SUMMARY STATEMENT

ITEM NO.   SUBJECT:  Option to Purchase DRPA Property

COMMITTEE:  Executive

COMMITTEE MEETING DATE:  June 16, 2010

BOARD ACTION DATE:  September 15, 2010

PROPOSAL:  That the Board authorize staff to negotiate an agreement with Grapevine Development to grant an option to purchase DRPA property in the City of Camden, Camden County, New Jersey, and convey the said property in the event that the option is exercised, in order to support Grapevine’s project of redevelopment project along Haddon Avenue in Camden, New Jersey.

PURPOSE:  The purpose of the option to purchase land is to support Grapevine’s redevelopment project which will include development of a mixed-use community, including office, retail and residential uses. A sale would dispose of an unused parcel of property which is no longer necessary for the DRPA purposes.

BACKGROUND:  The City of Camden is undergoing a substantial redevelopment effort, with support from state and local government and from the local and regional business community. As part of the effort, DRPA has been included in the planning efforts throughout the City.

In 2006, planners Wallace Roberts & Todd, LLL (“WRT”) produced a document entitled “PATCO Transit-Oriented Development Master Plans Study” to evaluate mixed-use development opportunities to increase ridership, enhance the ridership experience, and encourage responsible redevelopment in communities surrounding its stations. That study identified the area north of the Ferry Avenue PATCO stations as an area suited for a Transit-Oriented Development, which could enhance ridership, provide jobs, bring amenities to the community and support business expansion in the area. The property which Grapevine seeks to option, 1709 Old White Horse Pike, Camden, is in the Ferry Avenue transit-oriented development study area.

Authority staff had the property appraised by an independent appraiser and Grapevine had a separate appraisal performed, after which negotiations arrived at a compromise price which the Authority’s appraiser believes to be a fair sale price for the property.
The option price offers the DRPA the fair market value as consideration for the property transfer. Grapevine will pay $24,000 for the initial two-year option and $12,000 each for two one-year renewals. The purchase price shall be $240,000, less the amounts paid for the options as deposit. Staff has determined that the transfer would not be detrimental to the interests of the DRPA and would not adversely impact upon the operations of the DRPA or PATCO. The property is not needed for any present or foreseeable use by the DRPA or PATCO.

SUMMARY:
Amount: (See Summary Statement)
Source of Funds: N/A
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: Grapevine Development
Duration of Contract: N/A
Other Parties Involved: Grapevine Development
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority hereby approve an option to purchase a portion of its property in the City of Camden, New Jersey by Grapevine Development, Moorestown, New Jersey; and the proper officers of the Authority be and are hereby authorized to negotiate such documents as are necessary to option and convey its title to portions of Block 1383, Lots 11 and 78 to Grapevine Development during an initial period of two years, renewable for two one-year terms.

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 Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

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