

# City of Philadelphia



(Bill No. 010416)

## AN ORDINANCE

Authorizing the Commissioner of Public Property, the Director of Commerce and the Recreation Commissioner, on behalf of The City of Philadelphia (the “City”), to execute and deliver a First Amendment to Lease Agreement (the “First Amendment – City Lease”) by and between the City and Philadelphia Authority for Industrial Development (“PAID”) with respect to that certain Lease Agreement dated July 12, 1994 by and between the City and PAID concerning certain premises lying between Broad street and Eleventh street north of the right-of-way of Interstate 95 (the “Arena Premises”); to execute and deliver a Second Amendment to City - PAID Development Parcel Lease (the “Second Amendment – Development Lease”) by and between the City and PAID with respect to that certain Lease Agreement dated July 11, 1991 by and between the City and PAID concerning certain lands described therein (the “Development Parcel”), as amended; and to execute and deliver an agreement (the “North Lot Lease Termination Agreement”) terminating that certain Lease Agreement dated July 11, 1991 by and between the City and PAID, as amended, concerning certain premises lying north of Pattison avenue and west of Tenth street as described therein (the “North Lot”); and consenting to and approving the execution and delivery by PAID of said First Amendment – City Lease, said Second Amendment – Development Lease, said North Lot Lease Termination Agreement, a First Amendment to Lease Agreement (the “First Amendment – Arena Lease”) by and between PAID and Spectrum Arena Limited Partnership, a Pennsylvania limited partnership (“SALP”) with respect to that certain Lease and Development Agreement dated July 12, 1994 concerning the Arena Premises; a Second Amendment to Lease and Development Agreement (the “Second Amendment – SARENA Lease”) by and between PAID and Spectacor Adjoining Real Estate New Arena, L.P., a Delaware limited partnership (“SARENA”) with respect to that certain Lease and Development Agreement dated July 11, 1991 concerning the Development Parcel, as amended; a Fifth Amendment to Construction and Lease Agreement (the “Fifth Amendment – Spectrum Lease”) by and between PAID and SALP concerning certain lands described therein (the “Spectrum Premises”); and a Master Parking Operations Agreement by and among PAID, SALP, SARENA, The Phillies, a Pennsylvania limited partnership, and Philadelphia Eagles Limited Partnership, a Delaware limited partnership; and authorizing the Director of Finance, the City Solicitor and other appropriate officers and employees of the City to take such actions, and to execute and deliver such documents and instruments, as may be necessary or required to accomplish the intent and purpose of this Ordinance, the First Amendment – City Lease and the First Amendment – Arena Lease, the Second Amendment – Development Lease, the North Lot Lease Termination Agreement, the Second Amendment – SARENA Lease, the Fifth Amendment – Spectrum Lease, and the Master Parking Operations Agreement.

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WHEREAS, The City of Philadelphia (the “City”) is the fee simple owner of certain premises consisting of approximately 46.1 acres of land (the “Arena Premises”) as more fully described in Exhibit A to that certain Lease Agreement dated July 12, 1994 (“City Lease”), between the City and Philadelphia Authority for Industrial Development (“PAID”); and

WHEREAS, the City leased the Arena Premises to PAID under the terms of the City Lease, and PAID subleased the Arena Premises to Spectrum Arena Limited Partnership, a Pennsylvania limited partnership (“SALP”) under the terms of that certain Lease and Development Agreement dated July 12, 1994 (“Arena Lease”) by and between PAID and SALP; and

WHEREAS, under the Arena Lease, SALP agreed to construct and operate on the Premises an indoor sports center and related facilities for the conduct of major league professional hockey games, basketball games and the conduct of other events and activities to provide athletic, educational, cultural, and commercial and other entertainment, instruction or activity for the citizens of the area in and around the City and the Commonwealth of Pennsylvania (“Commonwealth”), and for parking and other incidental uses; and

WHEREAS, the City is the fee simple owner of certain premises consisting of approximately ten (10) acres of land (the “Development Parcel”) as more fully described in Exhibit A to that certain Lease Agreement dated July 11, 1991 (the “City-PAID Development Parcel Lease”) by and between the City and PAID, as amended by that certain First Amendment to City – PAID Development Parcel Lease, which Lease Agreement, as amended, was authorized and approved by City Council by Ordinance (Bill No. 1491) approved July 10, 1991 and by Ordinance (Bill No. 865) approved July 7, 1994; and

WHEREAS, the City leased the Development Parcel to PAID under the terms of the City-PAID Development Parcel Lease, as amended, and PAID subleased the Development Parcel to Spectacor Adjoining Real Estate New Arena, a Delaware limited partnership (“SARENA”) under the terms of that certain Lease and Development Agreement dated July 11, 1991 (“PAID-SARENA Development Parcel Lease”) by and between PAID and SARENA, as amended by that certain First Amendment to Lease and Development Agreement dated as of July 12, 1994 by and between PAID and SARENA; and

