

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 53**Session of  
1989

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**Report of the Committee of Conference**

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To the Members of the House of Representatives and Senate:

We, the undersigned, Committee of Conference on the part of the House of Representatives and Senate for the purpose of considering House Bill No. 53, entitled:

"An act authorizing and directing the Department of General Services, with the approval of the Governor and the Chancellor of the State System of Higher Education, to convey to Pocono Medical Center a certain tract of land situate in the Borough of East Stroudsburg, Monroe County, in exchange for a certain monetary consideration and a certain tract of land; and authorizing the Department of General Services, with the approval of the Department of Environmental Resources, to supplement and amend a lease between the Commonwealth and the City of Philadelphia, authorized pursuant to the act of December 9, 1980 (P.L.1133, No.201), subject to certain conditions, in the fifth ward of the City of Philadelphia,"

respectfully submit the following bill as our report:

JOSEPH W. BATTISTO

KEITH R. McCALL

MATTHEW J. RYAN

(Committee on the part of the House of Representatives.)

JAMES J. RHOADES

FRANK A. SALVATORE

CHAKA FATTAH

(Committee on the part of the Senate.)

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AN ACT

1 Authorizing and directing the Department of General Services,  
2 with the approval of the Governor and the Chancellor of the  
3 State System of Higher Education, to convey to Pocono Medical  
4 Center a certain tract of land situate in the Borough of East  
5 Stroudsburg, Monroe County, in exchange for a certain  
6 monetary consideration and a certain tract of land; and  
7 authorizing the Department of General Services, with the  
8 approval of the Department of Environmental Resources, to  
9 supplement and amend a lease between the Commonwealth and the  
10 City of Philadelphia, authorized pursuant to the act of  
11 December 9, 1980 (P.L.1133, No.201), subject to certain  
12 conditions, in the fifth ward of the City of Philadelphia.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. The Department of General Services, with the  
16 approval of the Governor and the Chancellor of the State System  
17 of Higher Education, is hereby authorized and directed on behalf  
18 of the Commonwealth of Pennsylvania to grant and convey to  
19 Pocono Medical Center the following tract of land bounded and  
20 described as follows:

21 All that certain lot, piece or parcel of land situated in the  
22 Borough of East Stroudsburg, County of Monroe, Commonwealth of  
23 Pennsylvania, bounded and described as follows:

24 Beginning at a concrete monument on the northerly line of  
25 East Brown Street, the southeasterly corner of lands of Pocono  
26 Hospital; thence by lands of Pocono Hospital north 12 degrees 53  
27 minutes 47 seconds west 486.50 feet to a point, the  
28 northeasterly corner of said lands of Pocono Hospital; thence by  
29 lands of East Stroudsburg University, of which this parcel of  
30 land was formerly a part, south 23 degrees 39 minutes 16 seconds  
31 east 495.59 feet to a point on the northerly line of East Brown  
32 Street; thence along said northerly line of East Brown Street  
33 south 77 degrees 20 minutes 09 seconds west 92.51 feet to the  
34 place of beginning.

1       Containing 22,502 square feet more or less.

2       Section 2. The conveyance authorized by section 1 shall be  
3 in exchange for \$7,500 in monetary consideration and the  
4 conveyance by Pocono Medical Center to the Commonwealth of  
5 Pennsylvania of a tract of land, bounded and described as  
6 follows:

7       All that certain messuage known as 220 Normal Street and lot,  
8 tract, piece or parcel of land, including a wooden frame  
9 residence, situate in the Second Ward of the Borough of East  
10 Stroudsburg, County of Monroe, and Commonwealth of Pennsylvania,  
11 bounded and described as follows,

12       Beginning at a post on the north side of Normal Street, being  
13 the eastern corner on Normal Street of and formerly of W. S.  
14 Felver; thence along the line of said land of formerly W.S.  
15 Felver in a northerly direction at a right angle to the line of  
16 Normal Street, two hundred feet to a post in the line of land  
17 late of Elizabeth LeBar; thence along the said line of land late  
18 of said Elizabeth LeBar in an easterly direction forty feet and  
19 six inches, more or less, to other lands formerly of Albert W.  
20 Knapp; thence along said other lands formerly of said Albert W.  
21 Knapp in a southerly direction and at right angles to the line  
22 of Normal Street two hundred feet and six inches, more or less,  
23 to the said northerly line of said Normal Street; thence along  
24 said line of said Normal Street in a westerly direction forty  
25 feet to the place of beginning.

