

City of Philadelphia



(Bill No. 140409)

AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to convey that certain parcel or parcels of City-owned land, together with buildings and improvements located thereon, commonly known as the Family Court Building bounded by 18th Street, Vine Street, 19th Street and Wood Street and known as 1801 Vine Street, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Public Property is hereby authorized to convey fee simple title to that certain parcel or parcels of City-owned land, together with buildings and improvements located thereon, commonly known as the Family Court Building bounded by 18th Street, Vine Street, 19th Street and Wood Street and known as 1801 Vine Street as set forth in the map attached as Exhibit "A" (the "Property"), all under certain terms and conditions substantially similar to the term sheet attached as Exhibit "B."

SECTION 2. Conveyance of the Property shall be conditioned upon the execution of the Economic Opportunity Plan attached as Exhibit "C."

SECTION 3. The City Solicitor is hereby authorized to review and approve all documents and instruments necessary to effectuate the transaction authorized by this Ordinance, and to impose such terms and conditions on them as the City Solicitor may deem necessary and proper to protect the interests of the City of Philadelphia and to carry out the purposes of this Ordinance.

Exhibit "A"

Map of 1801 Vine Street

EXHIBIT A- MAP OF PROPERTY



Exhibit "B"

**Term Sheet –
Sale of 1801 Vine Street**

Exhibit "B"
 1801 Vine Street
 Sale and Development Agreement
 Terms and Conditions

Property: That certain parcel or parcels of City-owned land, together with buildings and improvements located thereon, commonly known as the Family Court Building bounded by 18th Street, Vine Street, 19th Street and Wood Street and known as 1801 Vine Street.

Seller: The City of Philadelphia through its Department of Public Property (City).

Purchaser: 1801 Vine Street Development Partners, L.P., a Pennsylvania limited partnership controlled by the Peebles Corporation (Purchaser). Title to the Property shall be conveyed from the City to Philadelphia Authority for Industrial Development, for further conveyance to 1801 Vine Street Development Partners, L.P.

Project: 1801 Vine Street Development Partners, L.P. shall renovate the Property for primary use as a hotel, including ancillary retail, food-service, and related uses.

Purchase Price: \$4,500,000.00

Historic Preservation: Purchaser acknowledges that the murals are protected by ordinance and cannot be relocated without prior approval of the Philadelphia Historical Commission. Purchaser shall fulfill all obligations related to the historic treatment of the designated interior and exterior portions of the building.

Economic Opportunity Plan: Conveyance of the Property shall be conditioned upon the execution of the Economic Opportunity Plan attached to this ordinance and marked as Exhibit C.

Exhibit "C"

**Economic Opportunity Plan –
Sale of 1801 Vine Street**

**City of Philadelphia
Economic Opportunity Plan**

**1801 Vine St Hotel
Adaptive Reuse and Development**

I. Introduction, Definitions and Goals.

Pursuant to Ordinance 100201, the City requires that the Philadelphia Authority for Industrial Development (PAID), as sellers of the Property, require Affiliate of The Peebles Corporation and P&A Associates Partnership, (the "Purchaser"), to commit to this plan for the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged¹ ("DBE") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in various aspects of the design and construction of the development to be known as the 1801 Vine St Hotel (the "Project") at 1801 Vine St. (the "Site"). In support of this objective, the City of Philadelphia will require that the Purchaser of the Project commit to this Economic Opportunity Plan ("EOP" or "Plan") and the Purchaser further commits that if Purchaser transfers all or any part of its interest in the Property within five (5) years of the conveyance of the Property by PAID to Purchaser, any subsequent developer of the Property must also commit to this Plan.

This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project at the Site. This Plan shall be a part of and incorporated into the resulting agreement(s) with the Purchasers of the 1801 Vine St Hotel.

The Purchaser hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan, is true and correct and take notice that the submission of false information is subject to the penalties of 18 PA C. S. Section 4904, relating to unsworn falsification to authorities and 18 PA C. S. Section 4107.2 (a)(4), relating to fraud in connection with minority business enterprises or women's business enterprises.

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as M/W/DSBEs by an OEO approved certifying agency² will be eligible to receive credit as a Best and Good Faith Effort. In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oeo/directory.

