

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE  
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT  
NOVEMBER 18, 2014**

Leslie Anne Miller, Esquire, Vice Chair, presided at the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development on Tuesday, November 18, 2014, at 5:25 p.m. in PIDC's Board Room, 26th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Members attending:

Evelyn Smalls  
David L. Hyman, Esquire  
Harold Yaffe, DDS

Attending from the PIDC staff:

John Grady	President, PIDC
Ilene Burak, Esq.	Senior Vice President/General Counsel
Anthony Simonetta	Senior Vice President
Wanda Speight	Senior Vice President
Meg Clark	Executive Assistant, Office of the President
Mary Corcoran	Assistant Secretary

Upon motion made by Ms. Smalls and seconded by Mr. Hyman, the Minutes of the Meeting of the PAID Board held on October 21, 2014 were approved.

Mr. Grady requested approval of the following:

1. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to:
  - a. enter into a lease with Mercer Café II for Building 623 located in The Navy Yard. The lease will have a term of 10 years with two five-year renewals. Annual rent is on a triple net basis with the tenant paying for its portion of all building operating expenses and the Navy Yard Common Area Maintenance Charges (CAM) in addition to Base Rent. Base Rent commences at \$26.67 per square foot with increases of 3 percent every year thereafter.
  - b. provide a tenant improvement allowance in the amount of \$250,000 from the Economic Conversion Fund, which will be amortized over 15 years at an interest rate of 1% and repaid through base rent.

- c. provide a loan in an amount of \$400,000 for a term of 8 years with an 8-year amortization schedule at a fixed interest rate of 2.75% to Mercer Café II.

Upon motion made by Dr. Yaffe and seconded by Ms. Smalls, the Members unanimously approved the above Resolution.

2. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Environmental Construction Services, Inc. or its nominee or assignee for Quarters M1, consisting of 4,180 square feet and located in The Navy Yard's Historic Core section. The lease term will be for five years and one month with one five-year renewal. Annual rent is on a triple net basis with the tenant paying for all building operating expenses and the Navy Yard Common Area Maintenance Charges (CAM) in addition to base rent. Base rent commences at \$23.00 per square foot with increases of 3 percent every year thereafter but provides for a four-year ramp up period. In year one, the leased area will be 2,500 square feet which will grow to 3,200 feet in year two and 3,900 square feet in year three.

Mr. Grady informed the Members that Michael E. Brown, President and CEO of Environmental Construction Services, Inc., is a Member of the Board of Directors of PIDC.

Upon motion made by Mr. Hyman and seconded by Dr. Yaffe, with Ms. Smalls abstaining (stating that United Bank is providing financing for this transaction – see Enclosure 1), the Members approved the above Resolution.

3. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Zoomer, Inc. or its nominee or assignee for 2,680 square feet of space in Building 101 located in The Navy Yard's Historic Core section. The lease will have a term of three years and four months with one five-year renewal. Annual rent is on a triple net basis with the tenant paying for its portion of all building operating expenses and the Navy Yard Common Area Maintenance Charges (CAM) in addition to Base Rent. Base Rent commences at \$18.00 per square foot with increases of 3 percent every year thereafter but provides for a one-year ramp up period including one month of free rent in lieu of providing any tenant improvements.

Upon motion made by Dr. Yaffe and seconded by Mr. Hyman, the Members unanimously approved the above Resolution.

4. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to contract with Brightfields, Inc. for an amount not to exceed \$1,960,000 to provide construction services for the

Bartram's North Remediation Project. The contract term will commence December 1, 2014 and run through July 1, 2015.

Upon motion made by Ms. Smalls and seconded by Mr. Hyman, the Members unanimously approved the above Resolution.

5. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to execute a Sales and Development Agreement for an approximately 2.5-acre parcel located at 1000-20 S. Broad Street to a joint venture of Toll Brothers Apartment Living and MIS Capital, LLC, or its nominee or assignee for consideration of \$6,500,000. The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements upon such terms and conditions as they deem to be in the best interests of the Authority.

Upon motion made by Mr. Hyman and seconded by Ms. Smalls, the Members unanimously approved the above Resolution.

6. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to acquire fee simple title to an approximately 42,256 square foot property located at 1049-69 N. Front Street from the City of Philadelphia, and further authorizing PAID to sell this property to Core Realty, Inc., or its assignee or nominee, for a consideration of \$1,250,000. 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 the Authority.

