DELAWARE RIVER WATERFRONT CORPORATION

Special Meeting Of The Board Of Directors
September 9, 2020

AGENDA

I. Penn's Landing Background and Context

II. Penn's Landing Development Opportunity Selection Process

III. Review of Proposals Received

IV. Selection Committee Recommendation

V. Board Member Questions and Comments

VI. Public Comment Period

VII. Board of Directors Vote

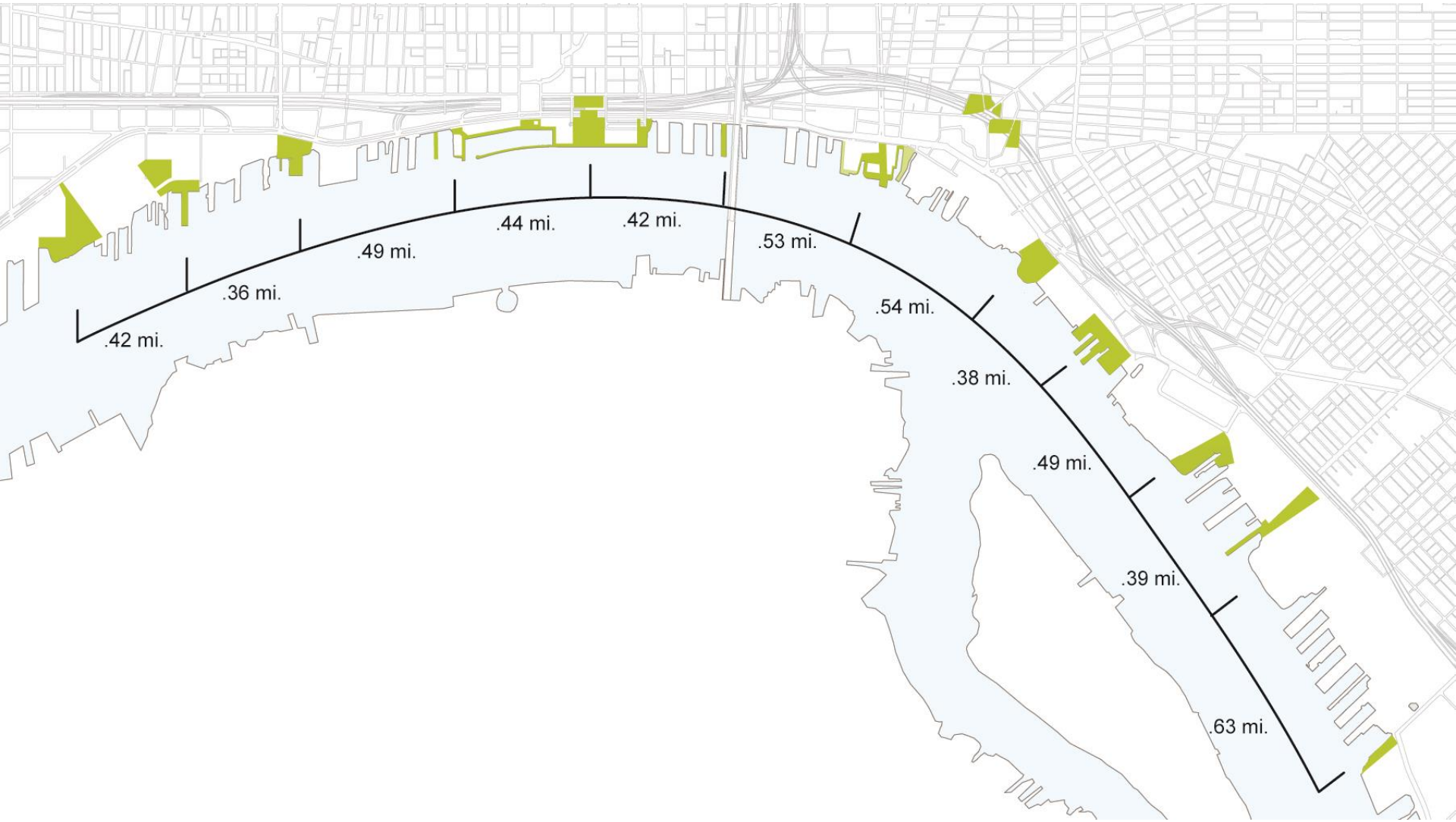
PENN'S LANDING

PENN'S LANDING: HOW WE GOT HERE

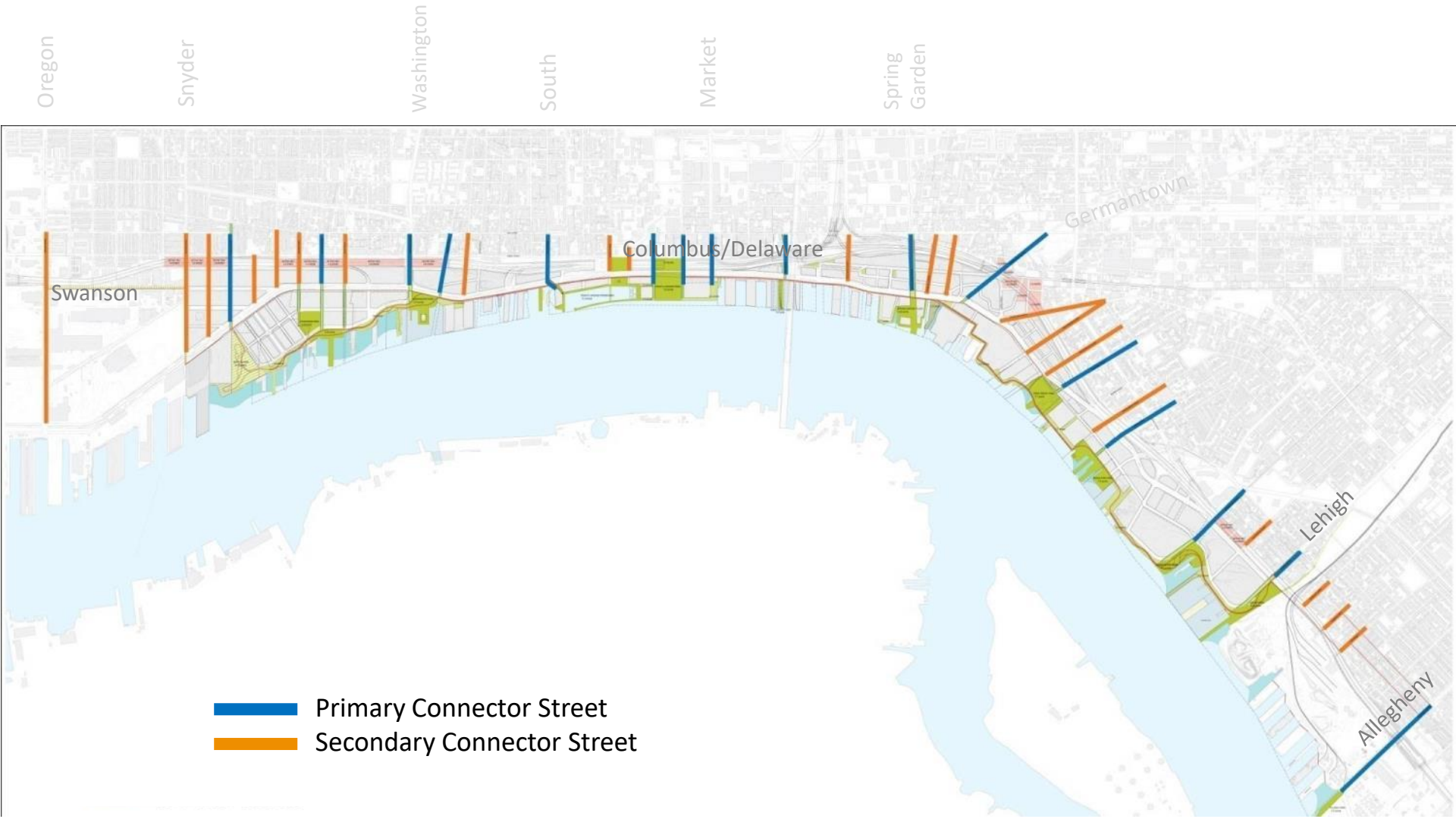
2008	Civic Vision for the Central Delaware
2011	Master Plan for the Central Delaware
2014	Penn's Landing Feasibility Study
2017	Penn's Landing CAP Funding Announced
2019	Penn's Landing CAP Planning Study Complete