WHEREAS, under the PAID-SARENA Development Parcel Lease, SARENA agreed to construct certain parking lots in connection with the operation of the new arena on the Arena Premises by SALP; and

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WHEREAS, the City is the fee simple owner of certain premises consisting of approximately 34.61 acres of land (the “North Lot”) as more fully described in Exhibit A to that certain Lease Agreement dated July 11, 1991 (“North Lot Lease”), between the City and PAID, as amended by that certain First Amendment to Lease Agreement dated as of July 12, 1994 by and between the City and PAID; and

WHEREAS, the City is the fee simple owner of certain premises consisting of approximately 5.9 acres of land (the “Spectrum Premises”) as more fully described in Exhibit “A” to that certain Construction and Lease Agreement dated May 26, 1966 by and between the City and Jerry Wolman (“Wolman”), as said instrument has been amended by that certain Amendment to Construction and Lease Agreement dated May 25, 1967 by and between the City and Wolman, that certain Second Amendment to Construction and Lease Agreement dated May 31, 1967 by and between the City and Spectrum Arena, Inc., that certain Third Amendment to Construction and Lease Agreement dated July 11, 1991 by and between PAID and SALP, and by that certain Fourth Amendment to Construction and Lease Agreement dated as of July 12, 1994 by and between PAID and SALP (said lease, as so amended, the “Spectrum Lease”); and

WHEREAS, SALP now operates a multipurpose indoor sports and entertainment facility presently known as the First Union Spectrum on the Spectrum Premises; and

WHEREAS, the City has benefited and will continue to benefit from the sports center and the events presented and to be presented at the sports center, have been and will continue to be valuable assets to the City in attracting and obtaining tourist, convention and other business for the City, thereby enhancing the reputation of the City as a place to live, work and visit; and

WHEREAS, the health, safety, general welfare and economic development, stability and prosperity of the people of the City and the Commonwealth are dependent upon the continued encouragement, development, promotion and expansion of business, commerce and tourism, and the further development of a major multipurpose, multi-facility sports and entertainment complex and accessory uses is an appropriate means of attracting, stimulating, and promoting business, commerce and tourism to and within the City and the Commonwealth; and

WHEREAS, the City has determined that the attraction and retention of major league professional sports franchises encourages, fosters and stimulates the greater health, safety and general welfare, and the economic development and prosperity of the people of the City and the Commonwealth, keeps the City and the Commonwealth competitive and viable in the attraction, retention and further growth of the City’s tourism, convention and other businesses, provides recreational, educational, cultural, entertainment and other opportunities for the people of the City and the Commonwealth, and generally serves as a valuable asset to the City, the Commonwealth and their respective citizens, merchants, business interests and sports fans; and

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WHEREAS, the City has determined that the interests of the public will best be served by securing the agreement of The Phillies, a Pennsylvania limited partnership or its successor as holder of the Major League Baseball franchise for the City or a controlled affiliate (the “Phillies”) to continue to play its home professional baseball games in a new baseball ballpark; and

WHEREAS, the City has determined that the interests of the public will best be served by securing the agreement of Philadelphia Eagles Limited Partnership, a Delaware limited partnership or its successor as holder of the National Football League franchise for the City or a controlled affiliate (the “Eagles”) to continue to play its home professional football games in a new football stadium; and

WHEREAS, the development of a new baseball ballpark and football stadium, and improvements, infrastructure, accessory uses and amenities is appropriate in the City, which, because of its size, is capable of retaining and supporting major professional sports teams such as the Phillies and the Eagles, as well as attracting and promoting other sports, musical, recreational and cultural events, and attracting business and tourism to the City as a result of such cultural events and such development of the Phillies ballpark project and the Eagles stadium project, and will be an important and integral factor in the continued encouragement, promotion, attraction, stimulation, development, growth and expansion of business, commerce and tourism in the City for the benefit of the health and welfare of the people of the City and the Commonwealth; and

WHEREAS, the development of the Phillies ballpark project and the Eagles stadium project on public property in the City will provide significant benefits to the general public and will require the investment and expenditure of substantial private funds, including funds to be provided by the Phillies and by the Eagles; and

WHEREAS, the City has determined to have a new, modern, high-quality baseball ballpark and football stadium designed, developed, constructed, financed and operated within the City as integral parts of a major multipurpose, multi-facility sports and entertainment complex within the City; and

WHEREAS, in cooperation with the City, PAID has undertaken various projects involving the design, development, construction, financing and operation of such a ballpark and stadium and the development of a major multipurpose, multi-facility sports and entertainment complex within the City; and

