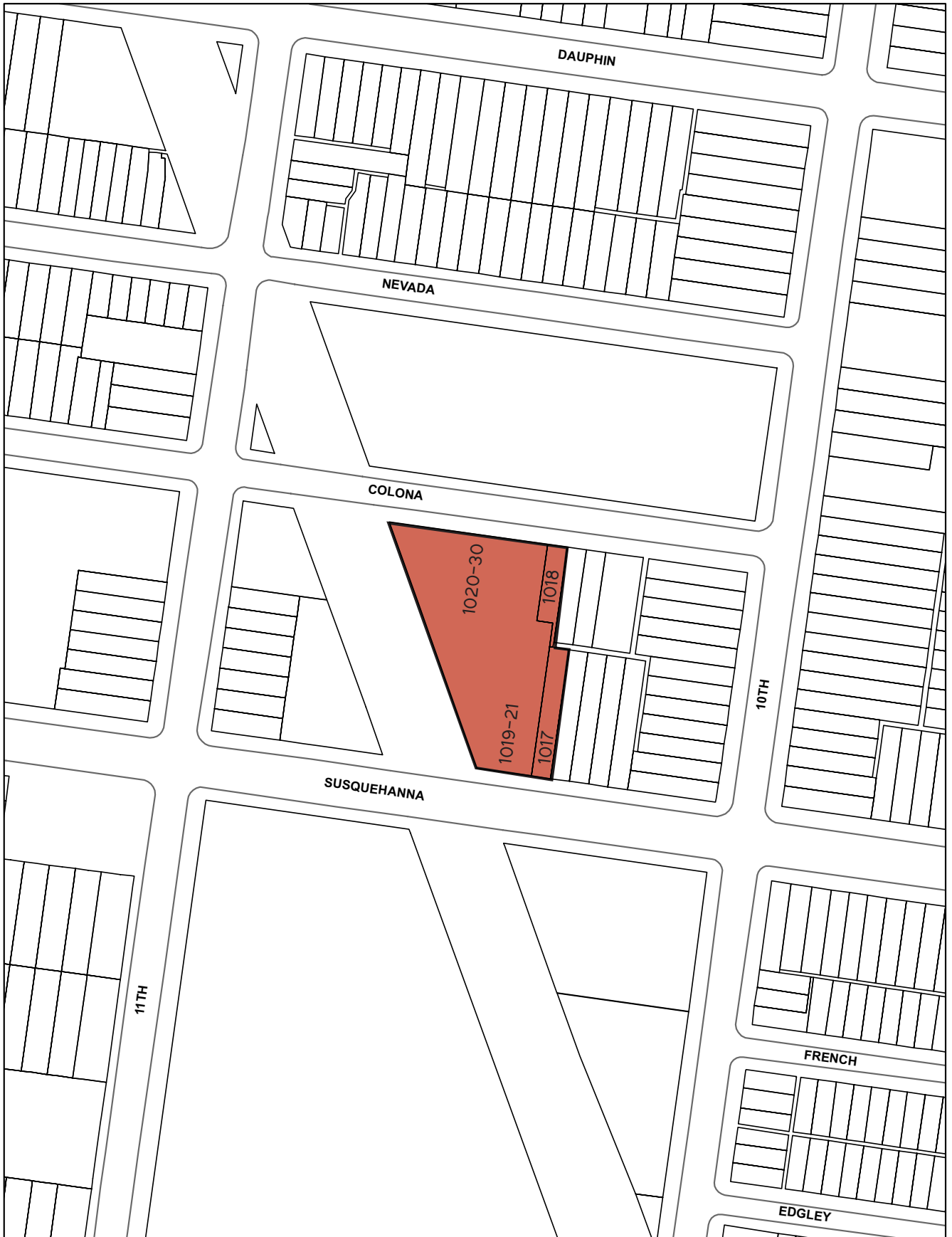
FURTHER AUTHORIZING, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purpose and intents.



1018-1030 W. Colona Street (Structure & Adjacent Lot)



1017-1021 W. Susquehanna Avenue (Lot)



AMICABLE ACQUISITION

1018 & 1020-30 W. Colona Street
1017 & 1019-21 W. Susquehanna Avenue

Memorandum



Date: December 23, 2015
 To: Members of the Board
 From: Ryan D. Harmon, Esq.
 RE: Eastwick Urban Renewal Area
 New Eastwick Corporation
 Settlement and Termination of
 Redevelopment Agreement

NAME OF DEVELOPER: New Eastwick Corporation

BACKGROUND: The Board is requested to authorize resolutions relating to the Eastwick Urban Renewal Area.

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").

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.

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"). Since the inception of the Redevelopment Agreement, New Eastwick has developed approximately 3,000 homes and 1,100 apartment units, as well as two shopping centers housing, 38 retail establishments, and a 1,000 room hotel/restaurant complex serving the Philadelphia International Airport.

Through these years, the Redevelopment Agreement has been amended five (5) times to allow New Eastwick to continue with this massive undertaking. Under an amendment given in 1995, New Eastwick has until December 31, 2015 to develop of the remaining One Hundred Thirty-Five (135) acres.

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 84th Street, Lindberg Boulevard and Mario Lanza Boulevard, and (ii) a 5.65-acre commercial tract at the northwest corner of 84th and Lindbergh. The requested acreage is nearly all of the remaining undeveloped property in the Eastwick URA. 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 the outstanding issues.

The Authority and New Eastwick have reached a settlement, subject to the Board's approval, which would terminate all parties' obligations under the Redevelopment Agreement (except with respect to one small parcel as detailed below) and release the Authority and New Eastwick from any past or future liability under the Redevelopment Agreement (again, with the exception of one small parcel as detailed below). The specific terms are set forth below.

