

Legislation Details (With Text)

File #:	000705	Version:	1	Name:	
Type:	Bill	Status:		Status:	ENACTED
File created:	11/16/2000	In control:		In control:	Committee of the Whole
On agenda:		Final action:		Final action:	12/20/2000

Title: Authorizing the Commissioner of Public Property and the Director of Commerce, on behalf of the City of Philadelphia (the "City"), to enter into a Ground Lease Agreement (the "Eagles Ground Lease") with the Philadelphia Authority for Industrial Development ("PAID") providing for the leasing by the City to PAID of certain parcels of land owned or to be acquired by the City, and further authorizing said officers to enter into a Prime Lease Agreement (the "Eagles Prime Lease") between PAID and the City providing for the subleasing by PAID to the City of all or a portion of such land and certain improvements to be constructed thereon, including a football stadium and accessory and related amenities, improvements and infrastructure and the payment of certain costs for such stadium complex and further authorizing said officers to enter into a Leaseback-Lease Agreement (the "Eagles Leaseback") between PAID and the City providing for the sub-subleasing of said land as improved back from the City to PAID; covenanting to be bound by the terms of the aforementioned Eagles Ground Lease, Eagles Prime Lease and Eagles Leaseback; and obligating PAID to finance a portion of the costs of the acquisition of such land and any additional land in connection with the sports stadia or sports complex, demolition, site preparation, improvements and infrastructure in connection therewith and a portion of any and all other costs incurred in connection with the sports stadia; imposing a limitation on the aggregate amount of bonds which are to be issued by PAID to finance or refinance the project; covenanting to make appropriations in each of the City's fiscal years to provide for all payments due under the Eagles Prime Lease; dedicating the vehicle rental tax authorized by Act 25 of 1999 to the new sports stadia projects; authorizing the Director of Finance and other officials of the City to take all actions necessary to accomplish the intent and purpose of this Ordinance and the Eagles Ground Lease, Eagles Prime Lease, Eagles Leaseback and an Eagles Lease and Development Agreement between the Philadelphia Eagles Limited Partnership or its successor as holder of the National Football League franchise for the City or a controlled affiliate and PAID containing the terms and conditions substantially as approved herein; and authorizing approval of all of the terms of the aforementioned Leases and other documents and amendments thereto by the Director of Finance and/or the City Solicitor.

Sponsors: Councilmember Blackwell

Indexes: PAID

Code sections:

Attachments: 1. CertifiedCopy00070501.pdf

Date	Ver.	Action By	Action	Result	Tally
12/28/2000	1	MAYOR	SIGNED		
12/20/2000	1	CITY COUNCIL	READ		
12/20/2000	1	CITY COUNCIL	PASSED	Pass	15:2
12/8/2000	1	Committee of the Whole	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
12/8/2000	1	Committee of the Whole	AMENDED		
12/8/2000	1	Committee of the Whole	HEARING NOTICES SENT		
12/7/2000	1	Committee of the Whole	RECESSED		
12/7/2000	1	Committee of the Whole	HEARING NOTICES SENT		

12/7/2000	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass
12/7/2000	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR	
12/7/2000	1	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR	
12/6/2000	1	Committee of the Whole	HEARING NOTICES SENT	
12/6/2000	1	Committee of the Whole	RECESSED	
12/5/2000	1	Committee of the Whole	HEARING NOTICES SENT	
12/5/2000	1	Committee of the Whole	RECESSED	
12/4/2000	1	Committee of the Whole	HEARING NOTICES SENT	
12/4/2000	1	Committee of the Whole	RECESSED	
12/2/2000	1	Committee of the Whole	HEARING NOTICES SENT	
12/2/2000	1	Committee of the Whole	RECESSED	
12/1/2000	1	Committee of the Whole	HEARING NOTICES SENT	
12/1/2000	1	Committee of the Whole	RECESSED	
11/30/2000	1	Committee of the Whole	HEARING NOTICES SENT	
11/30/2000	1	Committee of the Whole	RECESSED	
11/29/2000	0	Committee of the Whole	HEARING NOTICES SENT	
11/29/2000	1	Committee of the Whole	RECESSED	
11/16/2000	0	CITY COUNCIL	Referred	
11/16/2000	0	CITY COUNCIL	Introduced	Pass

