

**PHILADELPHIA REDEVELOPMENT AUTHORITY**

**1234 MARKET STREET, 16<sup>TH</sup> FLOOR  
PHILADELPHIA, PA 19107**

**BOARD MEETING  
WEDNESDAY, AUGUST 14, 2019**

**Open Session – 4:00 P.M.**

**A G E N D A**

**APPROVAL OF BOARD MINUTES**

Meeting of July 10, 2019

**I. EXECUTIVE DIRECTOR'S REPORT**

**II. ADMINISTRATIVE**

- (a) Gallery Mall Redevelopment Project  
**Approval of Second Amendment to Contract  
for Professional Services with Hill International, Inc.**
- (b) Philadelphia Zoo Broiler Replacement Project  
Burns Mechanical, Inc.  
**Approval Construction Contract**
- (c) Jane Duffy, Esquire  
**Professional Legal Services Contract**
- (d) Brownfield Science & Technology, Inc.  
**Agreement for Professional Services Contract**
- (e) Duffield Associates, Inc.  
**Agreement for Professional Services Contract**

**III. DEVELOPMENT**

- (a) South Central Urban Renewal Area  
1100 South Street, LLC  
1100-04 South Street including 602-06 S. 11<sup>th</sup> Street  
**Certificate of Completion**

## **AGENDA**

Board Meeting of August 14, 2019

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### **IV. HOUSING FINANCE**

Nicole Hines Limited Partnership  
417, 423, 431, 443, 445 and 445-Rear E. Wister  
Street and 5120 Rufe Street  
**Consent to Loan Modification**

### **V. REAL ESTATE**

- (a) Department of Public Property  
2301, 2303, 2305 and 2307 Ridge Avenue  
**Conveyance of Properties**
  
- (b) Department of Public Property  
5107, 5109, 5111, 5113, 5121, 5123 and  
5125 Market Street  
**Conveyance of Properties**

# PHILADELPHIA REDEVELOPMENT AUTHORITY

## BOARD MEETING MINUTES

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A meeting of the Board of Directors of the Philadelphia Redevelopment Authority was held on Wednesday, July 10, 2019, commencing at 4:01 P.M., in the offices of the Philadelphia Redevelopment Authority, being its regular meeting place, 16th floor, 1234 Market Street, Philadelphia, Pennsylvania, pursuant to proper notices.

### ROLL CALL

The following members of the Board of Directors reported present: Anne Fadullon, Chair; Duane Bumb, Secretary; and Maria Duque-Buckley, 2nd Vice Chair and Assistant Secretary (via telephone).

The following members of the Board of Directors not present: Rob Dubow, Treasurer; and James Cuorato, Vice Chair.

The following members of the Authority staff were present: Gregory Heller, Ryan D. Harmon, Esquire, Ali Mooney, Darci Bauer, Tracy Pinson-Reviere, Jane Allen, Karanja Slaughter, Zoe Linder-Baptie, and Elizabeth Bonaccorso.

Also in attendance: Peilin Chen, City Finance Department; Vic Szwanki, KML Council of Carpenters; Judith Robinson, 32<sup>nd</sup> Ward RCO; Troy Hannigan, Community Ventures; Roneece Dent, PLB; Angel Rodriguez, PLB; Bradley Vassallo, PLB; and Jamila Davis, DHCD.

### ANNOUNCEMENTS

None.



### MINUTES

Ms. Fadullon called for a motion to approve the minutes of the Board meeting of June 12, 2019.

Upon motion made and duly seconded, the minutes of June 12, 2019 were approved.



## **EXECUTIVE DIRECTOR'S REPORT**

None.