MASTER PLAN PROJECT AREA

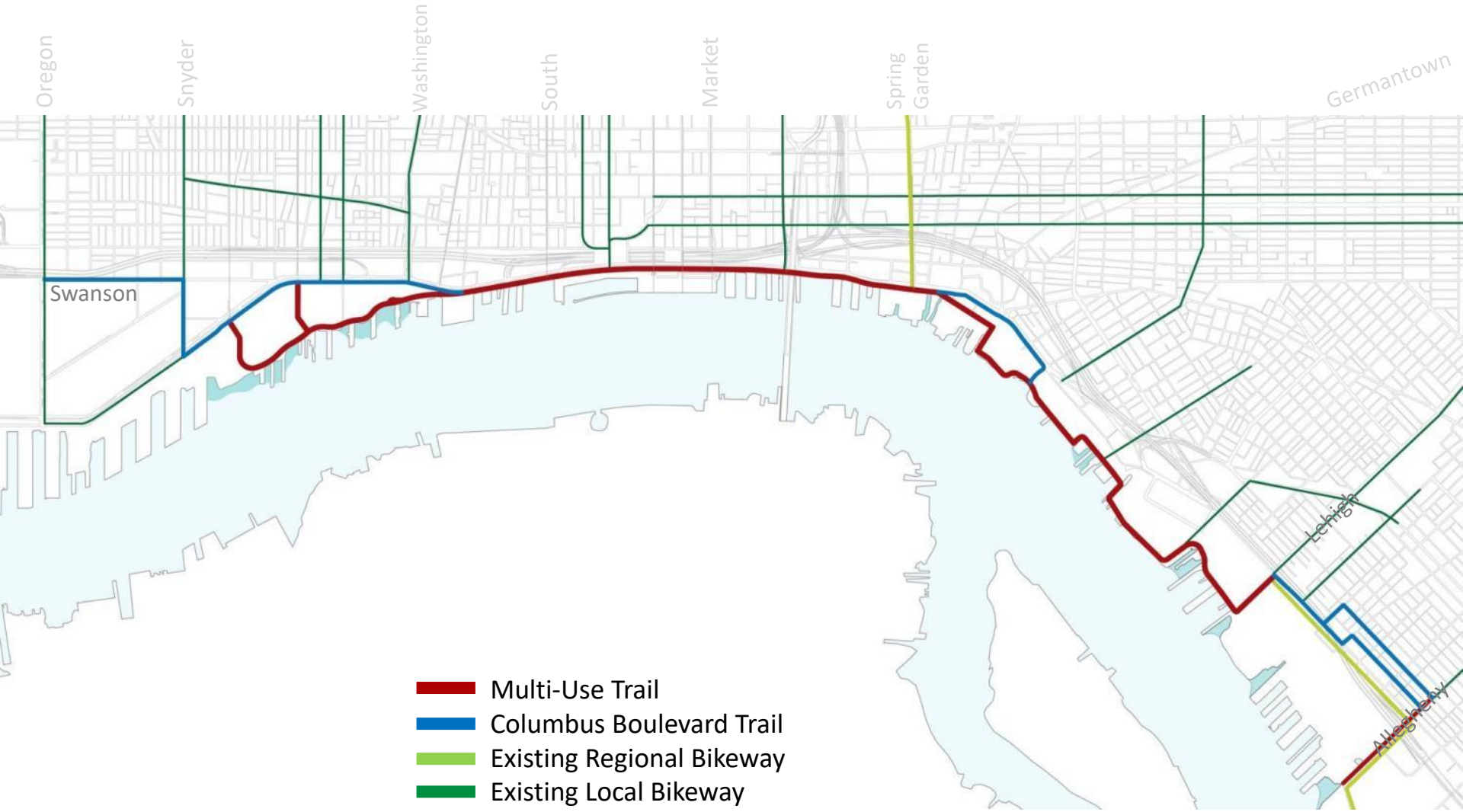
PARKS EVERY HALF MILE



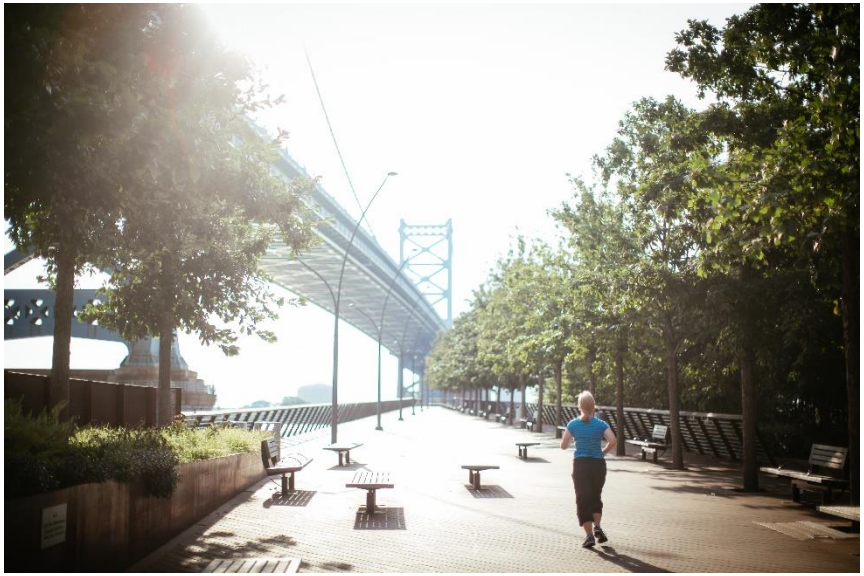
CONNECTOR STREET IMPROVEMENTS

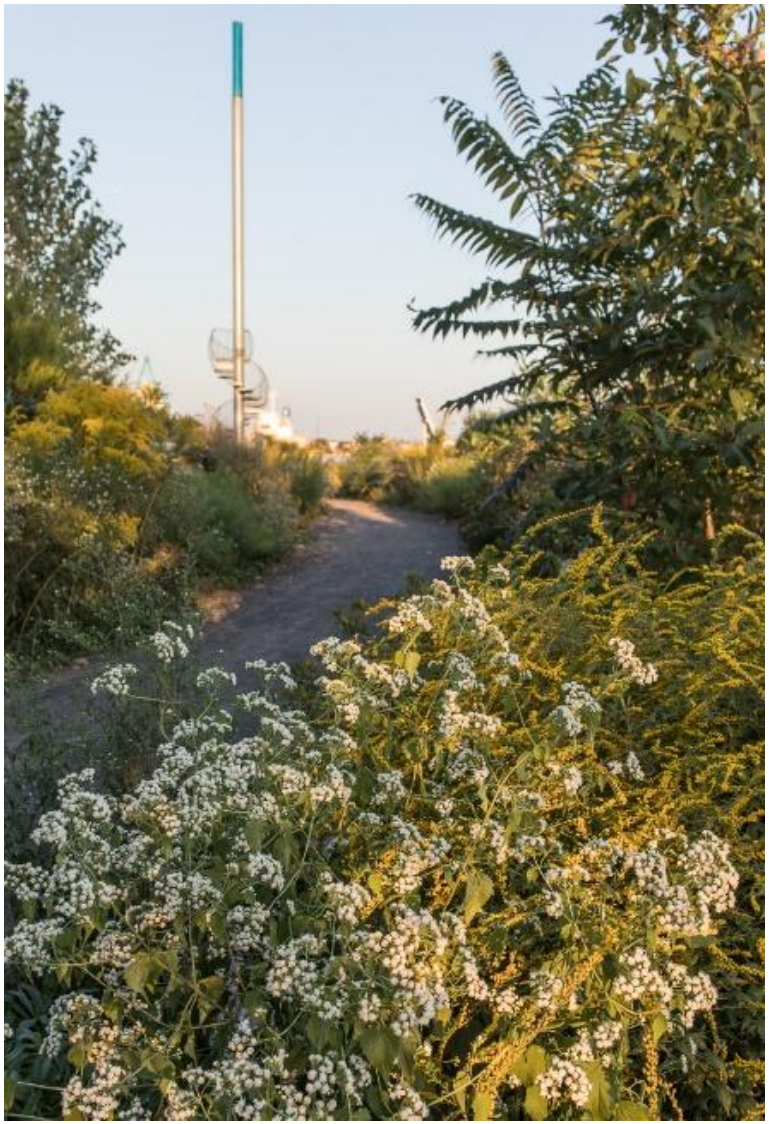


DELAWARE RIVER TRAIL



MASTER PLAN IMPLEMENTATION