Authorizing the Commissioner of Public Property, on behalf of the City, to enter into a lease agreement with the Philadelphia Authority for Industrial Development providing for the leasing by the City to the Philadelphia Authority for Industrial Development of Veterans Memorial Stadium, including a ground lease of land underneath Veterans Memorial Stadium, and obligating the Philadelphia Authority for Industrial Development to finance certain repairs to Veterans Memorial Stadium to be made by the City, all subject to the rights of the Phillies and the Eagles under their existing team leases and, authorizing a sublease agreement between the Philadelphia Authority for Industrial Development and the City providing for the subleasing of Veterans Memorial Stadium and the land back from the Philadelphia Authority for Industrial Development to the City; covenanting to be bound by the terms of the lease and sublease; imposing a limit on the aggregate amount of Bonds which are to be issued by the Philadelphia Authority for Industrial Development to finance or refinance the costs of the Rehabilitation; covenanting to make appropriations in each of the City's fiscal years to provide for rental payments due under the sublease; authorizing the Director of Finance and all other officials of the City to take all actions necessary to accomplish the intent and purpose of this Ordinance or the lease and sublease; and authorizing approval of all of the terms of certain documents by the Director of Finance.

WHEREAS, The City is the owner of Veterans Memorial Stadium ("Veterans Stadium") located at Broad street and Pattison avenue and the land underneath Veterans Stadium (the "Land"), and in 1966 granted certain currently existing leases of the Stadium and the Land to The Phillies baseball team and to the Philadelphia Eagles football team for the conduct of professional baseball and football games and related activities on the premises (collectively, the "Team Leases"); and

WHEREAS, The Team Leases obligate the City, as landlord, to maintain Veterans Stadium in

good and suitable state and condition for the uses intended to be made of the same; and

WHEREAS, The City has determined that compliance with the City's maintenance obligations under the Team Leases require the prompt commencement of certain Veterans Stadium repair projects (the "Rehabilitation"); and

WHEREAS, The City has requested the Philadelphia Authority for Industrial Development ("PAID") to assist the City in the Rehabilitation of Veterans Stadium by taking a leasehold interest in Veterans Stadium and the Land, under and subject to all rights of The Phillies and the Philadelphia Eagles under the Team Leases, for the purpose of financing the Rehabilitation to Veterans Stadium to be accomplished by the City and simultaneously subleasing Veterans Stadium and the Land back to the City for rent and other payments sufficient to satisfy PAID's debt service on the PAID financing and other PAID costs (the "Project"); and

WHEREAS, PAID has agreed to engage in the Project pursuant to its statutory powers; and

WHEREAS, PAID intends to refinance its reimbursement obligation in connection with the draw on a letter of credit used to fund PAID's purchase of the Eagles' ownership interest in the new Eagles Practice Facility (the "Practice Facility"); and

WHEREAS, It would be in the best interests of the City for PAID to undertake a bond refinancing of its current letter of credit Practice Facility acquisition financing, and to combine such a bond refinancing with PAID's bond financing of the Rehabilitation of Veterans Stadium; and

WHEREAS, The Council wishes to provide that the leasehold interest granted to PAID (which includes Veterans Stadium) shall allow its termination by the City as to Veterans Stadium, but not as to the Land, at any time; and

WHEREAS, The City is willing to sublease the Stadium from PAID for a term not to exceed thirty (30) years under terms and conditions requiring the City, *inter alia*, to make rental payments sufficient to pay: (i) principal of or maturity value, premium, if any, and interest on any bonds, notes or other form of indebtedness issued from time to time by PAID for the purpose of financing or refinancing the costs of the Rehabilitation to be made to Veterans Stadium (the "Bonds"); (ii) obligations of PAID, if any, incurred in connection with obtaining any credit facility or other enhancement relating to the Bonds; (iii) the establishment of reserves, if any, under the indenture securing the Bonds (the "Indenture"); and (iv) the fees, costs and certain other liabilities of PAID incurred in connection with the issuance of the Bonds and any other transactions required to effectuate the Rehabilitation of Veterans Stadium; and