### **ADMINISTRATIVE**

**Mr. Harmon presented "Item II (a) – Amendment to Professional Services Agreement with IEI Group, Ltd." in substance consistent with the attached Fact Sheet hereto.**

#### **Board Action**

Ms. Fadullon called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

#### **RESOLUTION NO. 2019-49**

**RESOLUTION AUTHORIZING THE PHILADELPHIA REDEVELOPMENT AUTHORITY, AS AGENT FOR THE CITY OF PHILADELPHIA, TO ENTER INTO AN AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES WITH IEI GROUP, LTD. FOR ADDITIONAL FURNITURE, FIXTURE AND EQUIPMENT SERVICES FOR 400 NORTH BROAD STREET, INCLUDING 1501 CALLOWHILL STREET**

**WHEREAS**, on April 13, 2018, the Philadelphia Redevelopment Authority (the "Authority"), as agent for the City of Philadelphia (the "City"), solicited proposals from qualified firms to provide furniture, fixtures and equipment ("**FF&E**") services for the property located at 400 North Broad Street, including 1501 Callowhill Street (collectively, the "**Property**"), which is currently being developed by 400 North Broad Partners, L.P., and will be delivered as a turnkey project for the City Police Department and other City agencies to occupy.

**WHEREAS**, IEI Group, Ltd. ("**IEI**") submitted its response to bids, outlining their extensive experience.

**WHEREAS**, IEI was the lowest, qualified bidder and pursuant to Resolution No. 2018-52, adopted on July 11, 2018, the Authority Board approved a Contract for Professional Services ("**Services Contract**") between the Authority, as agent for the City, and IEI, to provide services related to the design, coordination, selection, specification, procurement and installation of FF&E at the Property.

**WHEREAS**, the Services Contract was executed by the parties on September 11, 2018.

**WHEREAS**, the City has now determined that additional FF&E (including, but not limited to, wall and corner guards, signage, metal lockers, lab equipment, fume hoods and biosafety

cabinets, morgue equipment, roller shades, controlled environment rooms and lab casework) (collectively, the "**Additional FF&E**") is required to complete the project.

**WHEREAS**, IEI has agreed to purchase the additional FF&E on behalf of the City.

**WHEREAS**, the total cost of the Additional FF&E amounts to Four Million Six Hundred Sixty-Five Thousand Seven Hundred Thirty Dollars (\$4,665,730) and IEI will receive additional compensation in an amount not to exceed Two Hundred Thirty-Nine Thousand Eight Hundred Eighty-Nine Dollars (\$239,889) ("**Additional Compensation**") under the Services Contract.

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, the authorization is hereby given to the Authority's Executive Director to enter into an Amendment to Contract for Professional Services, as agent for the City, with IEI, to purchase, acquire and install the Additional FF&E and, for such services, IEI will be paid an amount not to exceed the Additional Compensation.

**FURTHER RESOLVING**, the preparation, execution, and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel.

**FURTHER RESOLVING**, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution and Construction Contract necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Ms. Fadullon, Mr. Bumb and Ms. Duque-Buckley.



**Mr. Harmon presented "Item II (b) – Amendment to Legal Services Contract with Sandler & Marchesini, P.C." in substance consistent with the attached Fact Sheet hereto.**

**Board Action**

Ms. Fadullon called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

**RESOLUTION NO. 2019-50**

**RESOLUTION AUTHORIZING AN AMENDMENT TO LEGAL SERVICES CONTRACT WITH PAUL N. SANDLER, ESQUIRE (SANDLER & MARCHESINI, P.C.)**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that having entered into a Legal Services Contract with Paul N. Sandler, Esquire (Sandler & Marchesini, P.C.), dated

effective July 1, 2012, to provide legal representation to the Authority in connection with pending litigation (the "Services Contract"), the Authority hereby authorizes the Executive Director to enter into an Amendment to the Services Contract to increase compensation by an additional Five Thousand Dollars (\$5,000); all other terms and conditions of the Services Contract to remain in full force and effect; further authorizing the preparation of an Amendment to Legal Services Contract in a form and manner satisfactory to Authority counsel.

**FURTHER AUTHORIZING**, the preparation, execution, and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel.

**FURTHER AUTHORIZING**, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Ms. Fadullon, Mr. Bumb and Ms. Duque-Buckley.