MASTER PLAN IMPLEMENTATION

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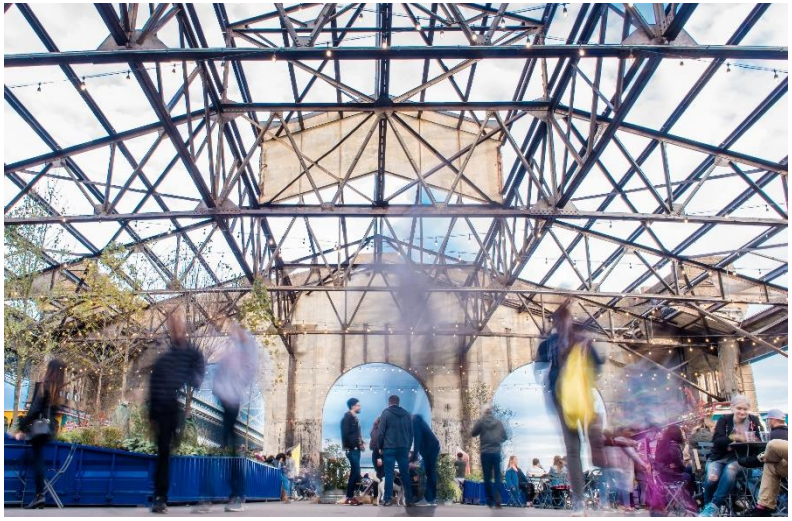
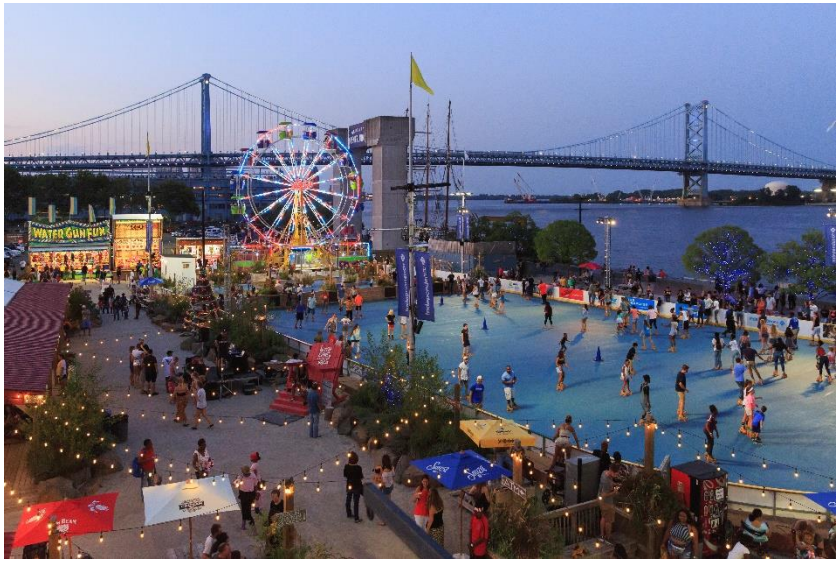
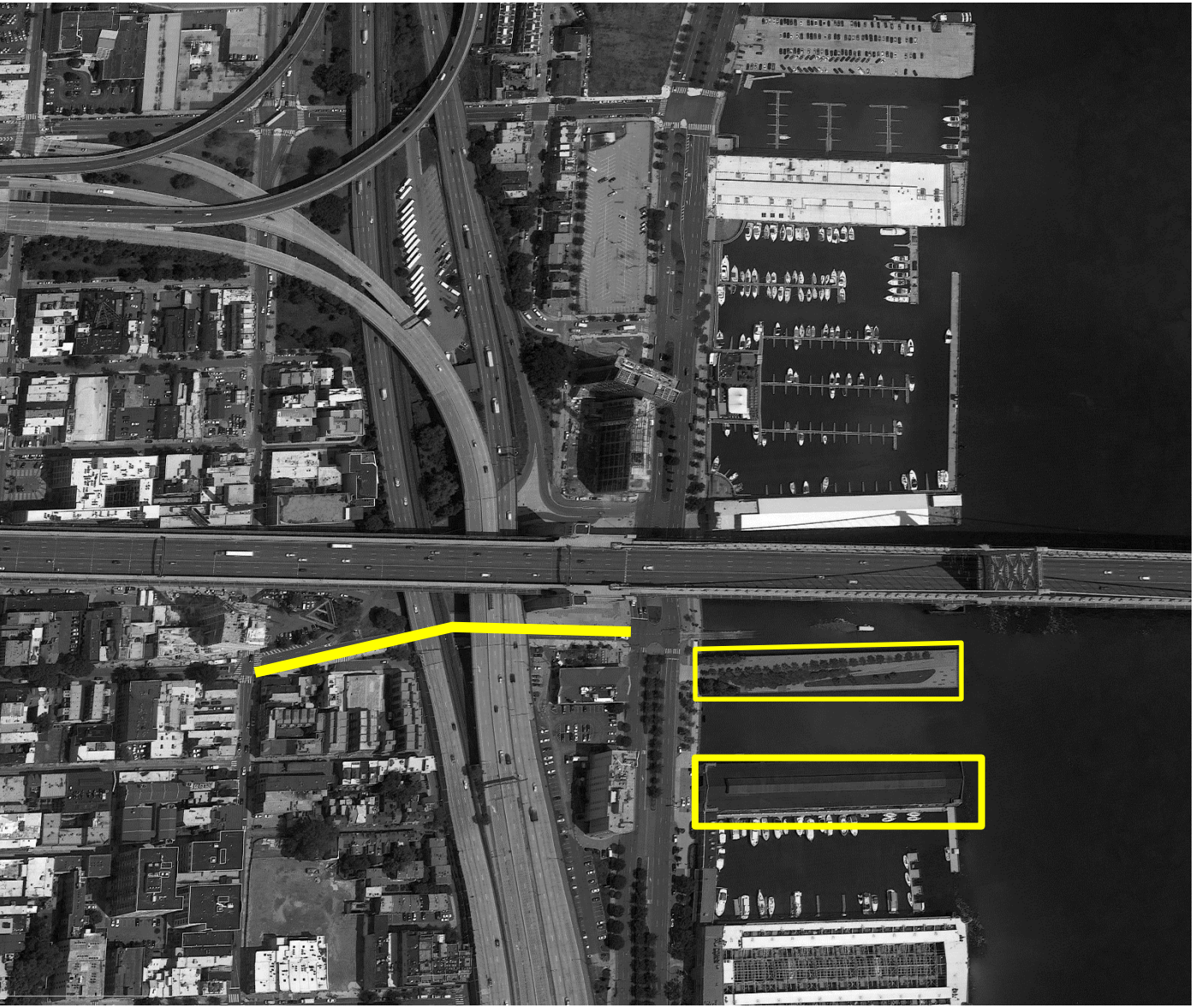
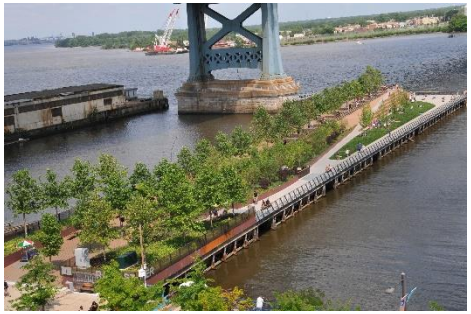


