

Legislation Text

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Authorizing the Commissioner of Public Property, the Director of Commerce, and other officials of the City to execute or approve various agreements and other matters by and among the City, the Philadelphia Redevelopment Authority, the Philadelphia Authority for Industrial Development, and others relating to the redevelopment, operation, and maintenance of properties located on the north side of Market Street between 8th and 11th Streets in the City and commonly known as the Gallery Mall; all under certain terms and conditions.

WHEREAS, the City and the Philadelphia Redevelopment Authority (then known as the Redevelopment Authority of the City of Philadelphia and referred to herein as the "Redevelopment Authority") formulated and carried out certain plans for the redevelopment and renewal of properties on the north side of Market Street between 8th and 11th Streets commonly known as the Gallery Mall (the "Gallery Mall"); and

WHEREAS, the City and the Redevelopment Authority have since determined that the Gallery Mall would benefit from further redevelopment by PR Gallery I Limited Partnership and Keystone Philadelphia Properties, LP (together with their respective successors and assigns, the "Redeveloper"); and

WHEREAS, the Redeveloper and its affiliates have proposed a plan for redevelopment of the Gallery Mall with an anticipated cost of no less than \$300,000,000; and

WHEREAS, such redevelopment of the Gallery Mall will require certain transfers of interests in real estate which require authorization by City Council, including, without limitation, the acceptance by the City of an assignment of the Redevelopment Authority's easement rights ("Public Access Easement") with respect to a public access area ("Public Access Area") that extends from 8th Street to 11th Street at the concourse level of the Gallery Mall and provides access to the regional transportation hub beneath and adjacent to the Gallery Mall; and

WHEREAS, such redevelopment of the Gallery Mall will require an agreement between the City and the Philadelphia Authority for Industrial Development ("PAID") providing for future payments of City Funds to reimburse construction, maintenance, and operations costs relating to the Public Access Area, which agreement requires authorization by City Council; and

WHEREAS, City Council desires to authorize an agreement between the City and the Redevelopment Authority, providing for indemnification of the Redevelopment Authority in connection with certain claims that may arise with respect to activities of the Redevelopment Authority regarding the Gallery Mall; and

WHEREAS, by Ordinance No. 1129 approved by the Mayor on March 4, 1982, City Council authorized the Commissioner of Public Property to lease to the Redevelopment Authority certain space over Filbert Street between 10th Street and 11th Street for the purpose of constructing, operating, and maintaining building structures (collectively, the "Filbert Bridge"), and the Redevelopment Authority and the City subsequently entered into a Lease Agreement dated March 19, 1982 for the Filbert Bridge (the "Filbert Bridge Lease"); and

WHEREAS, to facilitate the redevelopment of the Gallery Mall, City Council desires to authorize the

Commissioner of the Department of Public Property to consent to the sublease and assignment to the Redeveloper of all of the Redevelopment Authority's rights, obligations, and duties under the Filbert Bridge Lease; and

WHEREAS, maintenance and other services for the Gallery Mall are currently provided by Mall Maintenance Corporation and Mall Maintenance Corporation II (collectively, the "Mall Maintenance Corporations"), in connection with which the City, PAID, the Redevelopment Authority, and others have entered into certain agreements (the "Mall Maintenance Agreements"); and

WHEREAS, City Council desires to further the redevelopment of the Gallery Mall by authorizing the City to provide such consents, execute such agreements, and take such other actions as may be necessary or desirable to terminate the Mall Maintenance Agreements and dissolve the Mall Maintenance Corporations, so that, among other things, many of the duties, obligations, and responsibilities of the Mall Maintenance Corporations may be fulfilled by the Redeveloper; NOW THEREFORE,

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of the Department of Public Property, on behalf of the City, is hereby authorized to accept an assignment of the rights of the Redevelopment Authority under the Public Access Easement.

SECTION 2. The City is hereby authorized to enter into one or more project funding agreements with PAID (collectively, the "Project Funding Agreements"), pursuant to which the City shall be obligated to provide future annual payments in the aggregate amounts set forth on the schedule attached as Exhibit "A". Such funds shall, as set forth in the Project Funding Agreements, be used by PAID to reimburse the Redeveloper for construction, maintenance, and operating costs relating to the Public Access Area. The Project Funding Agreements will also require that the City indemnify PAID for certain claims that may arise thereunder.

SECTION 3. The City is hereby authorized to enter into an agreement with the Redevelopment Authority providing for the indemnification of the Redevelopment Authority with respect to certain claims that may arise with respect to activities of the Redevelopment Authority in connection with the Gallery Mall.

SECTION 4. The Commissioner of the Department of Public Property, on behalf of the City, is hereby authorized to consent to and authorize the sublease and assignment to the Redeveloper of all rights, duties, and obligations of the Redevelopment Authority under the Filbert Bridge Lease.

SECTION 5. The City is hereby authorized to provide such consents, enter into such agreements, and take such other actions as may be necessary or desirable to terminate the Mall Maintenance Agreements and dissolve the Mall Maintenance Corporations.

SECTION 6. The various executive officers of the City are hereby authorized to enter into and/or execute, on behalf of the City, all other agreements or documents as are required to be entered into or executed by such officers under the preceding sections of this Ordinance or in order to effectuate the purposes of the agreements or other matters authorized by this Ordinance.

SECTION 7. The City Solicitor shall include in the agreements and documents authorized by this Ordinance such other reasonable terms and conditions as the City Solicitor may deem necessary and desirable to protect the interests of the City.

EXHIBIT "A"
PROJECT FUNDING SCHEDULE

Year	Payment Amount
1	2,068,755
2	2,130,818
3	2,194,742
4	2,260,584
5	2,328,402
6	2,398,254
7	2,470,202
8	2,544,308
9	2,620,637
10	2,699,256
11	2,780,234
12	2,863,641
13	2,949,550
14	3,038,036
15	3,129,178
16	3,223,053
17	3,319,744
18	3,419,337
19	3,521,917
20	3,627,574
21	3,736,402
22	3,848,494
23	3,963,949
24	4,082,867
25	4,205,353
26	4,331,514
27	4,461,459
28	4,595,303
29	4,733,162
30	4,875,157
31	5,021,411
32	5,172,054
33	5,327,215
34	5,487,032
35	5,651,643

36	5,821,192
37	5,995,828
38	6,175,703
39	6,360,974
40	6,551,803
41	6,748,357
42	6,950,808
43	5,562,398
Aggregate Amount	\$175,248,296