

Legislation Text

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Authorizing the Mayor, on behalf of the City of Philadelphia, to enter into Agreements with the Philadelphia Authority for Industrial Development (“PAID”) providing for lease from PAID to the City of a football practice facility to be developed at Broad street and Pattison avenue and for leaseback of the said practice facility from the City to PAID, the obligations of the City under the said Agreements to become effective only in the event that ordinances necessary for the financing, development and leasing of a new football stadium are not enacted by City Council and approved by the Mayor by November 3, 2000.

WHEREAS, The City and the Philadelphia Authority for Industrial Development (“PAID”) are currently engaged in negotiations with the Philadelphia Eagles Limited Partnership, a limited partnership organized and existing under the laws of the State of Delaware (the “Eagles”), for the purpose of agreeing upon a proposal for the financing, development and leasing of a new football stadium, which proposal will be presented to City Council for consideration this year; and

WHEREAS, The Lease, dated as of February 21, 1966, as amended, between the City and the Eagles with respect to Veterans Stadium contains provisions granting the Eagles space within Veterans Stadium for the Eagles’ business headquarters, principal business and administrative offices and operations and requiring the City to provide a natural grass practice field for the Eagles’ use for in-season practice and training sessions; and

WHEREAS, The City and PAID desire to induce the Eagles to continue to operate the Eagles’ business headquarters, principal business and administrative offices and operations, in-season training and practice sessions in the City of Philadelphia as a use functionally related and accessory to a stadium in the City, thereby enabling the City to realize significant tax revenues through such continued activities in the City, and otherwise promoting commercial and economic development in the City and providing for the general public good and benefit; and

WHEREAS, PAID and the Eagles have negotiated the terms of an agreement for development of a new Eagles football practice facility to be located at Broad street and Pattison avenue (the “Practice Facility”), which will be paid for principally by the Eagles but with the aid of a \$7,000,000 PIDC Local Development Corporation economic stimulus contribution, and will be occupied by the Eagles under a lease from PAID; and

WHEREAS, The City and PAID agree that development of the Practice Facility by the Eagles should begin immediately and should not be delayed until the conclusion of City Council’s consideration of a new football stadium development proposal; and

WHEREAS, The particular circumstances of the Eagles require them to have new football stadium development ordinances enacted by City Council and approved by the Mayor by November 3, 2000; and

WHEREAS, The City and PAID agree that in the event the City fails to enact and approve new football stadium development ordinances by November 3, 2000, the general public good and benefit will be best served by PAID’s immediate acquisition of the Eagles’ ownership interest in the improvements constituting the Practice Facility (the “Eagles Ownership Interest”) for the amount equal to the Eagles’ Practice Facility development costs over and above the amount of the PIDC Local Development Corporation economic stimulus

contribution, but not to exceed \$23,000,000; and

WHEREAS, In order to induce and enable PAID to acquire the Eagles Ownership Interest if new football stadium development ordinances are not enacted and approved by the City by November 3, 2000, it is necessary for the City and PAID to immediately enter into agreements which will provide a source of funding to PAID to support its purchase obligation to the Eagles and to enable PAID to immediately obtain a letter of credit to secure its purchase obligation; and

WHEREAS, In order to allow the City to obtain real property interests in the acquired Practice Facility and to include the Practice Facility in the Veterans Stadium complex, as well as to establish contractual relationships between the City and PAID which will provide the necessary source of funding to PAID, it is proposed that PAID lease the Practice Facility to the City and that the City then sublease the Practice Facility back to PAID, provided that the City shall have no obligation to pay rent to PAID unless PAID is required to purchase the Eagles' Ownership Interest; now therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Mayor, on behalf of the City of Philadelphia, is hereby authorized to enter into an Agreement with the Philadelphia Authority for Industrial Development ("PAID") providing for the lease from PAID to the City, for a term not to exceed 30 years, of a football practice facility to be developed at Broad street and Pattison avenue (the "Practice Facility"). The City shall have no obligation to make any payment under the authorized Agreement unless the City fails to enact and approve by November 3, 2000, new football stadium financing, development and leasing ordinances mutually acceptable to the City and the Eagles; provided, however, that if the Mayor transmits such ordinances, including substantially final forms of all agreements (including any exhibits) authorized by such ordinances, to Council after September 8, 2000, the City shall have fifty-six (56) calendar days after the date the Mayor transmits such ordinances and documents to the Council to enact and approve such ordinances; provided further, however, that such final action by the City shall not occur any later than November 30, 2000. The rent and other sums required to be paid by the City under the authorized Agreement shall be sufficient to cover all costs, including PAID's financing costs, incurred by PAID in the acquisition of the ownership interest of the Philadelphia Eagles Limited Partnership in and to the improvements constituting the Practice Facility (the "Eagles Ownership Interest"). The Agreement shall provide that the Practice Facility shall be deemed to be a part of the Veterans Stadium Complex. The Agreement shall be substantially in the form attached hereto as Exhibit "A".

SECTION 2. The Mayor, on behalf of the City of Philadelphia, is hereby authorized to enter into an Agreement with PAID providing for the lease back from the City to PAID of the Practice Facility. The Agreement shall provide that the Practice Facility shall be deemed to be a part of the Veterans Stadium Complex. The Agreement shall also provide that if PAID acquires the Eagles' Ownership Interest, then any subsequent lease, licensed or similar arrangement by PAID for the occupation or use of all or any part of the Practice Facility by the Philadelphia Eagles Limited Partnership or by the Philadelphia Eagles Development, L.P., a Delaware limited partnership, shall require the approval of the Director of Finance and the approval of City Council by resolution. The Agreement shall be substantially in the form attached hereto as Exhibit "B".

SECTION 3. The Council acknowledges that the Agreements authorized by Section 1 and Section 2 of this Ordinance are required to enable PAID to obtain a letter of credit to secure its obligation to purchase the Eagles Ownership Interest for an amount not to exceed \$23,000,000 and, if desirable, to enable PAID to subsequently issue its bonds to refinance its reimbursement obligations with respect to the letter of credit. Therefore, provided that there is no increase in the purchase price of the Eagles Ownership Interest or change in

the terms and conditions under which the City is required to begin any payments under the Agreements, the City Solicitor is hereby authorized to approve, at any time, any modifications or amendments to the Agreements authorized by Section 1 and Section 2 of this Ordinance necessary to satisfy the requirements of a provider of a letter of credit to PAID or the requirements of bond counsel.

SECTION 4. The City Solicitor is authorized to include in the Agreements authorized by Section 1 and Section 2 of this Ordinance such other terms and conditions, not inconsistent with this Ordinance, as he or she deems necessary or desirable to accomplish the purposes of this Ordinance.

SECTION 5. The Chief Clerk of Council shall keep on file and make available for public inspection all Exhibits referenced in this Ordinance.

SECTION 6. This Ordinance shall take effect immediately.