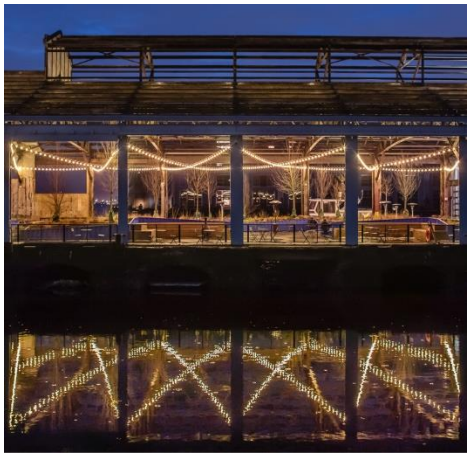


MASTER PLAN IMPLEMENTATION

RACE STREET AREA PUBLIC INFRASTRUCTURE INVESTMENT







RACE STREET AREA PRIVATE DEVELOPMENT

PENN'S LANDING

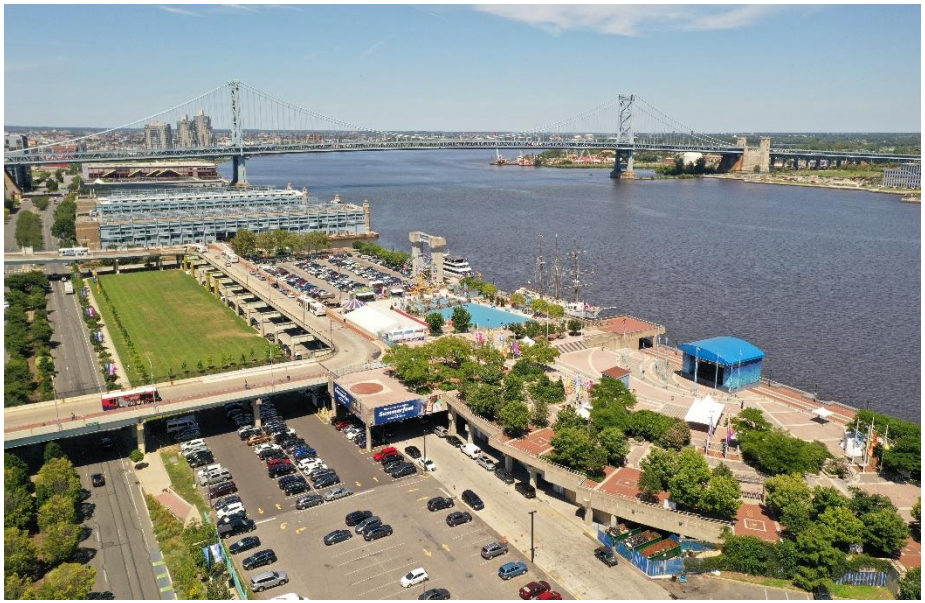
PENN'S LANDING

PENN'S LANDING PARK PUBLIC INVESTMENT

PENN'S LANDING PARK

PENN'S LANDING DEVELOPMENT OPPORTUNITY

PENN'S LANDING DEVELOPMENT OBJECTIVES



Waterfront Development Objectives:

1. High Quality Design
2. Integration of Compelling Public Spaces and Amenities
3. Sustainability
4. Public Art
5. Mixed Income Housing
6. Expanding Economic Opportunity
7. Community Engagement

Penn's Landing Development Objectives:

Marina Basin Site

1. Low- to mid-rise height
2. Primarily residential with ground floor retail
3. Complement surrounding neighborhood
4. Maintain key view corridors & points of public access

Market Street Site

1. Mid- to high-rise height
2. Primarily residential with hotel, entertainment, and retail uses
3. Maintain key view corridors & points of public access
4. Integration with the new Penn's Landing Park, especially with the Chestnut-Market Street connections

RFP AND SELECTION PROCESS TIMELINE

October 31	RFP Released
February 7	Proposals due; Four Proposals Received
March 26	Interviews with Respondents
April 8-15	Interviews with Respondents
May 1	DRWC Board Briefing
July 28	Updated Proposal Materials Received
July 31	DRWC Board Briefing
August 10	Interviews with Respondents
September 9	DRWC Board Selection
Going Forward	DRWC will negotiate a formal agreement with Selected Developer
	Through engagement with community stakeholders, Selected Developer will finalize design and construction plans

EVALUATION & SELECTION CRITERIA

1. Project Characteristics
    1. Vision Statement
    2. Schedule and Phasing Plan
    3. Site Plan, Design Approach, and Sustainability Efforts
    4. Stakeholder and Community Engagement Plan
    5. Certainty of Delivery

2. Qualifications and Experience
    1. Quality and Success of Past Experience with Similar Projects
    2. Development Team Organization, Key Members and Experience
    3. Demonstration of Ability to Perform Work and Experience Working Collaboratively Within a Civic and Business Community

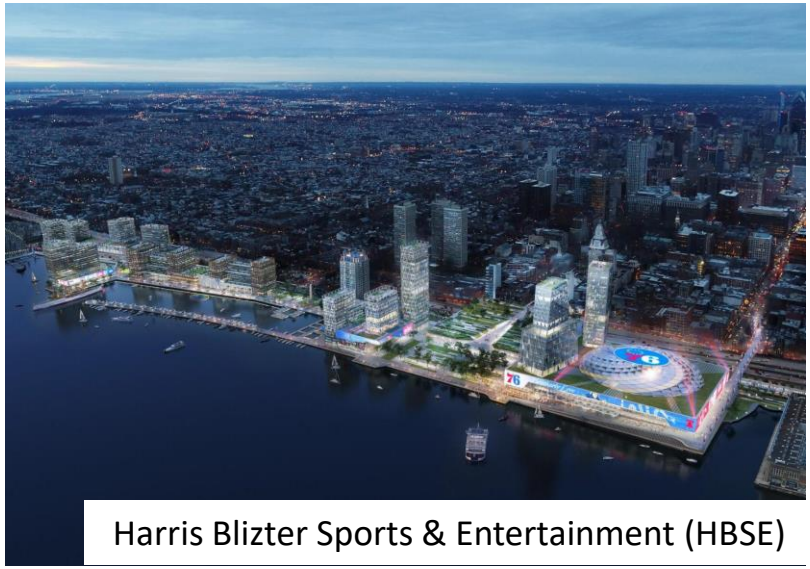
3. Project Financing
    1. Financial Proposal
    2. Financial Qualifications and Capacity (including project costs and financial partners)
    3. Risk and Mitigation Measures and Willingness to Build Speculatively

KEY QUESTIONS CONSIDERED

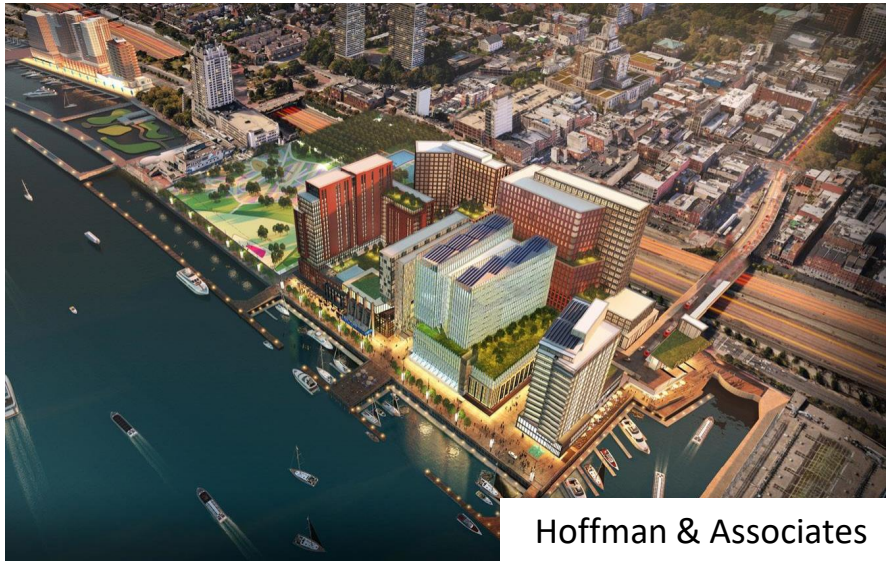
1. Which respondent would make the best long-term partner for DRWC?
2. Which respondent's vision is most consistent with the Master Plan for the Central Delaware? Which respondent's vision is most compelling?
3. Which respondent's vision for the project is most consistent with DRWC's mission to address:
    - Economic opportunity and wealth-building for Philadelphia's minority- and woman-owned businesses?
    - Sustainability and climate change resiliency?
    - Community engagement?
4. Which respondent is most qualified to realize their vision based on:
    - Previous experience?
    - Financial capacity?
    - Team composition?
5. Which project provides the best long-term economic benefit to the City, the Commonwealth, and the School District?
6. Which project provides the best long-term economic benefit to DRWC, ensuring its ability to meet it is ongoing operations and maintenance obligations?
7. Which development program is most implementable and realistic in today's world?