Upon motion made by Mr. Hyman and seconded by Ms. Smalls, the Members unanimously approved the above Resolution.

7. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to convey an approximately 2.7-acre parcel located at 3000 South 56<sup>th</sup> Street to the City of Philadelphia for \$240,000. The appropriate officers of PAID are hereby authorized and empowered to execute all necessary 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.

Upon motion made by Ms. Smalls and seconded by Mr. Hyman, the Members unanimously approved the above Resolution.

8. 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 \$55,600,000; 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.

<b>Project</b>	<b>Grant Amount</b>
American Oncologic Hospital (d.b.a. Fox Chase Cancer Center)	\$ 1,000,000
Dietz & Watson, Inc.	5,000,000
Drexel University	5,000,000
Eastern State Penitentiary	500,000
EB Realty Management Corporation	3,500,000
Girard Square A MY LP	2,500,000
Jeanes Hospital	500,000
Philadelphia Chinatown Development Corp.	3,700,000
Philadelphia Fringe Festival	500,000
Philadelphia Museum of Art	5,000,000
PIDC Development Management Corporation (Comcast Center)	25,000,000
The Salvation Army	1,000,000
Thomas Jefferson University Hospital	1,500,000
WHYY	500,000
Wistar Institute	<u>400,000</u>
<b>Total</b>	<b>\$55,600,000</b>

Upon motion made by Ms. Smalls and seconded by Dr. Yaffe, with Mr. Hyman abstaining on the application on behalf of Drexel University (stating that Kleinbard Bell & Brecker represent Drexel University – see Enclosure 2), the Members approved the above Resolution.

There being no further business, the Meeting was adjourned.

Enclosure 1

November 18, 2014

Mr. John S. Grady, President  
Philadelphia Industrial Development Corporation  
2600 Centre Square West, 1500 Market Street  
Philadelphia, PA. 19102

Ms. Joan Decker  
Records Commissioner  
Department of Records  
Room 156, City Hall  
Philadelphia, PA. 19107

RE: Potential Conflicts of Interest - Chapter 20-600 Philadelphia Code

Dear Ms. Decker:

I am a Member of the Board of Directors of the Philadelphia Authority for Industrial Development (PAID). I am also President and CEO of United Bank of Philadelphia.

I participated in a meeting of the PAID Board on November 18, 2014 and disclosed that United Bank is providing financing for Environmental Construction Services, Inc.'s project at The Navy Yard. I, therefore, announced my disqualification from consideration of a Resolution authorizing PAID to enter into a lease with Environmental Construction Services, Inc. or its nominee or assignee for Quarters M1, consisting of 4,180 square feet and located in The Navy Yard's Historic Core section. The lease term will be for five years and one month with one five-year renewal. Annual rent is on a triple net basis with the tenant paying for all building operating expenses and the Navy Yard Common Area Maintenance Charges (CAM) in addition to base rent. Base rent commences at \$23.00 per square foot with increases of 3 percent every year thereafter but provides for a four-year ramp up period. In year one, the leased area will be 2,500 square feet which will grow to 3,200 feet in year two and 3,900 square feet in year three.

Sincerely,

EVELYN SMALLS

ES/mac

Enclosure 2

November 18, 2014

Mr. John S. Grady, President  
Philadelphia Industrial Development Corporation  
2600 Centre Square West, 1500 Market Street  
Philadelphia, PA. 19102

Ms. Joan Decker  
Records Commissioner  
Department of Records  
Room 156, City Hall  
Philadelphia, PA. 19107

RE: Potential Conflicts of Interest - Chapter 20-600 Philadelphia Code

Dear Ms. Decker:

I am a Member of the Board of Directors of the Philadelphia Authority for Industrial Development (PAID). I am also Managing Partner of the law firm of Kleinbard Bell & Brecker, LLP.

I participated in a meeting of the PAID Board on November 18, 2014 and disclosed that Kleinbard Bell & Brecker represents Drexel University and I, therefore, announced my disqualification from consideration of a Resolution authorizing 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 \$55,600,000; 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. One of grants is for \$5 million to Drexel University for its Innovation Neighborhood project which aims to create a nexus for Research, Technology Transfer, and Economic Development on its campus. The project will include land acquisition, building renovations, and environmental improvements. The total project cost is approximately \$36,300,000.

Sincerely,

DAVID L. HYMAN, ESQUIRE

DLH/mac