26       Section 3. The conveyance authorized by section 1 shall be  
27 made under and subject to all easements, servitudes and rights  
28 of others, including, but not confined to, streets, roadways and  
29 rights of telephone, telegraph, water, electric, sewer, gas or  
30 pipeline companies, as well as under and subject to any

1 interest, estates or tenancies vested in third persons, whether  
2 or not appearing of record, for any portion of the land or  
3 improvements erected thereon.

4 Section 4. The deed of conveyance shall be approved as  
5 required by law and shall be executed by the Secretary of  
6 General Services in the name of the Commonwealth of  
7 Pennsylvania.

8 Section 5. The parties to the transaction shall bear their  
9 respective costs.

10 Section 6. (a) The Commonwealth of Pennsylvania owns the  
11 lands within the bed of the Delaware River, a portion of which  
12 lands are located in the 5th Ward of the City of Philadelphia,  
13 commonly known as Piers #3 and #5. The City of Philadelphia  
14 desires to eliminate the blight and deterioration which now  
15 exist in this area and undertake the redevelopment of various  
16 sites within this area for the substantial benefit of the people  
17 of the City of Philadelphia and the surrounding regions. The  
18 Commonwealth has agreed to assist the City of Philadelphia in  
19 the renewal of this area by leasing a portion of the bed of the  
20 Delaware River to the City of Philadelphia as hereinafter  
21 provided.

22 (b) The Department of General Services, with the concurrence  
23 of the Department of Environmental Resources, acting on behalf  
24 of the Commonwealth of Pennsylvania, for a consideration of \$1,  
25 is hereby authorized to grant to the City of Philadelphia the  
26 right to extend the lease period, authorized pursuant to the act  
27 of December 9, 1980 (P.L.1133, No.201), entitled "An act  
28 authorizing the Department of General Services, with the  
29 approval of the Department of Environmental Resources, to lease  
30 to the City of Philadelphia certain lands subject to certain

1 conditions within the bed of the Delaware River in the fifth  
2 ward of the City of Philadelphia, Pennsylvania," for certain  
3 portions of the leased premises as outlined below for an  
4 additional 99 years (the "Renewal Term") upon notice given no  
5 less than ten years prior to the expiration of the initial term.  
6 These lands are more particularly described as follows:

7 Parcel No. 1.

8 All that certain lot or piece of ground situate in the Fifth  
9 Ward of the City of Philadelphia and described in accordance  
10 with a Survey and Plan of Properties made November 18, 1981, and  
11 revised January 6, 1982, by Lawrence J. Cleary, Surveyor and  
12 Regulator of the Third Survey District.

13 Beginning at a point on the easterly side of Delaware Avenue,  
14 L.R.67025, variable width, and the Bulkhead Line of the Delaware  
15 River as fixed by the Secretary of War, January 20, 1891, and  
16 reestablished September 10, 1940, said point being located north  
17 14 degrees 03 minutes 50 seconds east, the distance of 147 feet  
18 from the point of intersection of the said Bulkhead Line and the  
19 former north line of Market Street, 100 feet wide, produced;  
20 thence extending north 14 degrees 03 minutes 50 seconds east,  
21 along the said easterly side of Delaware Avenue and said  
22 Bulkhead Line, the distance of 791 feet 2 1/8 inches to a point;  
23 thence extending south 75 degrees 56 minutes 10 seconds east,  
24 the distance of 61 feet 10 1/4 inches to a point; thence  
25 extending south 79 degrees 48 minutes 05 seconds east, the  
26 distance of 471 feet 8 1/8 inches to a point on the Pierhead  
27 Line of the Delaware River as fixed by the Secretary of War,  
28 January 20, 1891, and reestablished September 10, 1940; thence  
29 extending south 14 degrees 51 minutes 14 seconds west, along the  
30 said Pierhead Line, the distance of 263 feet 6 1/8 inches to a

