SUMMARY STATEMENT

ITEM NO.  SUBJECT:  Transfer of DRPA Property
Admiral Wilson Boulevard, Camden

COMMITTEE:  New Business

COMMITTEE MEETING DATE:  N/A

BOARD ACTION DATE:  June 10, 2009

PROPOSAL:  That the Board authorize staff to negotiate agreements with EDS Investments, LLC, an affiliate of the Campbell Soup Company, to transfer a 2 acre parcel of property owned by DRPA located along Federal Street, near the south side of Admiral Wilson Boulevard, in the City of Camden, New Jersey.

PURPOSE:  The purpose of the proposed agreement is to transfer property which is currently vacant and not part of DRPA's transportation facilities. The property will be used by the Campbell Soup Company as part of a larger project to develop and expand its corporate headquarters complex.

BACKGROUND:  Located in Camden since its founding in 1869, the Campbell Soup Company ("CSC") is the longest-standing corporate tenant and the only Fortune 500 company in Camden, New Jersey. CSC is the City of Camden’s largest private sector employer with approximately 1,200 workers at its Campbell Place facilities. CSC plans to expand its existing corporate headquarters complex and redevelop areas adjacent to its headquarters facility. The centerpiece of CSC’s expansion plan is the development of a new, 80,000 square foot employee services building that will serve as the entranceway to its headquarters campus. CSC will also undertake major renovations to its existing facilities and make site improvements to its complex at a total estimated cost of $72 million. The expansion project will create construction jobs, generate additional property taxes and, most importantly, retain CSC’s 1,200 jobs in the City of Camden.

To undertake the project, CSC has entered into a Project Development Agreement with the State of New Jersey (New Jersey Economic Development Authority and Department of Transportation), the City and County of Camden, and the City of Camden Redevelopment Agency (the "RDA"). Under the RDA, CSC
has committed to construct the $72 million 80,000 square foot office complex. The State and local governmental entities, in turn, committed to fund and construct up to $23 million in roadway and infrastructure improvements, and to assist CSC in its development efforts.

CSC has commenced the process of acquiring the properties needed for the project. EDS Investments, LLC ("EDS"), an affiliate of CSC, is the real or equitable owner of properties contiguous to a certain 2 acre property located to the east of the Benjamin Franklin Bridge ("BFB") in Camden, New Jersey. The DRPA property is located at the intersection of Federal Street and Mount Ephraim Avenue, and bounded by Newton Avenue to the west, Federal Street to the north, Mt. Ephraim Avenue to the East and tax lot 17 to the South. The property was the site of the former Canal's Liquor Mart. A survey depicting the property is attached to this resolution (the “Property”). The Property was acquired by the DRPA as part of the Admiral Wilson Boulevard beautification project as approved by the DRPA Commission in August of 1999.

EDS has formally submitted a proposal to the DRPA to acquire the Property at fair market value. In addition, EDS requests DRPA to quitclaim any interest it may have in the adjoining property (tax lot 17) to clear any cloud on title to that parcel. The tax office has mis-identified the adjoining tax parcel on its tax map and to avoid any future dispute to tax lot 17, EDS seeks a quitclaim deed from DRPA. DRPA is aware of the discrepancy and DRPA has no property interest in tax lot 17 and therefore staff recommends accommodating the EDS request.

Pursuant to DRPA's standard procedure for the evaluation of property acquisition requests, EDS' proposal was evaluated by staff to determine if the conveyance of the Property to EDS would cause an adverse impact to DRPA operations. As the Property is not part of DRPA's transportation facilities or the Admiral Wilson Boulevard Park, staff determined that conveyance of the Property will not cause an adverse impact to DRPA current operations and there is no foreseeable operational use of the Property in the future.

Staff obtained an appraisal of the Property from Renwick & Associates which determined the fair market value of the Property to be $4.96/square foot. An October, 1999 survey of the Property shows
the Property to be 1.975 acres or 86,031 square feet. Based upon the survey the fair market value of the Property is approximately $426,713.76. EDS has performed its own survey and agreed that the Authority’s survey is correct.

Staff has evaluated EDS’s proposal and advises that: (i) the sale of the Property and grant of the quitclaim deed are not detrimental to the interests of the DRPA; (ii) the sale, if consummated, will not adversely impact upon the operations of the DRPA; and (iii) the Property is no longer necessary for DRPA’s public purposes.

SUMMARY:

Amount: $4.96/square foot to be paid DRPA
[426,713.76]
Source of Funds: N/A
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: EDS, Campbell Soup Company
Duration of Contract: N/A
Other Parties Involved: Campbell Soup Company; State of New Jersey (NJEDA, NJDOT), City and County of Camden, City of Camden Redevelopment Agency
RESOLUTION

RESOLVED: That the Board of Commissioners find and declare that the Property described in the attached summary statement and shown in the attachment to this Resolution is no longer needed for the public purpose of the DRPA; and be it further

RESOLVED: That the Board of Commissioners hereby approve a conveyance of the above described Property and the issuance of a quitclaim deed to the adjacent tax lot 17 to EDS Investments, LLC, an affiliate of the Campbell Soup Company, for the consideration of $4.96/square foot or $426,713.76 as determined by a survey of the Property, and subject to the following terms and conditions: (i) the Property will be conveyed in an AS-IS condition; (ii) DRPA shall not have any obligation to remediate the Property or expend funding or pay for any environmental activities on the Property; and (iii) the instruments of sale include appropriate protections for the DRPA; and be it further

RESOLVED: That the Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Vice Chairman and Chief Executive Officer and if thereafter the Vice Chairman is absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

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