PROPOSALS RECEIVED

Penn's Landing Community Partners (PLCP)



Harris Blizter Sports & Entertainment (HBSE)



Hoffman & Associates

The Durst Organization

PLCP – PROJECT TEAM

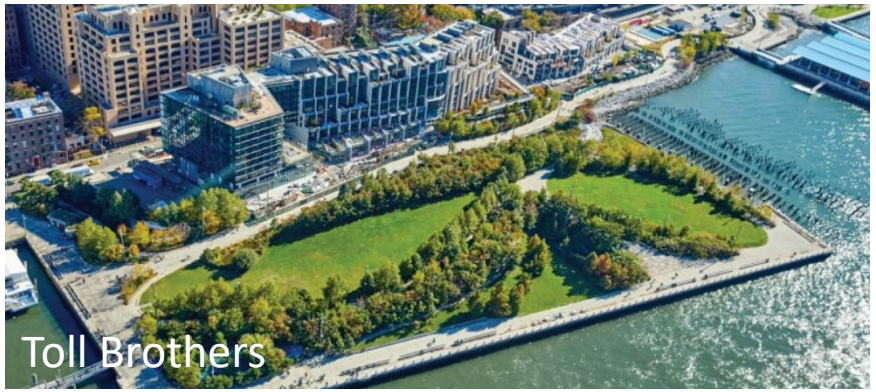
Penn's Landing Community Partners

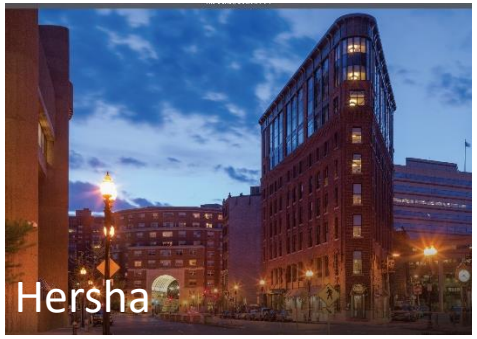
- Republic Family of Companies
- Keystone Property Group
- Hersha Hotels & Resorts
- Parkway Development
- Toll Brothers
- Lomax Real Estate Partners

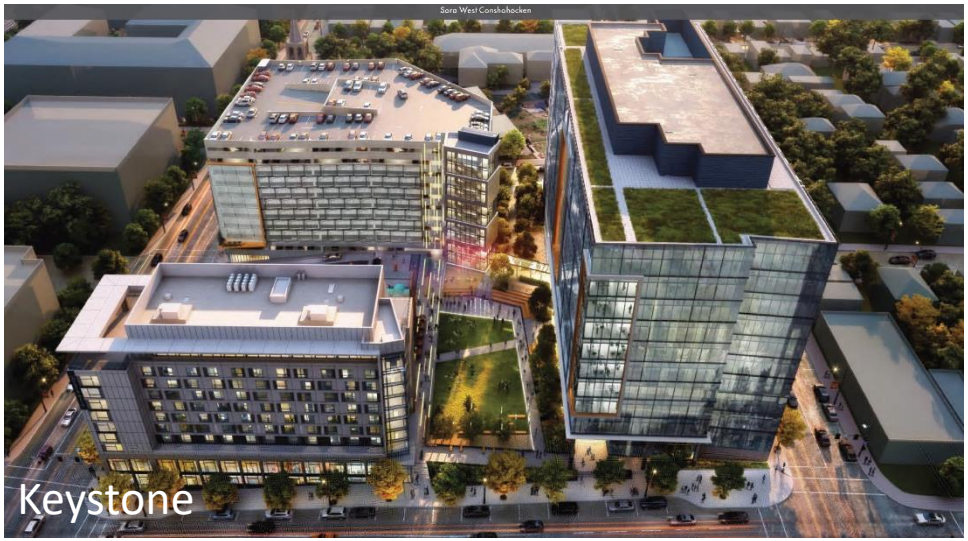
Norman Mineta (Transportation & Infrastructure Financing Consultant)
Duane Morris (Liaison for Infrastructure Finance)

WRT (Master Planner/Architect)
Hassel (Master Planner/Architect)

PLCP – QUALIFICATIONS & EXPERIENCE







PLCP – PROPOSAL SUMMARY

Total Program: 2.5 million square feet, ~$1.25 billion investment

Market Street Site:

- 1,164 rental residential units + 100 affordable units
- 475 hotel keys
- 122k square feet retail
- 615 parking spaces
- 10,000 sf of office for DRWC + 25,000 sf for maintenance/equipment storage included in public podium
- Buildings will be between 400-500’

Marina Basin Site:

- 166 condominium residential units + 60 affordable units
- 16,300 square feet retail
- 225 parking spaces (stacked mechanical parking)
- Buildings will vary in height, up to 11 stories

PLCP – PROPOSAL SUMMARY CONTINUED

Zoning: By right

Schedule: Three phases completed in approximately 7 years

Affordable Housing: 160 affordable units (using tax credits and other programs)

Public Subsidy Vehicle: Approximately $375 million through Transportation Infrastructure Finance and Innovation Act (TIFIA) and Water Infrastructure Finance and Innovation Act (WIFIA) federal loan programs

PLCP – PROPOSAL SUMMARY CONTINUED

Equal Opportunity & Wealth Building:
Establish a Wealth Building Office to oversee the following goals for M/W/DBE participation in the project:

- Equity Investment (5-15%)
- Professional Services (20-25%)
- Workforce Development (30-40%)
- Construction contracts including suppliers & materials (25-35%)
- Entrepreneurship in retail, entertainment, dining (15-25%)
- Ongoing Maintenance Services (20-30%)

Sustainability & Resiliency:
- All buildings built to Passive House standards
- Roof and façade vegetation will help with clean air and natural cooling
- Considering mass timber buildings for Marina Basin

Community & Stakeholder Engagement:
Led by PennPraxis, focused on a city-wide approach through strategic marketing and communications efforts; outreach to RCOs handled through quarterly ‘focus group’ meetings rather than traditional large format public meetings.

PLCP – OVERALL VISION

HBSE – PROJECT TEAM

HB Sports & Entertainment

CAA Icon (Owner's Representative)

Cooper Robertson (Master Planner)

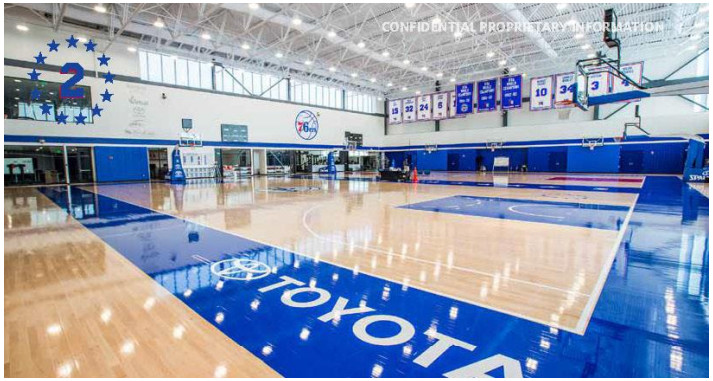
Developer Partners

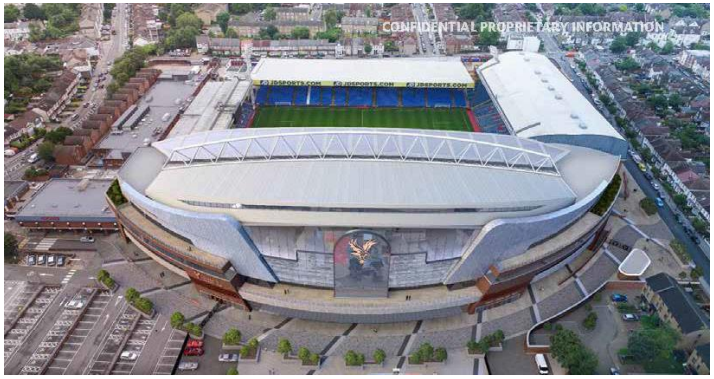
- Dranoff Properties
- Korman Communities
- Mosaic Development Partners