## **HOUSING FINANCE**

**Ms. Mooney presented "Item III – Non-Recourse Construction/Permanent Loan Agreement with Community Ventures" in substance consistent with the attached Fact Sheet hereto.**

### *Additional Comments and Discussion*

Ms. Fadullon recognized Mr. Troy Hannigan from Community Ventures and invited him to speak. Mr. Hannigan first thanked the Board for approving today's action. Mr. Hannigan further stated that Community Ventures would be making settlement at the end of August and construction would begin immediately thereafter.

Ms. Fadullon next recognized Ms. Robinson and invited her to speak. Ms. Robinson stated that the community is extremely happy with this project. Mr. Robinson asked whom the community could contact to request additional projects for their community. Ms. Fadullon responded that applications for projects are selected through a Request for Proposals ("RFP") process and the selection committee reviews and selects approximately five (5) to six (6) projects yearly. These projects usually receive PHFA tax credits. Ms. Fadullon finally stated that the City would like to do additional housing projects; however, there is limited resources available.

### **Board Action**

Ms. Fadullon called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

**RESOLUTION NO. 2019-51**

**RESOLUTION AUTHORIZING THE AUTHORITY TO ENTER INTO A NON-RESCOURSE CONSTRUCTION/PERMANENT LOAN AGREEMENT WITH SUSQUEHANNA SQUARE HOUSING LP IN AN AMOUNT NOT TO EXCEED \$2,400,000**

**WHEREAS**, in August 2018 pursuant to Resolution No. 2018-70 adopted and approved by the Board, the Philadelphia Redevelopment Authority ("Authority") was authorized to enter into a non-recourse predevelopment loan agreement with Susquehanna Square LP ("SS LP") in the amount of Five Hundred Nine Thousand Four Hundred Fifty Thousand Dollars (\$509,450) (the "Predevelopment Loan"); and

**WHEREAS**, the proceeds of the Predevelopment Loan were used to assist in predevelopment activities associated with the Susquehanna Square low-income rental housing development located at 1601 Diamond Street, 2139-51, 2159-61 N. 15<sup>th</sup> Street, 2116, 2124 N. 16<sup>th</sup> Street (the "Predevelopment Properties"); and

**WHEREAS**, to maintain environmental protections, the investor is requiring that the Predevelopment Properties be transferred to a newly created limited partnership Susquehanna Square Housing LP ("SSH LP"); and

**WHEREAS**, the Predevelopment Properties will be conveyed to SSH LP and together with other land located at 2137, 2153-57 N. 15<sup>th</sup> Street and 2118-22 N. 16<sup>th</sup> Street (collectively, the "Properties") will be developed into thirty-seven (37) permanent rental housing units for low-income residents (the "Project"); and

**WHEREAS**, the Predevelopment Loan will be satisfied, and all funds expended under it will be included in financing provided to SSH LP in the amount of Two Million Four Hundred Thousand Dollars (\$2,400,000) (the "Authority Loan"); and

**NOW THEREFORE, BE IT RESOLVED**, by the Philadelphia Redevelopment ("Authority"), that the Authority is authorized to take the following actions:

1. The Predevelopment Loan will be satisfied, and all funds expended thereunder will be included in the Authority Loan.
2. The Authority is providing the Authority Loan to SSH LP. The proceeds of the Authority Loan will be used to assist in the new construction of thirty-seven (37) affordable rental housing units. Upon completion, the Project will be targeted to households with income at or below 60% of area median income.
3. The Authority Loan will be structured with a term of thirty-seven (37) years at one percent (1%) interest. During the Authority Loan term, no principal or interest will be required to be paid. The Authority Loan will be due and payable in thirty-seven (37) years. The Authority Loan will be secured by a third (3<sup>rd</sup>) lien position on the Properties behind construction financing provided by TD Bank

and the Philadelphia Housing Authority ("PHA"). Upon construction completion, the Authority Loan will remain in a third (3<sup>rd</sup>) lien position behind permanent financing provided by Community Lenders Community Development Corporation and the PHA loan.

