



AGENDA

TO: THE MEMBERS OF THE BOARD OF DIRECTORS OF THE
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

FROM: KATE HAGEDORN, SECRETARY

The following is the Agenda for the Meeting of the Board of Directors of the Philadelphia Authority for Industrial Development to be held on Tuesday, March 12, 2019, at 5:00 p.m. in PIDC's Board Room, 26th Floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

- I. Approval of the Minutes of the Authority for the meeting held on February 12, 2019.
- II. Consider and approve Resolutions authorizing PAID to:
 - A. Submit RACP Grant Applications to the Commonwealth of Pennsylvania's Office of the Budget; enter into Grant Agreements with the Office of the Budget on behalf of the grant recipients and enter into Sub-grant Agreements with the appropriate entities of individual projects.
 - B. Revise a prior loan and grant to the University of Pennsylvania.
 - C. Acquire fee simple title to a property located at 3809-19 Frankford Avenue from the City of Philadelphia, and further authorizing PAID to sell the property to Wm. Proud Masonry Restoration Company, Inc.
 - D. Revise a prior authorization to acquire fee simple title to a property located at 130 W. Westmoreland Street from the City of Philadelphia, and further authorizing PAID to sell the property to White Car, LLC.
 - E. Convey fee simple title to a parcel at 14515 McNulty Road in the Byberry East Industrial Park to Elliott-Lewis Corporation.

RESOLUTION

Philadelphia Authority for Industrial Development

Redevelopment Assistance Grant Application

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to submit Redevelopment Assistance Capital Program (RACP) Grant Applications to the Commonwealth of Pennsylvania’s Office of the Budget for an aggregate amount not to exceed \$10,000,000; and to enter into Grant Agreements with the Office of the Budget on behalf of the grant recipients; and to enter into Sub-grant Agreements with the appropriate entities of the following individual projects.

Beneficiary of Prospective Award	Grant Amount
Cristo Rey Philadelphia High School	\$2,500,000
Spark Therapeutics, Inc.	\$7,500,000
Total	\$10,000,000

BACKGROUND

PAID is qualified as a public authority to file applications to the Commonwealth of Pennsylvania for eligible approved RACP projects. The Commonwealth of Pennsylvania’s Office of the Budget requires that the applicant (PAID) provide a resolution authorizing the filing of the application and stating the amount requested.

PROJECT DESCRIPTIONS

Cristo Rey Philadelphia High School

Cristo Rey Philadelphia will build its new school campus at 1717 W. Allegheny Avenue in the Tioga neighborhood of Philadelphia. The campus will be approximately 100,000 SF, including 54,000 SF in a renovated historic factory and 47,785 SF of new construction. The construction costs for this project total \$37 million. The new campus will feature state-of-the-art educational space, a gymnasium, an athletic field and outdoor recreational spaces to be used by the school and the community. The new campus will enable the school to increase enrollment by 20% and result in 15 new, permanent faculty and staff positions. The RACP Grant is for \$2,500,000 and the total project costs are approximately \$37,000,000.

RACP GRANT: \$2,500,000

Spark Therapeutics, Inc.

Spark Therapeutics, Inc. will expand its research and development space and consolidate its operations into a single corporate and research and development headquarters at 3025 Market Street in Philadelphia. The project includes a full second floor renovation for new research laboratories and offices. The RACP Grant is for \$7,500,000 and the total project costs are approximately \$16,100,000.

RACP GRANT: \$7,500,000

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RESOLUTION

Philadelphia Authority for Industrial Development
Revision to Prior Authorization

University of Pennsylvania

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to provide a loan in the amount of \$300,000 for a term of three years at an interest rate of 1% along with a \$300,000 grant to the University of Pennsylvania or its nominee or assignee.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and do such other acts necessary to assist the University of Pennsylvania or its nominee or assignee upon such terms and conditions as they deem to be in the best interests of this Corporation.

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NAME: UNIVERSITY OF PENNSYLVANIA **Client #:** 2019

Nature of Business: University

Principals: Amy Gutmann; Craig Carnaroli; Wendy White; Stephen Golding

Borrower: Trustees of the University of Pennsylvania

Number of Employees: 351 **Contemplated:** 601

Present Address: 3401 Grays Ferry Avenue
Philadelphia, PA 19146

Reason for Transaction: To partially finance the environmental remediation and infrastructural site work for Pennovation Building 227 at 3401 Grays Ferry Avenue, Philadelphia, PA

NEW ADDRESS: 3401 Grays Ferry Avenue
Philadelphia, PA 19146
Gray's Ferry Industrial Park

Zoning: I3 **Comp. Plan Land Use:** Industrial

Property Description: Former Dupont chemical manufacturing facility

OUTLINE OF TRANSACTION:

Penn is currently renovating building (B-227) located at the Pennovation Center to create the Pennovation Center Lab, an approximately 68,000 square feet lab facility for companies growing out of Pennovation Center. Remediation costs associated with the project total almost three million dollars.

