

Legislation Text

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Authorizing the Public Property Commissioner, on behalf of the City, to execute all documents necessary and appropriate, including conveyances of easements, title, and other interests in City-owned real estate, new leases and amendments to existing leases, to facilitate and support the coordinated and comprehensive development of the Delaware River waterfront, Interstate 95, and Christopher Columbus Boulevard (formerly a portion of Delaware Avenue), in the area bounded by Market Street, Pemberton Street, Front Street, and the Delaware River bulkhead line; and authorizing the Philadelphia Redevelopment Authority to execute corresponding conveyances, amendments and agreements; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. In this ordinance, “Development Area” means the area bounded

- (1) on the north by a line 100 feet north of and parallel with the northern boundary of Market Street,
- (2) on the south by a line following the southern boundary of Pemberton Street extended to the Delaware River,
- (3) on the west by the eastern boundary of Front Street from the northern boundary as described above to the southern boundary as described above, except that between Dock Street and Spruce Street the western boundary is the eastern boundary of 38th Parallel Place, and
- (4) on the east by the bulkhead line of the Delaware River and any submerged lands east of the bulkhead line that the Commonwealth of Pennsylvania agrees to lease to the City.

SECTION 2. The Council of the City of Philadelphia finds the following:

- A. The Pennsylvania Department of Transportation (“PennDOT”) constructed Interstate 95 highway (“I-95”) through Philadelphia in the 1960s. As part of its construction of the highway, PennDOT constructed a cover over the highway between Chestnut Street and Sansom Walk and a partial cover between Dock Street and Spruce Street.
- B. The upper surface of the I-95 cover between Chestnut Street and Sansom Walk (the “Chestnut Street Cover”) is public civic space that is enjoyed by Philadelphia residents and visitors and is used as the site of a memorial to the Irish Famine and Irish immigration to Philadelphia and a memorial to Scottish immigration to Philadelphia. The cover between Dock Street and Spruce Street (the “Spruce Street Cover”) supports the public civic space known as Foglietta Plaza, which is the site of the Korean War Memorial Park and the Philadelphia Vietnam Veterans Memorial.
- C. PennDOT has determined that the Chestnut Street Cover needs to be replaced. PennDOT is willing to replace the cover in connection with improvements it is making to I-95 and other roadways in the Development Area. As part of its Chestnut Street Cover replacement, PennDOT is willing to expand the

cover from Chestnut Street southward to include Walnut Street and to extend the cover eastward over Christopher Columbus Boulevard (formerly part of Delaware Avenue) so that the expanded and extended cover will provide approximately ten acres more of public civic space and pedestrian access from the area west of I-95 to the Delaware River waterfront (as expanded and extended, the Chestnut Street Cover is called the “Expanded Chestnut Street Cover”).

D. PennDOT also intends to rebuild and extend the South Street pedestrian bridge over I-95 to provide pedestrians access over Christopher Columbus Boulevard directly to the Delaware River waterfront.

E. PennDOT intends to replace the Spruce Street cover as well but has not yet established a schedule for that project.

F. The Delaware River Waterfront Corporation (“DRWC”) manages and operates the area along the Delaware River commonly known as “Penn’s Landing” under a series of conveyances and agreements (collectively, the “Penn’s Landing Agreements”) between the Commonwealth of Pennsylvania Department of General Services, PennDOT, the City of Philadelphia, the Philadelphia Redevelopment Authority (the “Redevelopment Authority,” formerly known as the Redevelopment Authority of the City of Philadelphia), and DRWC (formerly known as OPDC Penn’s Landing Corporation). Penn’s Landing lies within the Development Area. Under the Penn’s Landing Agreements, the Redevelopment Authority, as tenant, holds a leasehold interest in Penn’s Landing through April 30, 2075, which it has subleased to DRWC, as subtenant.

G. DRWC has obtained proposals for private construction, operation, and management of new mixed-use commercial, residential, retail, and recreational developments, in two development sites within Penn’s Landing (the “Development Sites”). DRWC may in the future develop and redevelop other sites it manages, as subtenant, within the Development Area. In connection with the Development Sites and DRWC’s future projects in the Development Area, DRWC has committed to complying with an Economic Opportunity Plan and obligating its sub-subtenants to comply with that plan. A copy of DRWC’s Economic Opportunity Plan is attached to this ordinance as Exhibit A.