4. Closing on the Authority Loan will be contingent upon the following:
  - i. All necessary Authority approvals from various departments.

**FURTHER AUTHORIZING**, the preparation, execution, and delivery of all documentation necessary to carry out the foregoing in form and substance acceptable to the Executive Director and General Counsel.

**FURTHER AUTHORIZING**, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Ms. Fadullon, Mr. Bumb and Ms. Duque-Buckley.



**ADD ON ITEM**

**Ms. Pinson-Reviere presented "Item IV – Release of Deed Covenants for 2147 E. Orleans Street" in substance consistent with the attached Fact Sheet hereto.**

**Board Action**

Ms. Fadullon called for a motion on the resolution. Upon motion made and duly seconded, the resolution was approved as follows:

**RESOLUTION NO. 2019-52**

**RESOLUTION AUTHORIZING THE RELEASE OF COVENANTS CONTAINED IN THE DEED FOR 2147 E. ORLEANS STREET**

**BE IT RESOLVED**, by the Philadelphia Redevelopment Authority, that (1) solely with respect to 2147 E. Orleans Street, Philadelphia, Pennsylvania (the "Property"), the covenants contained in the deed between the Authority and Philadelphia Housing Development Corporation, dated January 15, 1993, may be released from the Property, and (2) further authorizing the execution, delivery and recording of a Release for the Property and the preparation of all other documentation necessary or desirable in order to carry out the foregoing.



**FURTHER RESOLVING**, that the Executive Director, with the advice of General Counsel, may allow modifications to the Resolution necessary or desirable to carry out its purposes and intents.

Voting for the foregoing resolution: Ms. Fadullon, Mr. Bumb and Ms. Duque-Buckley.



**OLD BUSINESS**

Ms. Fadullon inquired if there was any old business for the Board. Ms. Fadullon recognized Ms. Robinson and invited her to speak. Ms. Robinson stated that she had further questions with regards to how public citizens can access financing for housing projects in the City of Philadelphia. Ms. Fadullon replied that Ms. Davis from the Communications Division is present and would be able to answer her question. Ms. Davis responded that you can access the Consolidated Plan on the [phila.gov/dhcd](http://phila.gov/dhcd) website. This outlines the funding received, and you can visit the Land Bank and PRA websites to see when RFPs and other opportunities are posted. Ms. Davis further stated that DHCD also releases RFPs with funding opportunities as well.



**NEW BUSINESS**

Ms. Fadullon inquired if there was any new business for the Board. No new business was presented to the Board.



**ADJOURNMENT**

There being no further business to come before the Board, Ms. Fadullon declared the meeting adjourned at 4:17 P.M.

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SECRETARY TO THE BOARD



BOARD FACTSHEET  
Meeting of July 10, 2019  
Approval of Amendment to Contract for Professional Services  
Furniture, Fixtures and Equipment Services  
400 North Broad Street

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## BACKGROUND:

On April 13, 2018, the Philadelphia Redevelopment Authority (the "**Authority**"), as agent for the City of Philadelphia (the "**City**"), solicited proposals from qualified firms to provide furniture, fixtures and equipment ("**FF&E**") services for the property located at 400 North Broad Street, including 1501 Callowhill Street (collectively, the "**Property**"), which is currently being developed by 400 North Broad Partners, L.P., and will be delivered as a turnkey project for the City Police Department and other City agencies to occupy.

Pursuant to Resolution No. 2018-52, adopted on July 11, 2018, the Authority Board approved a Contract for Professional Services ("**Services Contract**") between the Authority, as agent for the City, and IEI Group, Ltd. ("**IEI**"), to provide services related to the design, coordination, selection, specification, procurement and installation of FF&E at the Property. The Services Contract was executed on September 11, 2018. The total compensation payable to IEI under the Services Contract was Nine Hundred Eighty-Nine Thousand Four Hundred Sixty-Nine Dollars (\$989,469). IEI has since provided a FF&E package to the City which has been approved.