WHEREAS, PAID will be required to assign certain of its rights under the Stadium Sublease (defined below) to a trustee under the Indenture and the City will be required to make its rental payments under the Stadium Sublease directly to such trustee for the benefit of the owners of the Bonds and a credit facility provider, if any; and

WHEREAS, In addition, PAID has agreed to carry out bond refinancing of the Eagles Practice Facility acquisition; now therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Public Property, on behalf of the City, is hereby (a) authorized to enter into an

agreement with PAID providing for the leasing by the City to PAID of Veterans Stadium and the Land (the "Stadium Lease"), and (b) authorized to enter into a sublease between PAID and the City providing for the subleasing of Veterans Stadium and the Land back from PAID to the City (the "Stadium Sublease," together with the Stadium Lease, the "Leases"), both under and subject to all rights of The Phillies baseball team and Philadelphia Eagles football team under the Team Leases, for the purpose of PAID's financing of the Rehabilitation to Veterans Stadium to be made by the City identified in the Leases. The Stadium Sublease shall permit removal of Veterans Stadium from the PAID leasehold at the option of the City. The Leases shall otherwise be substantially in the forms of Exhibit "A" and Exhibit "B" attached hereto.

SECTION 2. The City agrees to be bound by each and every provision, covenant and agreement set forth in the Leases as if they were specifically adopted as part of this Ordinance.

SECTION 3. The Stadium Lease and Stadium Sublease herein authorized shall be made in connection with the issuance at any time or from time to time by PAID of the Bonds to finance and refinance the costs of the Rehabilitation to Veterans Stadium in an aggregate principal amount not to exceed Eighty Million Dollars (\$80,000,000) net of original issue discount, plus amounts necessary for any reserves, for capitalized interest, for costs of issuance and amounts necessary to effect any refunding, at any one time outstanding. The Stadium Sublease may provide for the issuance by PAID of additional bonds and City rental payments with respect thereto upon the prior approval thereof by ordinance of City Council as provided in the Indenture.

SECTION 4. The City covenants to make appropriations in each of its fiscal years during the term of the Stadium Sublease in such amounts as shall be required in order to make all rental payments due and payable, and fulfill all other obligations, under the Stadium Sublease.

SECTION 5. The Stadium Lease, as may be amended from time to time, shall provide for a term not to exceed thirty (30) years.

SECTION 6. The City covenants to unconditionally make all rental payments due under the Stadium Sublease directly to the trustee to which the Stadium Sublease has been assigned as all or part of the security for payment of the Bonds issued under the Indenture and to pay all obligations of PAID under a credit facility and/or liquidity facility securing the Bonds, if any, and to pay all other obligations to PAID as required under the Leases, if any, all of which payments shall not be suspended, abated, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever and regardless of any rights of setoff, recoupment or counterclaim that the City may have against PAID or the trustee or any other party or parties and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstances or occurrence that may arise after the date hereof.

SECTION 7. The Director of Finance and all other proper officials of the City are hereby authorized to execute all documents and to take all actions, including the execution of the Stadium Lease and Stadium Sublease and the execution of a continuing disclosure agreement, as may be necessary, in order to accomplish the intent and purpose of this Ordinance and of the Leases and are further authorized to amend the Leases and any other documents in any manner consistent with the terms of this Ordinance. The City Solicitor is hereby authorized to include in the Leases such other terms and provisions as he shall deem necessary or appropriate in connection with the financing and to make any other changes consistent with the terms of this Ordinance.

SECTION 8. All terms of the Bonds, the Indenture and credit facility and/or liquidity facility and/or reimbursement agreement, if any, shall be subject to the approval of the Director of Finance.

SECTION 9. The City Solicitor shall file all such amendments with the Clerk of City Council after their execution. The City Solicitor shall also file copies of the executed Stadium Lease and Stadium Sublease with the Clerk of City Council.

SECTION 10. The Clerk of City Council shall keep on file for public inspection all Exhibits referred to in this Ordinance.

SECTION 11. This Ordinance shall take effect immediately.