H. Under a joint-use lease agreement between PennDOT and the City, and a sublease between the City and the Interstate Land Management Corporation (“ILMC”), ILMC maintains public areas along I-95, including the Chestnut Street Cover and the Spruce Street Cover.

I. To facilitate PennDOT’s reconstruction, expansion, and extension of the Chestnut Street Cover, PennDOT requires easements for construction staging areas in portions of Penn’s Landing adjoining the proposed Expanded Chestnut Street Cover.

J. To support improvement of the Development Sites, DRWC has determined it is necessary to extend the sublease agreements governing the Development Sites and the remainder of the Development Area for an additional 99 years.

K. The new developments DRWC is promoting at Penn’s Landing will benefit from the Expanded Chestnut Street Cover and other improvements PennDOT is making in the Development Area. Revenues from those new developments will, in turn, help support maintenance of the Expanded Chestnut Street Cover.

L. PennDOT’s construction of the Expanded Chestnut Street Cover will necessitate a new arrangement

for coordinated management, operation, maintenance, and repair of the cover, including possibly changing various parties' respective jurisdiction and responsibilities for those functions.

M. In passing this ordinance, it is City Council's intent that the City coordinate its oversight of the reconstruction, improvement, development, operation, management, and maintenance of the Expanded Chestnut Street Cover, the Spruce Street Cover, the Development Sites, and a public trail and other improvements in the Development Area.

N. It will help achieve City Council's intent by enabling the Public Property Commissioner, together with the City Solicitor, other City officials, and Philadelphia Redevelopment Authority officials, to negotiate, draft, and execute the necessary agreements, amendments, documents, and conveyances under a single authorization.

SECTION 3. The Public Property Commissioner, on behalf of the City of Philadelphia, is authorized to execute new agreements, amendments to existing agreements, termination agreements, conveyances, and other agreements and documents, to do the following:

1. Extend the current term of the Penn's Landing Agreements by 99 years beyond their current expiration dates; waive any right the City has to terminate any of the Penn's Landing Agreements before the end of the extended term; agree the City will not disturb each of DRWC's development tenancies in the Development Area as long as the subtenants and sub-subtenants have not defaulted under their respective agreement beyond applicable notice and cure periods; and execute documents to facilitate development, financing, and insurance in connection with development in the Development Sites.
2. Convey, lease, license, or give easements to PennDOT and DRWC and its development sub-subtenants for construction staging areas in or adjacent to Penn's Landing and other City-owned or City-controlled land in or adjacent to the Development Area.
3. Coordinate management, operation, maintenance, and repair of the new public civic space on the Expanded Chestnut Street Cover.
4. Regarding the Development Area, remove or add property and otherwise adjust property boundaries, easements, and rights-of-way, and make all necessary amendments to the Penn's Landing Agreements (or enter into new agreements) to incorporate any removal, addition, or adjustment.
5. Enter into other agreements and make other conveyances necessary and appropriate to accomplish City Council's intent expressed in this ordinance.

SECTION 4. Other City department heads and officials are authorized to join in executing documents with the Public Property Commissioner, and to execute additional separate agreements, as are necessary and appropriate to support the Public Property Commissioner's actions pursuant to this ordinance and to accomplish City Council's intent expressed in this ordinance.

SECTION 5. With respect to the Development Area and the developments this ordinance contemplates, the Philadelphia Redevelopment Authority is authorized to execute: (1) new agreements, lease, subleases; (2) amendments to existing agreements, Redevelopment Agreements, leases and subleases; (3) termination agreements; (4) conveyances; and (5) other agreements and documents, and to take all actions as may be necessary to help the City accomplish City Council's intent expressed in this ordinance.

SECTION 6. The City Solicitor is authorized to negotiate and write all documents this ordinance authorizes and make changes to them as the City Solicitor deems are most effective to protect the City's interests and that are consistent with this ordinance, including obligating DRWC and its sub-subtenants to comply with DRWC's Economic Opportunity Plan.

SECTION 7. This ordinance is effective immediately.