Additional Potential Developer Partners

- Related Companies
- Silverstein
- CIM Group

HBSE – QUALIFICATIONS & EXPERIENCE





DRANOFF

One Riverside, Philadelphia, PA

Arthaus Condominiums, Philadelphia, PA

Venice Lofts, Manayunk, PA

KORMAN

AVE Florham Park, Florham, NJ

AVE King of Prussia, King of Prussia, PA

AKA University City, Philadphia, PA

MOSAIC

Diamond Green, Philadelphia, PA

Golaski Labs, Philadelphia, PA

Eastern Lofts, Philadelphia, PA

HBSE – PROPOSAL SUMMARY

Total Program (RFP Sites): 2.25 million square feet
Total Program (All Sites): 4.2 million square feet, $4 billion investment

Market Street Site:
- 18,500 seat arena
- 264k sf office building
- 250 hotel keys
- 205 rental units, 18 condominiums
- 190k sf retail
- 2 buildings (35-stories each)

Marina Basin Site:
- 281 rental units, 131 condominiums
- 39k sf retail
- 2 buildings (13-15 stories)
- Three-story mixed-use building to house ISM & AAM

Parking:
On-site: 900 at arena + 1,033 on site
Off-site: 5,400+ existing in Old City & Camden

***Seaport Museum Site/Hilton Hotel Parking Garage:**
- 377 rental units, 141 condominiums
- 147k sf retail
- Includes DRWC office and maintenance facility
- 3 buildings (two 24 stories, one 36 stories)

***Chart House Site:**
- 262 rental units
- 107k sf retail
- 1 building (20 stories)

***South Street Parking Lot Site:**
- 77k sf Public school
- 142 rental units
- 46k sf retail/commercial (ambulatory care center)
- 3 buildings (12-15 stories each)

*Sites not offered in the RFP

HBSE – PROPOSAL SUMMARY CONTINUED

Zoning: Plan of Development Process/City Council ordinance to amend the CDO

Schedule: Five phases over approximately 16 years

Affordable Housing: 10% of units will be offered at 60% AMI, subject to availability of incentives for affordable housing

Public Subsidy Vehicle: $785-$885 million through Neighborhood Improvement Zone (NIZ) Financing

HBSE – PROPOSAL SUMMARY CONTINUED

Equal Opportunity & Wealth Building:

- $1 billion projected to go to communities of color through contracts and wages
- Committed to developing comprehensive EOP with support from organizations like Urban Affairs Coalition and African-American Chamber of Commerce
- Committed to using union labor and supporting apprenticeship programs, internships, and training, particularly to expand roles for women and people of color in construction
- Committed to expanding vendor opportunities to local residents and suppliers, minority, woman, and disabled-owned businesses

Sustainability & Resiliency:

- Emphasis on sustainable and multi-modal transportation and traffic management
- Energy metering and refrigerant-management to reduce carbon impact
- Employ best practices of US Green Building Council

Community & Stakeholder Engagement:

- Formation of a governing board for delivery of community benefits (special services district) either through HBSE's existing social responsibility platform or a new nonprofit formed in conjunction with DRWC
- Formation of a community task force to inform design and construction process

HBSE – OVERALL VISION

HOFFMAN – PROJECT TEAM

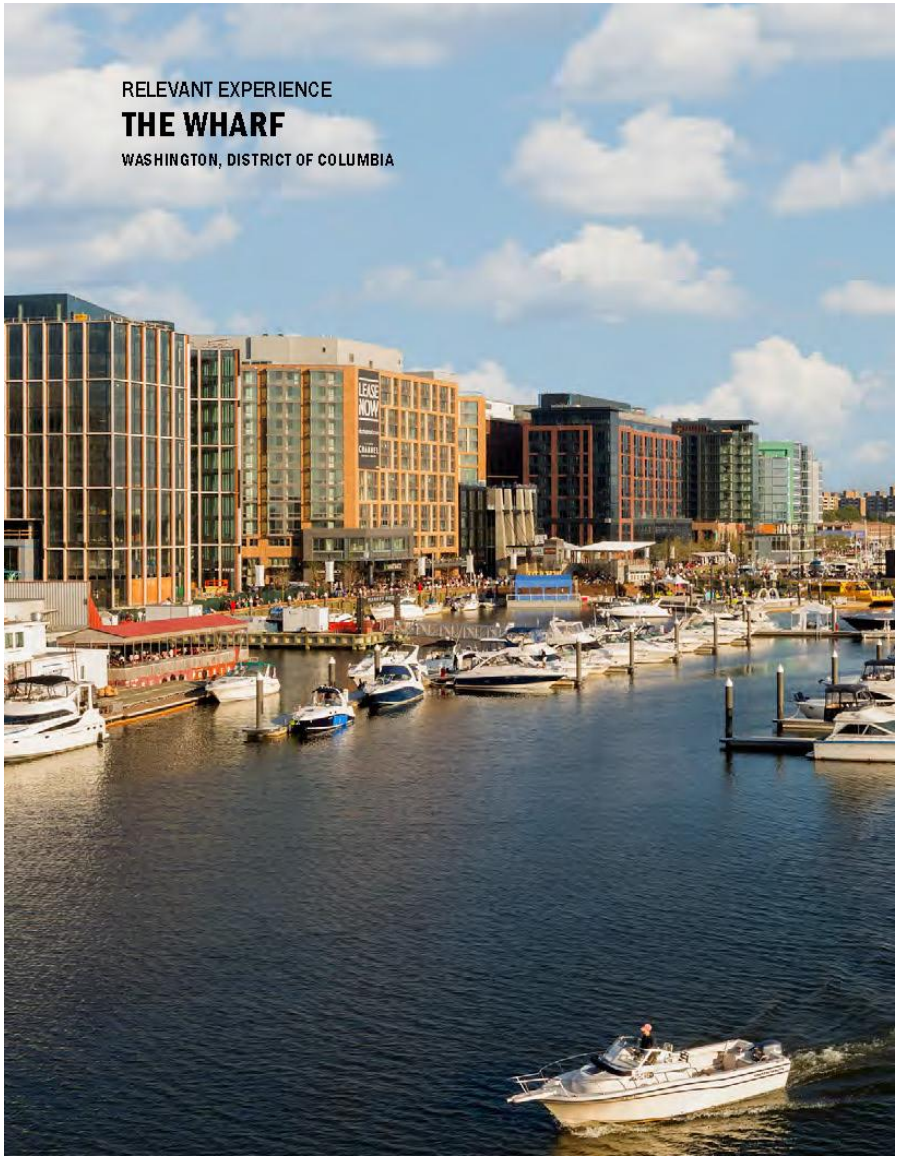
Hoffman & Associates
With Gattuso Development & The Badger Group

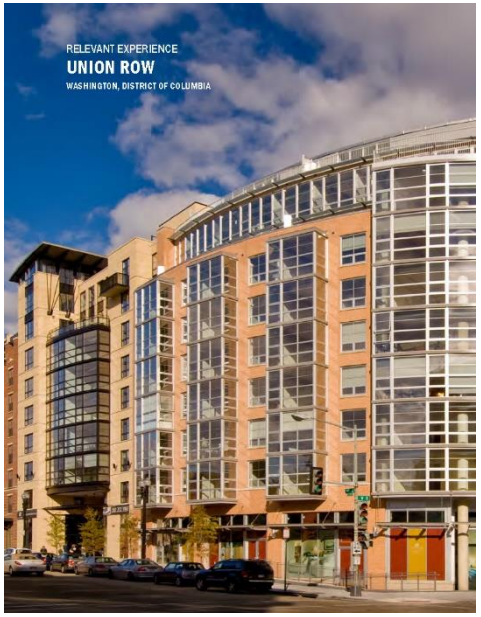
Perkins-Eastman (Master Planner/Master Architect)