WHEREAS, the City, PAID, the Phillies and the Eagles have agreed upon the terms of certain transactions intended to result in the construction of a new football stadium and a new baseball ballpark in the City; and

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WHEREAS, the City, PAID, the Phillies and the Eagles have negotiated comprehensive subleases, including a Sublease and Development Agreement by and between the Authority and the Phillies (the “Phillies Sublease”), and a Sublease and Development Agreement by and between the Authority and the Eagles (the “Eagles Sublease”; together with the Phillies Sublease, the “Team Subleases”); and

WHEREAS, PAID, the Phillies, SALP, SARENA, and the Eagles have reached an agreement on the terms and conditions of a new agreement (the “Master Parking Operations Agreement”) concerning the operation of parking lots in the sports complex; and

WHEREAS, the terms and conditions of the Master Parking Operations Agreement and Team Subleases necessitate amendments to the City Lease, the Arena Lease, the City-PAID Development Parcel Lease (as previously amended), the PAID-SARENA Development Parcel Lease (as previously amended) and the Spectrum Lease, and the termination of the North Lot Lease; and

WHEREAS, in connection with the expansion and redevelopment of the sports complex and the development of a new ballpark and football stadium pursuant to the Team Subleases, the City and PAID have negotiated the terms and conditions of that certain First Amendment to Lease Agreement (the “First Amendment – City Lease”) by and between the City and PAID, making certain amendments to the City Lease, and PAID and SALP have negotiated the terms and conditions of that certain First Amendment to Lease and Development Agreement (the “First Amendment – Arena Lease”) by and between PAID and SALP making certain amendments to the Arena Lease; and

WHEREAS, in connection with said expansion and redevelopment, the City and PAID have negotiated the terms and conditions of that certain Second Amendment to Lease Agreement (the “Second Amendment – Development Lease”) by and between the City and PAID, making certain amendments to the City-PAID Development Parcel Lease, and PAID and SARENA have negotiated the terms and conditions of that certain Second Amendment to Lease and Development Agreement (the “Second Amendment – SARENA Lease”) by and between PAID and SARENA making certain amendments to the Arena Lease; and

WHEREAS, in connection with said expansion and redevelopment, the City and PAID have negotiated the terms and conditions of that certain North Lot Lease Termination Agreement; and

WHEREAS, in connection with said expansion and redevelopment, PAID and SALP have negotiated the terms and conditions of that certain Fifth Amendment to Construction and Lease Agreement (the “Fifth Amendment – Spectrum Lease”), making certain amendments to the Spectrum Lease; and

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WHEREAS, the City is willing to authorize the execution and delivery of the First Amendment – City Lease, the Second Amendment – Development Lease, the North Lot Lease Termination Agreement, and to consent to the execution and delivery by PAID of the First Amendment – City Lease, the Second Amendment – Development Lease, the First Amendment – Arena Lease, the Second Amendment – SARENA Lease, the North Lot Lease Termination Agreement, the Fifth Amendment – Spectrum Lease, and the Master Parking Operations Agreement; now, therefore,

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Public Property, the Director of Commerce and the Recreation Commissioner, on behalf of The City of Philadelphia (the “City”), are hereby authorized to enter into a First Amendment to Lease Agreement and any exhibits thereto (the “First Amendment – City Lease”) with Philadelphia Authority for Industrial Development (“PAID”) substantially in the form of Exhibit “A” attached hereto and hereby made a part hereof, providing for amendments to that certain Lease Agreement dated July 12, 1994 by and between the City and PAID concerning the lands described therein lying generally between Broad and Eleventh Streets north of the right-of-way of Interstate 95 and more particularly described in said Lease Agreement (the “Arena Premises”).

SECTION 2. The Director of Finance and City Solicitor are hereby authorized to consent to the execution and delivery by PAID of the First Amendment – City Lease, and of that certain First Amendment to Lease and Development Agreement and any exhibits thereto (the “First Amendment – Arena Lease”) by and between PAID and Spectrum Arena Limited Partnership, a Pennsylvania limited partnership (“SALP”), substantially in the form of Exhibit “B” attached hereto and hereby made a part hereof, providing for amendments to that certain Lease and Development Agreement dated July 12, 1994 by and between PAID and SALP concerning the Arena Premises.

SECTION 3. The Commissioner of Public Property, the Director of Commerce and the Recreation Commissioner, on behalf of the City, are hereby authorized to enter into a Second Amendment to Lease Agreement and any exhibits thereto (the “Second Amendment – Development Lease”) with PAID substantially in the form of Exhibit “C” attached hereto and hereby made a part hereof, providing for amendments to that certain Lease Agreement dated July 11, 1991 (the “City-PAID Development Parcel Lease”) by and between the City and PAID, which City-PAID Development Parcel Lease was amended by that certain First Amendment to City – PAID Development Parcel Lease dated July 12, 1994, concerning a parcel or parcels of land described therein lying generally between Broad and Eleventh streets south of Pattison avenue and more particularly described in said City-PAID Development Parcel Lease (the “Development Parcel”).