1 point; thence extending south 11 degrees 13 minutes 56 seconds  
2 west, along the said Pierhead Line and partly crossing the  
3 easterly end of an easement for drainage purposes, variable  
4 width, the distance of 579 feet 10 1/4 inches to a point; thence  
5 extending north 80 degrees 06 minutes 20 seconds west, within  
6 the bed of the said easement, the distance of 371 feet 11 3/8  
7 inches to a point; thence extending north 9 degrees 53 minutes  
8 40 seconds east within the bed of said easement for drainage  
9 purposes, the distance of 60 feet 1 5/8 inches to a point on the  
10 easterly side of a certain easement for service road, private  
11 utilities, water and drainage purposes, variable width; thence  
12 extending north 80 degrees 06 minutes 20 seconds west, partly  
13 along the northerly end of the said easement for service road,  
14 private utilities, water and drainage purposes, and partly along  
15 an offset line of said Delaware Avenue, the distance of 182 feet  
16 7 3/8 inches to the said easterly side of Delaware Avenue and  
17 Bulkhead Line, the first mentioned point and place of beginning.  
18 Containing in area 445,144 square feet. Being known as Pier #3  
19 and Pier #5.

20 Parcel No. 1A.

21 All that certain riparian parcel situate in the Fifth Ward of  
22 the City of Philadelphia and described in accordance with a  
23 Survey and Plan of Properties made April 17, 1989, and revised  
24 April 25, 1989, by Lawrence J. Cleary, Surveyor and Regulator of  
25 the Third Survey District:

26 Beginning at a point located the following two courses and  
27 distances from the point of intersection of the easterly side of  
28 Delaware Avenue (SR #2001, variable width) and Bulkhead Line of  
29 the Delaware River, as fixed by the Secretary of War, January  
30 20, 1891, and reestablished September 10, 1940, with the former

1 northerly side of Market Street (100 feet wide) produced:

2 1. North 14 degrees 03 minutes 50 seconds east, along the  
3 said easterly side of Delaware Avenue and said Bulkhead Line,  
4 the distance of 938 feet 2 1/8 inches; thence

5 2. South 75 degrees 56 minutes 10 seconds east, the distance  
6 of 31 feet 2 3/4 inches to the said beginning point; then  
7 extending north 14 degrees 03 minutes 50 seconds east, the  
8 distance of 110 feet 8 inches to a point; thence extending south  
9 79 degrees 46 minutes 10 seconds east, the distance of 502 feet  
10 8 3/8 inches to a point on the Pierhead of the Delaware River,  
11 as fixed by the Secretary of War, January 20, 1891, and  
12 reestablished September 10, 1940; thence extending south 14  
13 degrees 51 minutes 14 seconds west, along the said Pierhead  
14 Line, the distance of 215 feet 1 3/8 inches to a point; thence  
15 extending north 79 degrees 48 minutes 06 seconds west, the  
16 distance of 484 feet 2 1/4 inches to a point; thence extending  
17 north 32 degrees 52 minutes 08 seconds west, the distance of 21  
18 feet 3 inches to a point; thence extending north 14 degrees 03  
19 minutes 50 seconds east, the distance of 88 feet 11 3/8 inches  
20 to the said beginning point.

21 Containing in area 107,419 square feet (2.46599 acres).

22 (c) The lease and any other documents hereby contemplated  
23 shall be approved by the Attorney General and shall be executed  
24 by the Department of General Services, with the approval of the  
25 Department of Environmental Resources, in the name of the  
26 Commonwealth of Pennsylvania. The lease shall grant the lessee,  
27 City of Philadelphia, the right to sublease or permit the  
28 sublease of the above-described premises for the purposes of  
29 development for residential, office, commercial, condominium,  
30 hotel, marina, or other uses, and the lease shall specifically



1 include the following conditions:

2 UNDER AND SUBJECT, nevertheless, to the condition that if  
3 the said Lessee, City of Philadelphia, should sublease or  
4 permit the sublease of or otherwise transfer the above-  
5 described premises during said Initial Term other than to  
6 a department or agency or political subdivision of the  
7 City or to the Commonwealth of Pennsylvania or a  
8 department or agency or political subdivision of the  
9 Commonwealth, the net rentals received by the said  
10 Lessee, City of Philadelphia, upon such sublease or  
11 transfer shall be received, held, and applied as follows:  
12 First, to reimburse said Lessee, City of Philadelphia,  
13 for the costs and expenses of said sublease or transfer,  
14 including, without limitation, appraisal fees, title  
15 insurance charges, marketing costs, attorney fees, and  
16 other costs and expenses, similar and dissimilar;  
17 Second, to reimburse said Lessee, City of Philadelphia,  
18 or any department or agency or political subdivision  
19 thereof, for the cost of any improvements now or  
20 hereafter erected on the above-described premises,  
21 including, without limitation, the cost of any piers,  
22 wharves, bulkheading, water and sewer lines and  
23 connections, and other improvements, similar or  
24 dissimilar, and the fair market value of any rights to  
25 develop space over the above-described premises; and  
26 Third, the balance of said net rentals shall be paid  
27 seventy-five percent (75%) to the said Lessor,  
28 Commonwealth of Pennsylvania, or its designee or  
29 assignee, and twenty-five percent (25%) to the said  
30 Lessee, City of Philadelphia, or its designee or