For this Plan, the term "Best and Good Faith Efforts," the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met when

¹ Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

² A list of "OEO approved certifying agencies" can be found at www.phila.gov/oeo

commitments are made within the M/W/DSBE participation ranges established for the improvements and a commitment is made to employ a diverse workforce as enumerated herein.

II. Project Scope.

The hotel property to be developed at 1801 Vine St., Philadelphia, PA will consist of 199 guest rooms, a 3-meal restaurant and bar, approximately 10,500 square feet of meeting space, a spa & fitness center and other amenities.

III. Goals.

A. M/W/DSBE Participation Ranges.

As a benchmark for the expression of "Best and Good Faith Efforts" to provide meaningful and representative opportunities for M/W/DSBEs in the Project, the following participation ranges have been established. These participation ranges represent, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts. These percentages relate to the good faith estimated cost of the Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g., MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The ranges are based upon an analysis of factors such as the size and scope of the improvements and the availability of MBEs, WBEs, DSBEs and DBEs to participate in the improvements:

The following contract goals have been set for the Project:

Contracts	Minority Owned	Female Owned	Disabled Owned
Professional Services	15-20%	10-15%	Best Efforts
Construction	25-30%	5-10%	Best Efforts

B. Employment Goals.

The following Construction contract goals have been set for the Project:

The Purchaser agrees to exhaust Best and Good Faith Efforts to employ minority persons and females in its workforce of apprentices and journeymen at the following levels³:

Minority Journeymen - 32% of all journey hours worked across all trades.

Minority Apprentices - 50% of all hours worked by all apprentices.

Female Journeypersons – 7% of all hours worked across all trades.

Female Apprentices - 7% of all hours worked by all apprentices.

Local Residents – 50% of all hours worked across all trades.

Local Residents Goal
Operations
50%

IV. Responsiveness.

A. The Purchaser and relevant participants shall identify M/W/DSBE commitments and other agreements evidencing its intent to use Best and Good Faith efforts to employ minority persons and females at the levels stated herein. The identified commitments constitute a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Purchaser and participants have entered into legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the percentage amounts set forth. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs, including the M/W/DSBE Participation and Workforce Commitments Form, become part of and an exhibit to the Agreement.

C. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction of the Project to ensure that Best and Good Faith Efforts have been made.

³ These goals, which have been adopted by the Economic Opportunity Cabinet, are the recommendations of the Mayor's Commission on Construction Industry Diversity.

V. Compliance and Monitoring of Best and Good Faith Efforts.

A. To the extent required by law, the Purchaser shall ensure that its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons. These documents are subject to inspection by OEO.

B. Prompt Payment of M/W/DSBEs.

The Purchaser agrees and shall cause its contractors to ensure that M/W/DSBEs participating in the Project receive prompt payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.

C. Oversight Committee.

The Purchaser and the City of Philadelphia, in consultation with the appropriate agencies and entities, will establish and identify the members of a Project Oversight Committee, including representatives from the Purchaser, the Developer and/or the General Contractor and Construction Manager, the Office of Economic Opportunity, City Council, community organizations and the Building Trades. Participants will engage in monitoring, reporting and problem solving activities which are to include regular meetings to address all matters relevant to further development of the Plan, carrying out its implementation and the successful completion of the Project.

D. Reporting.

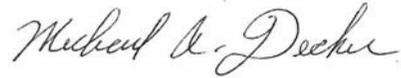
The Purchaser agrees to file an annual report with the City of Philadelphia and City Council concerning the performance of the Economic Opportunity Plan through the duration of the Project. In addition, during construction, the Purchaser will provide "snapshot" reports containing updates for certain categories of information contained in its annual report on a monthly basis during construction. Snapshot reporting will include: (i) utilization of M/W/DSBEs and/or DBEs, and (ii) the hiring and employment of minorities and females. All reports (quarterly & annually) provided to the City under this section will also be provided to the Office of Economic Opportunity.

City of Philadelphia

BILL NO. 140409 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 12, 2014. The Bill was Signed by the Mayor on June 12, 2014.



Michael A. Decker
Chief Clerk of the City Council