



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

SENATE BILL NO. 817

PRINTERS NO. 1910

PRIME SPONSOR: Rafferty

### COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	See fiscal impact

**SUMMARY:** SB 817 authorizes the Department of General Services to extend the terms of a lease of a portion of the Southeastern Pennsylvania Veterans' Center property.

Amendment A08908 authorizes the exchange of land between Robbie S. Cohen-Millstein and the Commonwealth of Pennsylvania in Nockamixon Township, Bucks County.

Amendments A08909 and A08910 authorize long-term leases of land located in the bed of the Delaware River, in the City of Philadelphia, Philadelphia County.

**ANALYSIS:** SB 817 authorizes the Department of General Services to extend the term of an existing lease of state real property located on the premises of the Southeastern Pennsylvania Veterans' Center, East Vincent Township, Chester County.

In 2016 the Commonwealth entered into a 5-year lease agreement with Chester County for \$1 per year. The lease agreement allows the county to use the 7,200 square foot parcel as the location of a county wireless communication tower, which is a part of the county's regional emergency communications system.

The bill authorizes the Department of General Services to extend the term of the lease from 5 years to 15 years.

**Amendment A08908** authorizes the Department of Conservation and Natural Resources, with the approval of the Governor, to grant and convey to Robbie S. Cohen-Millstein certain lands situate in Nockamixon Township, Bucks County, in exchange for Robbie S. Cohen-Millstein granting and conveying certain lands to the Commonwealth of Pennsylvania, Department of Conservation and Natural Resources, to be added to those existing lands at Delaware Canal State Park.

All costs and fees incidental to the conveyances contained in amendment A08908 shall be borne by their respective parties. This provision shall not apply to any taxes to which the Commonwealth is immune. In the event that these conveyances are not executed by December 31, 2019, the authorization contained in this amendment shall become null and void.

**Amendment A08909** authorizes the Department of General Services (DGS) with the concurrence of the Department of Environmental Protection (DEP) to lease lands located within the bed of the Delaware River to Pier 35 ½ LLC and Penn Treaty Views LLC.

The first parcel is approximately 1.19006-acres that will be leased to Pier 35 ½ LLC for a period of 99 years for the development of 41 townhouses with parking for two cars each. In accordance with the lease, Pier 35 ½ LLC shall provide and maintain the following for free public access to the riverfront, fishing and other recreational activities and free public parking in connection with access:

- A minimum of 10 public parking spaces located proximate to the public walkway near the water edge and signage indicating public parking;
- Public walkways on the riverfront, including water edge promenades along the entire water edge of the properties and adjacent to the water, providing free public access to the water and allowing for passive and active recreational activities year-round and signage indicating the walkways are open to the general public; and
- Public access to the Delaware River in accordance with the Delaware River Waterfront Corporation Place consistent with the Waterfront Setback requirements of the Philadelphia Code.

The second parcel is approximately 1.49738-acres that will be leased to Penn Treaty LLC for a period of 99 years for the development of 19 townhouses with parking for two cars each. In accordance with the lease, Penn Treaty LLC shall provide and maintain at least the following free public access to the riverfront, for fishing and other recreational activities in connection with access:

- Free public access to the water and allowing for passive and active recreational activities year-round and signage indicating the walkways are open to the general public;
- A free public park area along the public walkway near the water;
- Public access to the Delaware River in accordance with the Delaware River Waterfront Corporation Place consistent with the Waterfront Setback requirements of the Philadelphia Code.

Each of the leases may be extended for an additional 99 years. The leases also prohibit the property from being utilized as a licensed gaming facility. Should any portion of the parcel authorized to be leased be used in violation of Amendment A08909, the lease shall terminate immediately. Consideration for each lease will be negotiated by the applicable parties.

**Amendment A08910** authorizes the Department of General Services (DGS) with the approval of the Attorney General and the concurrence of the Department of Environmental Protection (DEP) to lease lands located within the bed of the Delaware River to K4 Philadelphia, LLC, or its nominee.

The parcels of land are located partially in the 1<sup>st</sup> Ward of the City of Philadelphia and includes lands commonly known as 1341 South Christopher Columbus Boulevard, Pier No. 55 and Pier No. 57. The land will be leased to K4 Philadelphia, LLC for a period of 99 years for the possible development of residential, office, commercial, retail, condominium, hotel, marina or other public uses, or uses as may be permitted in accordance with applicable law, including, but not limited to, municipal land use regulations.

In accordance with the lease, K4 Philadelphia, LLC shall provide and maintain the following for free public access to the riverfront, fishing and other recreational activities and free public parking in connection with access:

- A minimum of 10 public parking spaces located proximate to the public walkway near the water edge and signage indicating public parking;
- Public walkways on the riverfront, including water edge promenades along the entire water edge of the properties and adjacent to the water, providing free public access to the water and allowing for passive and active recreational activities year-round and signage indicating the walkways are open to the general public; and
- Public access to the Delaware River in accordance with the Delaware River Waterfront Corporation Place consistent with the Waterfront Setback requirements of the Philadelphia Code.

The lease may be extended for an additional 99 years. The lease also prohibits the property from being utilized as a licensed gaming facility. Should any portion of the parcel authorized to be leased be used in violation of Amendment A08910, the lease shall terminate immediately. Consideration for each lease will be negotiated by the applicable parties.

Effective date: Immediately.

**FISCAL IMPACT:** Enactment of this legislation will have no adverse impact on Commonwealth funds.

The lease agreement in Amendment A08909 shall provide a one-time payment in the amount of \$400,000 payable to the Commonwealth.

The lease agreement in Amendment A08910 for Pier No. 55 and Pier No. 57 shall provide rent or consideration payable to the Commonwealth upon the execution of the lease, in an amount to be determined by the Secretary of General Services, and shall include such other terms and conditions as the Department of General Services shall establish, with the concurrence of the Department of Environmental Protection.

**PREPARED BY:** Thomas Gwinn  
House Appropriations Committee (R)

**DATE:** June 21, 2018

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*