SUMMARY STATEMENT

ITEM NO.             SUBJECT:  401 Race Street Partners, LLC
                       Purchase and Easement Agreement
                       Affecting DRPA Property for the Purpose
                       of Vehicular and Pedestrian Ingress,
                       Egress, Construction Staging, Loading
                       and Unloading of Vehicles, and Parking
                       of Vehicles

COMMITTEE:           Executive Committee

COMMITTEE MEETING DATE:    September 15, 2010

BOARD ACTION DATE:    October 06, 2010

PROPOSAL: That the Board authorize staff to negotiate a purchase and easement agreement and other necessary agreements permitting 401 Race Street Partners, LLC (“Developer”) to purchase a fee simple interest in certain parcel of land owned by the DRPA and designated as “Area A” in the plans attached hereto, to acquire a permanent easement in the parcel of land designated as “Area B” in said plans (“Easement Area”) (Areas A and B to be referred to hereinafter collectively as the “Areas”), and to also to complete those improvements necessary to make the subject premises suitable for the Developer’s intended use.

PURPOSE: The purpose of the proposed purchase and easement agreement is to permit the Developer to utilize the Areas for the passage by ingress, egress, and regress of vehicular and pedestrian traffic, for staging areas relating to the construction of the improvements of the Pincus Brothers Building (“Building”), loading and unloading of vehicles, and the parking of vehicles.

BACKGROUND: Developer is affiliated with ARC Properties, Inc. and is the owner of the Pincus Brothers Building located at 401 Race Street, Philadelphia, Pennsylvania. The Developer has purchased the Building and intends to develop the same as a hotel with retail and restaurant tenants. The Developer seeks to purchase the sidewalk and 4’ area of roadway that runs adjacent to the Building along 5th Street and South Marginal Road (previously referred to as Area A), and to acquire a perpetual easement with restrictions providing for its exclusive use of the Easement Area which is situated along Fifth Street, Race Street and
South Marginal Road (commonly known as “Florist Street”).

The Developer proposes to use the Areas for the purpose of providing ingress, egress, and regress of vehicular and pedestrian traffic, the loading and unloading of vehicles, and the parking of vehicles for its hotel and retail patrons. The Developer also purposes to utilize the Easement Area as a staging area during the construction of the improvements of the Building.

The DRPA will reserve the right to approve the transfer or assignment of the interests conferred pursuant to the permanent easement, will reserve the right to enter onto and utilize the Easement Area in furtherance of its operation and maintenance of the Benjamin Franklin Bridge, and to approve any improvements to the Easement Area.

As consideration for DRPA's transfer of fee simple interest and the grant of a permanent easement, the Developer proposes the following terms:

1. Purchase Price of Area A: To determined.


3. Rental Fee for the Easement: To be determined

4. Developer Contribution to Reconfiguration of 5th Street: To be determined.

Engineering and Bridge Operations staff have reviewed the proposal and determined that the transfer of fee interest in Area A and the transfer of a permanent easement in Area B will not be detrimental to the interests of the DRPA and will not adversely impact the operations of the DRPA. Staff has also ordered an appraisal of the involved premises and the sales price and rental fees will be consistent with market value of the involved DRPA property.
SUMMARY STATEMENT
Executive Committee 10/06/10

401 Race Street Partners, LLC

Purchase and Easement Agreement
Affecting DRPA Property for the Purpose of Vehicular and Pedestrian Ingress, Egress, Construction Staging, Loading and Unloading of Vehicles, and Parking of Vehicles

SUMMARY: Amount: To be determined
Source of Funds: N/A
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: Perpetual
Other Parties Involved: 401 Race Street Partners, LLC
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority hereby accepts the proposal of 401 Race Street Partners, LLC as set forth in this summary statement and resolution and approves the purchase and easement agreement in favor of the 401 Race Street Partners, LLC to purchase the sidewalk and 4’ area of roadway that runs adjacent to the Building along 5th Street and South Marginal Road, and to acquire a perpetual easement with restrictions providing for its exclusive use of the Easement Area which is situated along Fifth Street, Race Street and South Marginal Road (commonly known as “Florist Street”) (referred to respectively as Areas “A” and “B” on the plans attached hereto); and be it further

RESOLVED: That the Board of Commissioners authorizes the proper officer of the Authority to negotiate the purchase and easement agreement and any other documents required to complete the involved transaction and consistent with the intent of this resolution; 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 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 STATEMENT

Executive Committee 10/06/10

401 Race Street Partners, LLC

Purchase and Easement Agreement Affecting DRPA Property for the Purpose of Vehicular and Pedestrian Ingress, Egress, Construction Staging, Loading and Unloading of Vehicles, and Parking of Vehicles

SUMMARY:  

Amount:  
Purchase Price and Rental Fees to be Paid by 401 Race Street Partners, LLC

Source of Funds:  
N/A

Capital Project #:  
N/A

Operating Budget:  
N/A

Master Plan Status:  
N/A

Other Fund Sources:  
N/A

Duration of Contract:  
Perpetual

Other Parties Involved:  
401 Race Street Partners, LLC