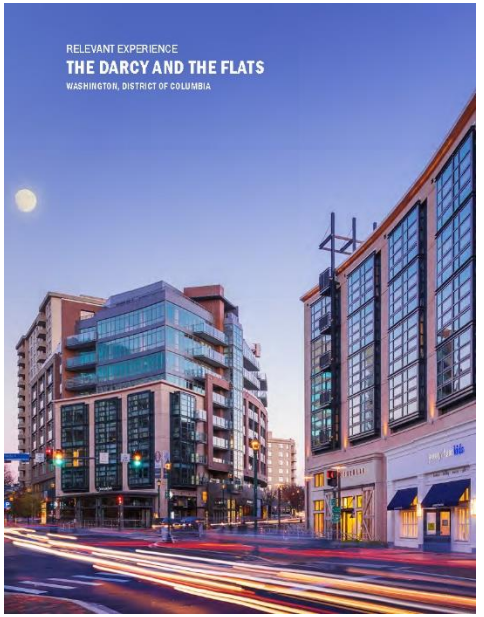
MuniCap (Public Finance Consultant)

Ballard Spahr (Public Finance & Real Estate Consultation)

HOFFMAN – QUALIFICATIONS & EXPERIENCE







HOFFMAN – PROPOSAL SUMMARY

Total Program: 2.5 million square feet; ~$1.3 billion investment

Market Street Site: 2.2M square feet

- 320k square feet retail/cultural (6,000 seat concert hall)
- 775 rental units, 90 condominiums
- 484k square feet office
- 200 hotel keys
- 1,115 parking spaces
- 5 buildings, 205’ – 240’ + transit hub (60’)

Marina Basin Site: 930k square feet

- 48.6k square feet retail
- 501 rental unit, 84 condominiums
- 200 hotel keys
- 455 parking spaces
- 4 buildings, 174’ – 235’

HOFFMAN – PROPOSAL SUMMARY

Zoning: By-right

Schedule: Three phases over approximately 12 years

Affordable Housing: None (open to including with appropriate incentivizes, which may increase public subsidy needed)

Public Subsidy Vehicle:

- Approximately $176 million from Tax Increment Financing (TIF) plus approximately $22.5 million from infrastructure grant sources for complete program;
- Alternative proposals included lower ranges of TIF proceeds and grant needs, including one with no TIF required that would change the overall program [removing the concert venue, reducing multifamily housing, retail, and hotel uses, and increasing office component significantly]

HOFFMAN – PROPOSAL SUMMARY CONTINUED

Equal Opportunity & Wealth Building:

- 25% minority-led general partnership equity participation on every project
- Design, Construction, Professional Services, and Operations:
  - 25-30% MBE Participation
  - 15-20% WBE Participation
  - Best efforts for DBE Participation
- Minimum 50% local and/or unique retailers with best efforts towards inclusion of minority- and woman-owned businesses
- Project Oversight Committee & Diversity Council

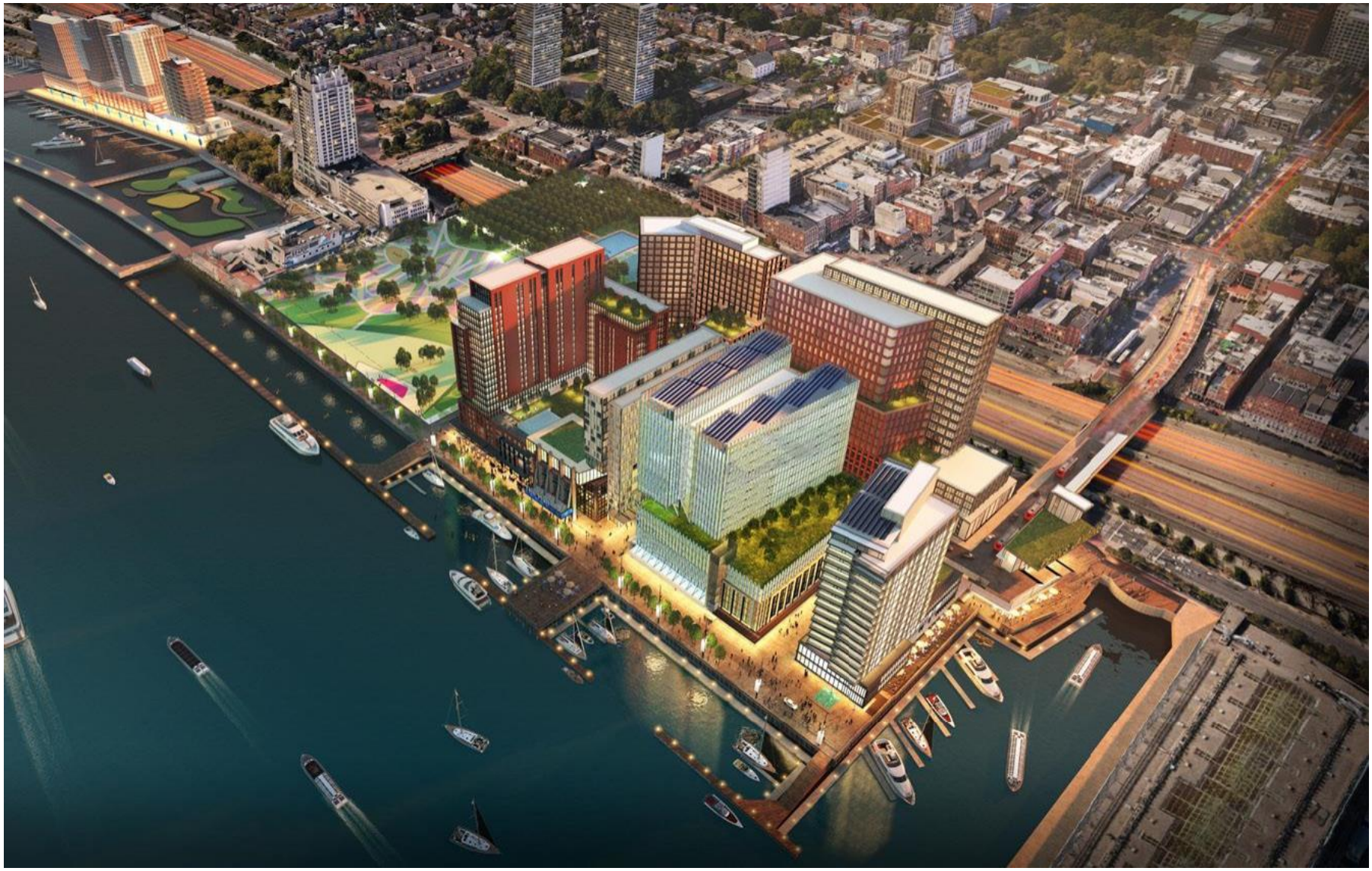
Sustainability & Resiliency:

- New bulkhead will raise waterside street above 500-year flood plain and incorporate stormwater management infrastructure
- Will pursue LEED ND Gold for whole development and each building
- Exploring fully electric heating systems for zero/low carbon, solar panels on upper roofs
- Intermodal hub for bus, ferry, water taxi, subway, bike, micro-mobility, ride-hailing, etc.

Community & Stakeholder Engagement:

- Steering Committee
- Community Development Advisory Group
- Community Construction Group
- Workforce and Economic Development Group

HOFFMAN – OVERALL VISION



DURST – PROJECT TEAM

The Durst Organization

- Commitment of up to 20% minority-owned equity partner, with preference for Philadelphia-based firm, through limited partnership or joint venture

For the Market Street Site:
Pelli Clarke Pelli Architects (Architect/Master Planner)
Hargreaves Jones (Landscape Architect)

For the Marina Basin Site:
Bjarke Ingels Group (BIG) (Architect/Master Planner)