## NATURE OF AMENDMENT:

The City has now determined that additional FF&E (including, but not limited to, wall and corner guards, signage, metal lockers, lab equipment, fume hoods and biosafety cabinets, morgue equipment, roller shades, controlled environment rooms and lab casework) (collectively, the "**Additional FF&E**") is required to complete the project. IEI has agreed to purchase the additional FF&E on behalf of the City. The total cost of the Additional FF&E amounts to Four Million Six Hundred Sixty-Five Thousand Seven Hundred Thirty Dollars (\$4,665,730). As a condition of purchasing, acquiring and installing the Additional FF&E, IEI will receive additional compensation in an amount not to exceed Two Hundred Thirty-Nine Thousand Eight Hundred Eighty-Nine Dollars (\$239,889) ("**Additional Compensation**").

The Board is requested to authorize an amendment to the Services Contract to provide for the payment of all costs related to the Additional FF&E and to provide for the payment of the Additional Compensation to IEI.

**BACKGROUND/FINANCING:**

The project will be funded with City Capital funds as outlined in the executed Subgrant Agreement between the Authority, the City and the Philadelphia Authority for Industrial Development ("PAID"). The Subgrant Agreement allows for funds to be transferred to the Authority for various capital improvement projects.

Proposed Resolution is attached.

Prepared by: Ryan Harmon, Esq.

Reviewed by: Robert Labrum



BOARD FACTSHEET  
Meeting of July 10, 2019  
Amendment to Legal Services Contract  
Paul N. Sandler, Esquire (Sandler & Marchesini, P.C.)

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The Board is requested to approve an Amendment to the July 1, 2012 Legal Services Contract ("Services Contract") with Paul N. Sandler, Esquire (Sandler & Marchesini, P.C.), to increase compensation by an additional Five Thousand Dollars (\$5,000).

Mr. Sandler is currently representing the Authority in the following matter:

**Abduvakhob Alimbaev v. Philadelphia Redevelopment Authority**

This case involves an appeal from a Board of View award with respect to the property located at 1716 N. 52nd Street. We have reached a settlement in the matter but the compensation available to Mr. Sandler under the Services Contract has been expended.

Mr. Sandler also provides legal advice on occasion relative to potential legal matters and strategy.

This Amendment is necessary to provide funding to pay outstanding amounts owed (approximately \$400) and the fees projected to bring the above matter to conclusion.

A proposed resolution is attached.

**BOARD FACTSHEET**

Meeting of July 10, 2019

Non-Recourse Construction/Permanent Loan

Susquehanna Square

**NAME OF SPONSOR/DEVELOPER:** Community Ventures

**Nature of Transaction:** Authorization for the Authority to enter into a non-recourse construction/permanent loan agreement with Susquehanna Square Housing LP ("SSH LP") in an amount not to exceed Two Million Four Hundred Thousand Dollars (\$2,400,000) ("Authority Loan"). The proceeds of the Authority Loan will be used to assist in the new construction of thirty-seven (37) affordable rental units (the "Project") for families with incomes at or below sixty (60%) percent of the area median income. The Project is located at 1601 Diamond Street, 2137-2161 N. 15<sup>th</sup> Street and 2116-2124 N. 16<sup>th</sup> Street (the "Properties").