The Authority and the City of Philadelphia ("City") have also worked out a proposed term sheet as to what will be done with the undeveloped parcels following the Authority's settlement with New Eastwick. The specific proposed terms are set forth below.

NATURE OF TRANSACTION TO BE APPROVED:

The Board is now being asked to:

- 1) Consent to the termination of the Redevelopment Agreement 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), consent to the payment by the Authority to New Eastwick of Five Million Dollars (\$5,000,000), to be paid at closing;
- 3) Consent to 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) Consent to 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, (ii) following the conclusion of such investigation,

conveying all portions of the Stage IV Property in the Eastwick URA 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) Consent to the Authority, 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 PRA has received for that portion of the Stage IV Property that is not wetlands;

6) Consent to, 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 A 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) Consent to the City and PRA each releasing one another of all claims and obligations arising out of or pertaining to the condemnation of "Parcel C" and/or the Redevelopment Agreement.

Proposed Resolution is attached with site map and various other documents.

Prepared By: Ryan D. Harmon, Esq.

RESOLUTION NO.

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 84th Street, Lindberg Boulevard and Mario Lanza Boulevard, and (ii) a 5.65-acre commercial tract at the northwest corner of 84th 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.

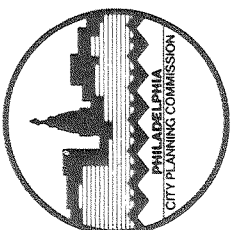
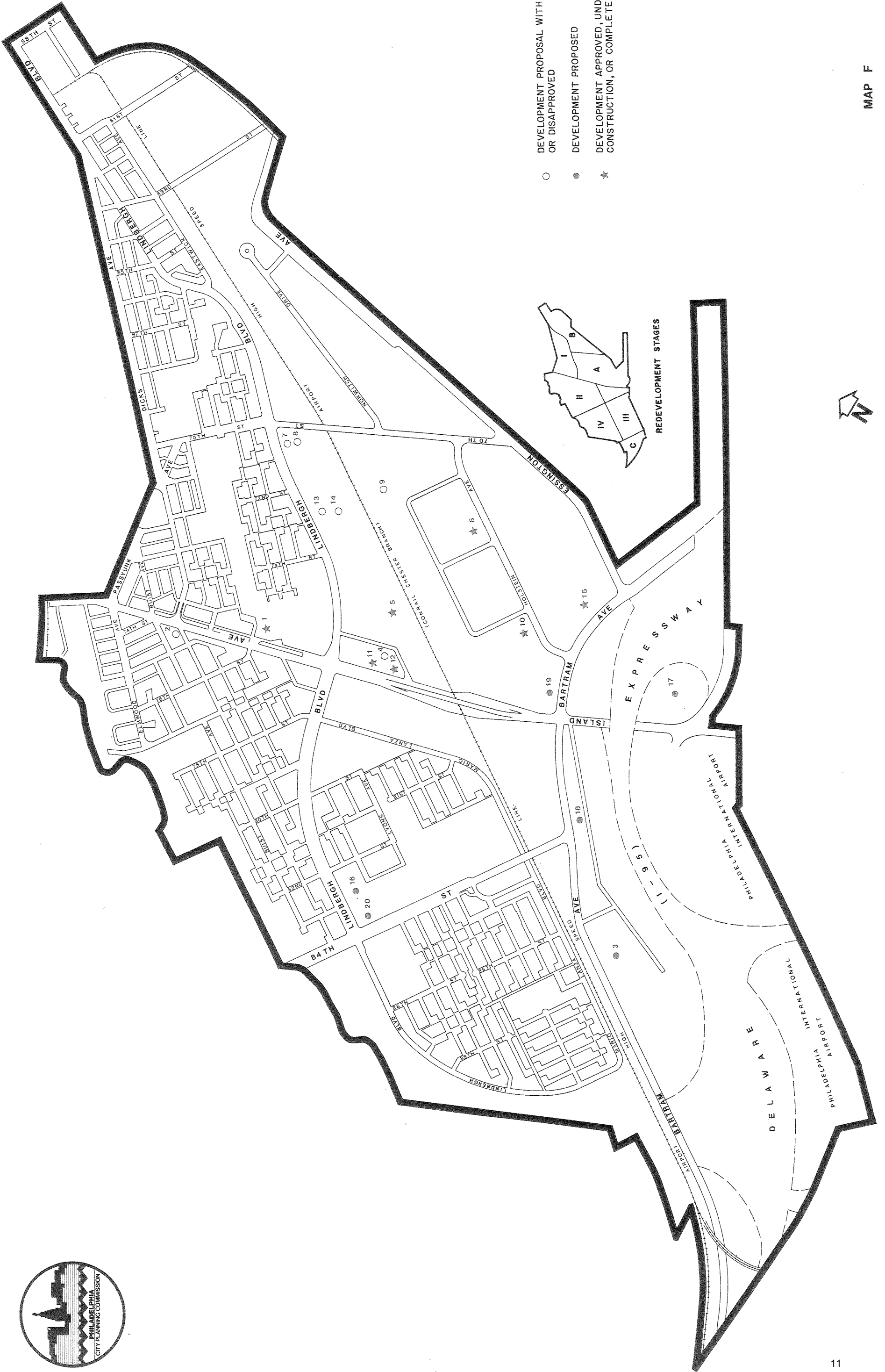
NOW THEREFORE, BE IT RESOLVED, by the Philadelphia Redevelopment Authority, that approval is hereby given for:

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.



MAP F

DEVELOPMENT PROPOSAL STATUS

2800 FEET
1400

EASTWICK URBAN RENEWAL AREA