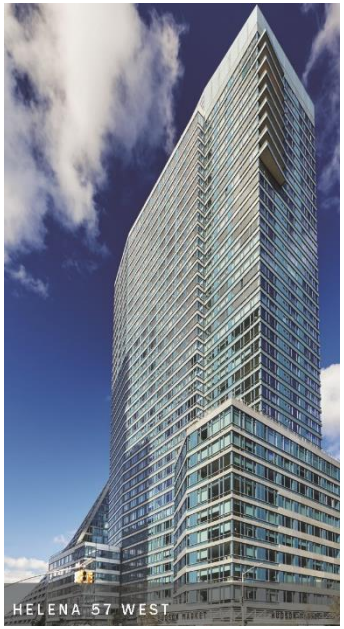
DURST – QUALIFICATIONS & EXPERIENCE

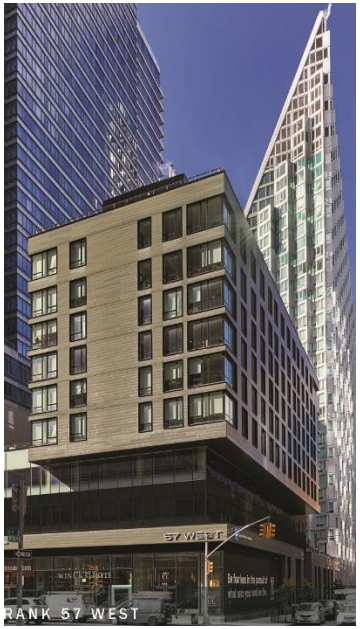
VIA 57 WEST, DESIGNED BY BJARKE INGELS (BIG)

HISTORIC FRONT STREET IN THE SOUTH STREET

ONE WORLD TRADE CENTER

10 HALLETTS POINT


HELENA 57 WEST


RANK 57 WEST

DURST – PROPOSAL SUMMARY

Total Program: 3.5 Million Square Feet, $2.2 Billion Investment

Market Street Site:

- 2.7 million square feet of development
- 1,834 residential units
- 225 hotel keys
- 94,000 square feet of retail
  (including DRWC office space, gym, preschool, and supermarket)
- 690 parking spaces
- 6 buildings, 372’ – 703’ high

Marina Basin Site:

- 660,000 square feet of development
- 556 residential units
- 26,500 square feet of retail
- 167 parking spaces
- 20,000 square feet of landscaped open/public space
- 6 buildings, 60’ – 240’ high

DURST – PROPOSAL SUMMARY CONTINUED

Zoning: By right

Schedule: Four phases over approximately 9 Years

Affordable Housing: Provide affordable units on site or contribute to the Housing Trust Fund in compliance with the zoning requirements of the CDO

Public Subsidy Vehicle: NONE

DURST – PROPOSAL SUMMARY CONTINUED

Equal Opportunity & Wealth Building:

- Commitment of up to 20% local Philadelphia minority-owned equity partner through limited partnership or joint venture
- Design, Construction, and Professional Services:
  - 20-30% MBE Participation
  - 15-20% WBE Participation
  - Best efforts for DBE Participation
- Workforce Diversity:
  - 35-40% workforce diversity + 50% local residents for construction projects
  - 25-40% workforce diversity for operations and maintenance employment
  - 25-40% M/W/DBE participation for operations and maintenance contracts
- Will hire an EOP Advisory Consultant, a third-party Compliance Monitoring Firm and establish an Oversight/Advisory Committee

Sustainability & Resiliency:

- Campus-wide systems including centralized chiller, boiler, and condenser water system
- Minimum LEED Gold for all buildings; also exploring LEED ND, LEED BDC, WEDG, etc
- Site design, building materials, and mechanical systems all carefully designed to meet sustainability goals of DRWC, the City, and TDO

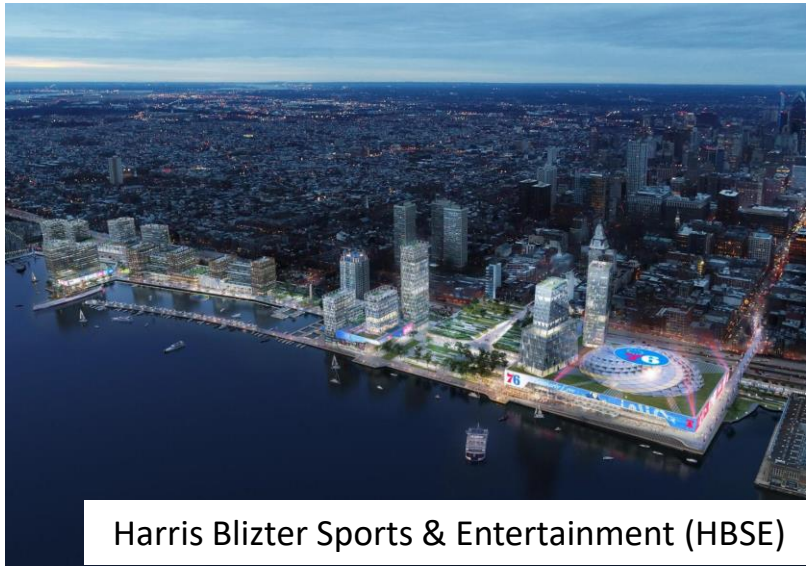
Community & Stakeholder Engagement:

- Will conduct design charrettes with community and stakeholder groups throughout concept and preliminary design stages

DURST – OVERALL VISION

SUMMARY OF PROPOSALS

Penn's Landing Community Partners (PLCP)



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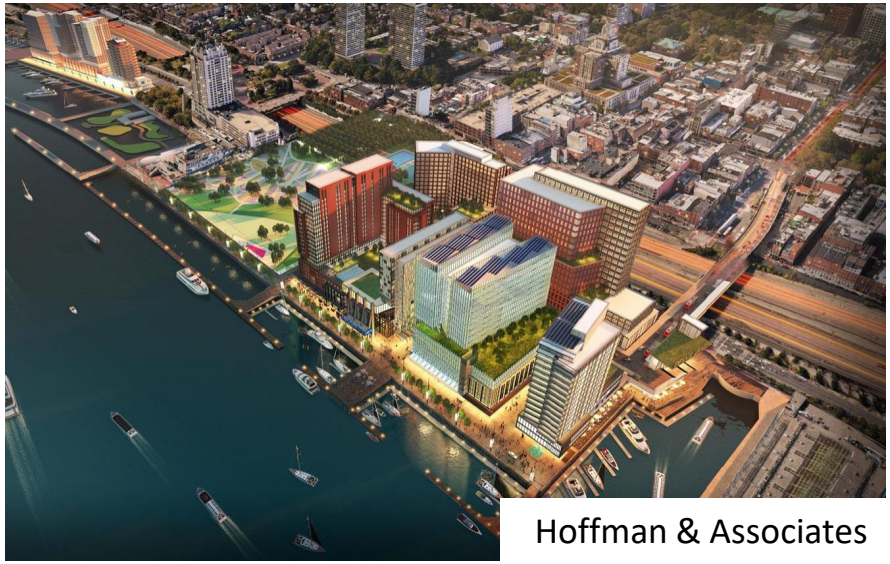

Hoffman & Associates

The Durst Organization

SELECTION COMMITTEE RECOMMENDATION

THE DURST ORGANIZATION

THE DURST ORGANIZATION: MARKET STREET SITE PLAN

AERIAL VIEW LOOKING NORTH FROM PENN'S LANDING PARK

AERIAL VIEW FROM PENN'S LANDING PARK

CORNER OF CHESTNUT STREET AND PENN'S LANDING ROAD

CORNER OF CHESTNUT STREET & PENN'S LANDING ROAD

VIEW TOWARD ESPLANADE FROM OVERLOOK PARK

VIEW TOWARD ESPLANADE FROM OVERLOOK PARK

LOOKING SOUTH-EAST FROM PENN'S LANDING ROAD

S-E PENN'S LANDING ROAD VIEW

LOOKING WEST FROM THE RIVER

THE DURST ORGANIZATION: MARINA BASIN SITE PLAN

LOOKING SOUTH ALONG THE MARINA BASIN ESPLANADE

THE DURST ORGANIZATION

- Best Reflects a Vision for Penn's Landing Consistent with the Master Plan and New Park
- Requires No Public Subsidy
- Strong Commitment to Economic & Wealth Building Opportunities for Traditionally Marginalized Communities
- High-Level Sustainability and Resiliency Goals
- Delivers Major Economic Benefits to the City
- Shows Proven Track Record of Success as a Developer
- Provides Best Long-Term Partner for DRWC and the Community
- Offers Best Financial Agreement for the On-Going Maintenance, Security, and Programming of the Waterfront

DRWC BOARD OF DIRECTORS QUESTIONS & COMMENTS

PUBLIC COMMENT

BOARD OF DIRECTORS VOTE

WHAT'S NEXT?

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