**Background Information:** In August 2018, pursuant to Resolution No. 2018-70, the Authority was authorized to enter into a non-recourse predevelopment loan agreement with Susquehanna Square LP ("SS LP") in an amount not to exceed Five Hundred Nine Thousand Four Hundred Fifty Dollars (\$509,450) ("Predevelopment Loan"). The proceeds of the Predevelopment Loan were used to perform demolition, environmental remediation and pay for related soft costs associated with the Project. The Project site consists of nineteen (19) lots owned by four public entities of which twelve (12) of the lots, 1601 Diamond Street, 2139-51, 2159-61 N. 15<sup>th</sup> Street and 2116, 2124 N. 16<sup>th</sup> Street ("Predevelopment Properties"), were transferred into the ownership of SS LP to complete predevelopment activities. To maintain environmental protections, the investor is requiring that the Predevelopment Properties be transferred to a new limited partnership, SSH LP. The remaining seven (7) lots will be transferred to SSH LP before closing on the financing. The Predevelopment Loan will be satisfied and all funds expended under it will be included in the Authority Loan with SSH LP.

<b>PROJECT INFORMATION:</b>	Susquehanna Square
<b>Addresses:</b>	1601 Diamond Street, 2137-2161 N. 15th Street and 2116-2124 N. 16th Street
<b>Total Development Cost:</b>	\$14,186,836
<b>Total Construction Cost:</b>	\$9,823,518
<b>PRA Financing:</b>	\$2,400,000 HOME Funds

**FINANCING:**

**Item III**

The Authority Loan will be structured with a term of thirty-seven (37) years at one percent (1%) interest. During the Authority Loan term, no principal or interest will be required to be paid. The Authority Loan will be due and payable in thirty-seven (37) years. The Authority Loan will be secured by a third (3<sup>rd</sup>) lien position on the Properties behind the construction loan financing provided by TD Bank and the Philadelphia Housing Authority ("PHA") loan. Upon payment of the construction loan, the Authority Loan will remain in a third (3<sup>rd</sup>) lien position behind permanent financing provided by Community Lenders Community Development Corporation and the PHA loan.

**COMMENTS OR OTHER CONDITIONS:**

The City of Philadelphia ("City") has approved the Economic Opportunity Plan for this Project. The Development Team has no outstanding tax issues. The Authority housing construction department has approved the plans, specifications and construction costs for the Project. The City Planning Commission has issued environmental clearance on the Properties.

Proposed Resolution is attached

Prepared by: Ali Mooney, Housing Development Officer  
Reviewed by: Darci Bauer, Director of Housing Finance

**BOARD FACTSHEET**

Meeting of July 10, 2019

Release of Deed Covenants

2147 E. Orleans Street, Philadelphia, Pennsylvania

**NAME OF DEVELOPER/APPLICANT:** Philadelphia Housing Development Corporation ("PHDC")

**NATURE OF TRANSACTION:** The Board is asked to authorize the release of Deed Covenants (defined below) that the Authority included in the deed from the Authority to the Redeveloper dated January 15, 1993 ("Deed"), solely with respect to 2147 E. Orleans Street, Philadelphia, Pennsylvania (the "Property").

**BACKGROUND:** The Board previously authorized the conveyance of the Property to PHDC in order for PHDC to either rehabilitate the Property or convey the Property to a grantee who would be required to rehabilitate the Property. The Property was conveyed to PHDC by the Deed, which Deed contained covenants regarding the required development, use, transfer, encumbrance, and occupancy of the Property (collectively, "Deed Covenants"). The rehabilitation of the Property either by PHDC or a subsequent grantee never occurred.

PHDC was required to convey the Property back to the Authority if it was unable to complete the rehabilitation of the Property or find a buyer for the Property, but PHDC unintentionally conveyed the Property to the Philadelphia Land Bank (the "Land Bank"). As such, PHDC has requested the Authority to release the Deed Covenants.

The Land Bank will ultimately seek approval from its Board to transfer the Property to a developer to construct an affordable single-family dwelling. Because PHDC is a non-profit housing corporation incorporated by the City of Philadelphia who conveyed the Property for nominal consideration to the Land Bank, a public body and a body corporate and politic similar to the Authority, who in turn will impose a development obligation on the developer with respect to the Property through a development agreement similar to the Authority's, the Board is requested to authorize the release of the Deed Covenants.

Prepared by: Tracy Pinson-Reviere

Reviewed by: Angel Rodriguez