Demo/Remediation	\$902,149
Direct Trade Costs	\$639,330
Misc. Fees	\$476,121
Other Soft Costs	\$937,400
Total Cost of Project:	\$2,955,000

METHOD OF FINANCING:

PAID will provide a Subordinate Term Loan in the amount of \$300,000, for a term of 36 months at a fixed interest rate of 1. %

PAID will award the Borrower a grant in the amount of \$300,000.

The Redevelopment Assistance Grant Program will provide a grant for \$1,000,000

The balance of the project cost, \$1,355,000, will be provided by the company.

COMMENTS:

The PIDC Loan Committee has reviewed and approved this transaction.

BACKGROUND:

On October 9, 2018, PAID approved a \$150,000 Environmental Remediation loan and a \$150,000 grant to University of Pennsylvania. Due to an increase of the renovation project budget, the University of Pennsylvania is requesting that PAID increase its loan to \$300,000 and grant to \$300,000 to partially fund the increases.

March 12, 2019

RESOLUTION

Philadelphia Authority for Industrial Development

Wm. Proud Masonry Restoration Company, Inc.

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to acquire fee simple title to an approximately 64,850 square-foot property located at 3809-19 Frankford Avenue from the City of Philadelphia, and further authorizing PAID to sell this property to Wm. Proud Masonry Restoration Company, Inc. (Wm. Proud), or its assignee or nominee, for a consideration of \$300,000.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary to assist the City of Philadelphia upon such terms and conditions as they deem to be in the best interests of PAID.

BACKGROUND

Wm. Proud is a masonry restoration firm located on American St. in West Kensington. The subject property is a vacant lot owned by the City of Philadelphia located at the intersection of Frankford Avenue and Sedgley Avenue. Wm. Proud plans to relocate the firm's offices and warehouse to new space it will construct on the Frankford Avenue site. This relocation will allow the company to create 10 new positions.

The Department of Public Property has agreed to sell this property through PAID to the purchaser. This sale will be contingent on approval of an ordinance by City Council which is scheduled to be introduced during the current City Council session.

The net proceeds from the sale of this property will be returned to the City of Philadelphia's General Fund.

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RESOLUTION

Philadelphia Authority for Industrial Development

White Car, LLC
Revision to Prior Authorization

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to acquire fee simple title to an approximately 26,999 square foot property located at 130 W. Westmoreland Street from the City of Philadelphia, and further authorizing PAID to sell this property to White Car, LLC., or its assignee or nominee, for a consideration of \$70,000.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to do such other acts necessary to assist the City of Philadelphia upon such terms and conditions as they deem to be in the best interests of PAID.

BACKGROUND

At its September 25, 2018 Board meeting, PAID approved the sale of this property to White Car LLC for \$170,000. The sale price was incorrectly described and should have been listed at \$70,000. All other elements of the prior resolution remain unchanged.

March 12, 2019

RESOLUTION

Philadelphia Authority for Industrial Development

Elliott-Lewis Corporation

A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to convey fee simple title to an approximately 14.4 acre site at 14515 McNulty Road in the Byberry East Industrial Park to Elliott-Lewis Corporation, or their assignee or nominee, for consideration of \$1,168,517.

The appropriate officers of PAID are hereby authorized and empowered to execute all necessary and desired documents and agreements, and do such other acts necessary upon such terms and conditions as they deem to be in the best interests of PAID.

BACKGROUND

Elliott-Lewis is Philadelphia-based, full-service, mechanical, construction, and energy management firm servicing clients in the Mid-Atlantic and New England. Elliott-Lewis's subsidiary, Sautter Crane, has expanded significantly in recent years and also provides warehousing services for its clients to support its crane rental business. The growth of the crane business, its emerging warehousing services and the growth of the size and sophistication of the cranes lead Elliott-Lewis to consider a range of options to address its space constraints including relocation to a site outside of Philadelphia to consolidate all of its local operations. The McNulty Rd. site's location $\frac{3}{4}$ of a mile from Elliott-Lewis's headquarters will allow for its continued growth within Philadelphia.

Elliott-Lewis will acquire the McNulty Rd. site in the Byberry East Industrial Park to construct a 20,000 SF warehouse and create a dedicated crane storage and staging facility with the ability to add an additional 20,000 SF of space as the crane business expands. Elliott-Lewis will invest \$5.5 million into the site. Elliott-Lewis will relocate 10 existing positions to the new site and create 12 new full-time positions. The McNulty Rd. investment will also allow for the addition of 5 new positions at Elliott-Lewis's headquarters location.

The purchase price is based on two recent, independent real estate appraisals of the property. Net proceeds from the sale will be deposited in the Industrial and Commercial Development Fund.

The sale of this property by PAID is subject to the terms and conditions of the Philadelphia Industrial and Commercial Development Agreement (Bill No. 1048, approved April 25, 1974) and the approval of the Director of Commerce.