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SECTION 4. The Director of Finance and City Solicitor are hereby authorized to consent to the execution and delivery by PAID of the Second Amendment – Development Lease, and of that certain Second Amendment to Lease and Development Agreement and any exhibits thereto (the “Second Amendment – SARENA Lease”) by and between PAID and Spectacor Adjoining Real Estate New Arena, L.P., a Delaware limited partnership (“SARENA”), substantially in the form of Exhibit “D” attached hereto and hereby made a part hereof, providing for amendments to that certain Lease and Development Agreement dated July 11, 1991 by and between PAID and SARENA concerning the Development Parcel, which Lease and Development Agreement was amended by that certain First Amendment to Lease and Development Agreement dated as of July 12, 1994 by and between PAID and SARENA.

SECTION 5. The Commissioner of Public Property, the Director of Commerce and the Recreation Commissioner, on behalf of the City, are hereby authorized to enter into a Termination of Lease Agreement and any exhibits thereto (the “North Lot Lease Termination Agreement”) with PAID, in such form as said officers, in consultation with the City Solicitor, may determine, providing for the early termination of said Lease Agreement. The Director of Finance and City Solicitor are hereby authorized to consent to the execution and delivery by PAID of the North Lot Lease Termination Agreement.

SECTION 6. The Director of Finance and City Solicitor are hereby authorized to consent to the execution and delivery by PAID of that certain Fifth Amendment to Construction and Lease Agreement and any exhibits thereto (the “Fifth Amendment – Spectrum Lease”) by and between PAID and SALP, substantially in the form of Exhibit “E” attached hereto and hereby made a part hereof, providing for amendments to that certain Construction and Lease Agreement dated May 26, 1966, as amended, by and between PAID and SALP concerning the Spectrum Premises (as defined in said Construction and Lease Agreement, as amended).

SECTION 7. The Director of Finance and City Solicitor are hereby authorized to consent to the execution and delivery by PAID of that certain Master Parking Operations Agreement (the “Master Parking Operations Agreement”) by and among PAID, SALP, SARENA, The Phillies, a Pennsylvania limited partnership (the “Phillies”) and Philadelphia Eagles Limited Partnership, a Delaware limited partnership (the “Eagles”), and any exhibits thereto, substantially in the form of Exhibit “F” attached hereto and hereby made a part hereof, providing, among other things, for the coordinated operation of parking lots forming part of the sports complex, including parking lots leased or otherwise made available to SALP to operate for parking purposes under the Arena Lease, to SARENA under the SARENA Lease, to the Eagles under that certain Sublease and Development Agreement by and between PAID and the Eagles, authorized pursuant to Bill 000721-A (approved December 28, 2000), and to the Phillies under that certain Sublease and Development Agreement by and between PAID and the Phillies, authorized pursuant to Bill 000722-A (approved December 28, 2000).

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SECTION 8. The Director of Finance and all other proper officials of the City are hereby authorized to execute all documents and to take all actions, as may be necessary or required, in order to accomplish the intent and purpose of this Ordinance and are further authorized to amend the First Amendment – City Lease and the Second Amendment – Development Lease, North Lot Lease Termination Agreement, and to approve the amendment of the First Amendment – Arena Lease, the Second Amendment – SARENA Lease, the Fifth Amendment – Spectrum Lease and the Master Parking Operations Agreement, and any other documents in any manner consistent with the terms of this Ordinance. The City Solicitor is hereby authorized to include such other terms and provisions as he shall deem necessary or appropriate in the foregoing instruments and the exhibits thereto and to approve the inclusion of such other terms and provisions as he shall deem necessary or appropriate in the foregoing instruments and the exhibits thereto, and the Master Parking Operations Agreement, and the exhibits thereto, and to make any other changes consistent with the terms of this Ordinance.

SECTION 9. The City Solicitor shall file copies of the First Amendment – City Lease, the First Amendment – Arena Lease, the Second Amendment – Development Lease, the Second Amendment – SARENA Lease, North Lot Lease Termination Agreement, Fifth Amendment – Spectrum Lease, and the Master Parking Operations Agreement and the exhibits to each such instrument, in the form executed by the parties thereto, with the Clerk of City Council.

SECTION 10. The Clerk of City Council shall keep on file and make available for public inspection all exhibits referred to and incorporated in this Ordinance.

SECTION 11. This Ordinance shall take effect immediately.



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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 14, 2001. The Bill was Signed by the Mayor on August 2, 2001.



Marie B. Hauser  
Chief Clerk of the City Council