1 assignee, in consideration of their respective interests  
2 in the above-described premises pursuant to said Lease.  
3 AND FURTHER PROVIDED, that if the said Lessee, City of  
4 Philadelphia, should sublease or permit the sublease of  
5 or otherwise transfer the above-described premises during  
6 the said Renewal Term other than to a department or  
7 agency or political subdivision of the City or to the  
8 Commonwealth of Pennsylvania or a department or agency or  
9 political subdivision of the Commonwealth, the City of  
10 Philadelphia shall require payment of quarter-annual or  
11 other more frequent periodic payments of rent  
12 representing the Fair Market Value Rent for that portion  
13 of the said lands subleased or otherwise transferred as  
14 of the date of the commencement of the Renewal Term, and  
15 such Fair Market Value Rent shall be received, held and  
16 applied in accordance with subparagraphs First, Second  
17 and Third above.

18 The "Fair Market Value Rent" shall be the rent which a  
19 willing tenant would pay to a willing landlord pursuant  
20 to an arm's-length transaction for the Lease of that  
21 portion of the premises as if it were a parcel improved  
22 with roads and utilities, but exclusive of the other  
23 improvements constructed thereon as determined by one  
24 Appraiser selected jointly by the City and the  
25 Commonwealth, or, if the City and the Commonwealth do not  
26 agree on the selection, by three (3) Appraisers selected  
27 as follows: one Appraiser shall be selected by the  
28 Commonwealth, one Appraiser shall be selected by the  
29 City, and one Appraiser shall be selected by the  
30 Appraisers selected by the City and the Commonwealth;

1 provided, however, that if the Appraisers selected by the  
2 City and the Commonwealth are unable to agree upon the  
3 third Appraiser, then the third Appraiser shall be  
4 selected by the President Judge of the Philadelphia Court  
5 of Common Pleas, or his or her successor. The term  
6 "Appraiser" shall mean a person who has been engaged in  
7 the business of appraising multifamily residential and  
8 commercial real estate within the area of the City of  
9 Philadelphia for a period of at least five (5) years  
10 prior to the date of his or her designation, and shall be  
11 then a member of the American Institute of Real Estate  
12 Appraisers, or any successor thereto then in existence,  
13 or any other body or organization similar in nature to  
14 the American Institute of Real Estate Appraisers if the  
15 American Institute of Real Estate Appraisers is not then  
16 in existence. Each Appraiser shall designate the Fair  
17 Market Value Rent, and the rent payable during the  
18 Renewal Term shall be the sum determined by adding the  
19 total of the Fair Market Value Rent designated by each  
20 Appraiser and dividing such total by the number of  
21 Appraisers. The cost of the services of said Appraisers  
22 shall be divided equally between the City and the  
23 Commonwealth.

24 (d) The Department of General Services, with the concurrence  
25 of the Department of Environmental Resources, acting on behalf  
26 of the Commonwealth of Pennsylvania, is also specifically  
27 authorized to enter into one or more nondisturbance agreements  
28 with any sublessee of the above-described premises pursuant to  
29 which the Commonwealth will agree that, if the Commonwealth  
30 succeeds to the interest of the City of Philadelphia under said

1 sublease, it will not terminate said sublease unless said  
2 sublessee is in default thereunder.

3 (e) The Department of General Services, with the approval of  
4 the Attorney General, is hereby authorized to execute, on behalf  
5 of the Commonwealth of Pennsylvania, any declaration or other  
6 document necessary to submit the above-described premises or any  
7 portion thereof and any improvements thereon to the provisions  
8 of 68 Pa.C.S. Part II Subpt. B (relating to condominiums) as a  
9 leasehold condominium.

10 Section 7. This act shall take effect immediately.