

**COMBINED PHONE MEETING OF THE BUSINESS AFFAIRS
AND EXECUTIVE COMMITTEES OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, August 14, 2019 – 9:00 A.M.**

**Dial-In Number: 1-888-675-6779
Participant Passcode: 5410073#
Moderator: 7865650# (Community College of Philadelphia)**

Present for the Business Affairs Committee: Mr. Harold Epps, Mr. Steve Herzog and Mr. Michael Soileau

Present for the Executive Committee: Mr. Jeremiah J. White (Chair); Ms. Chekemma Fulmore-Townsend, and the Honorable James Roebuck

College Administration: Donald Generals, Ed.D., Mr. Jacob Eapen, Mr. James P. Spiewak, and Victoria Zellers, Esq.

AGENDA – PUBLIC SESSION

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE OF THE
BOARD OF TRUSTEES**

First Amendment to the Lease Agreement with RPG Hamilton, L.L.C. (Action Item):

Discussion: Ms. Zellers noted that Phase I for The Hamilton project was completed and the College received its first ground lease payment from RPG Hamilton, L.L.C. ("RPG") in April, 2019. Phase I is at approximately 80% occupancy. According to the original Lease Agreement, Phase II could start as early as August, 2019 but RPG could request a certain number of extensions depending on the status of Phase I. Based on Phase I reaching approximately 80% occupancy, RPG is ready to proceed with Phase II. Construction for Phase II will start this Fall.

Ms. Zellers briefly reviewed the reasons for the Amendment which include the following:

1. Phase II will have larger square footage, more floors and units than originally anticipated. Instead of 210 apartments, the current plan is for Phase II to have **297** apartments.
2. Ground Rent paid by RPG to the College for Phase II will be increased based on the increased size for Phase II.
3. Preferred financial considerations and credit review process to become a tenant for College students will commence upon execution of the Amendment. Instead of demonstrating that a student or his/her co-signer meet the income requirements for three times the full apartment rent, he/she only has to demonstrate that he/she meets the income requirements for three times his/her pro-rated share of the apartment rent. (All tenants are still liable for the full amount of the lease since they are leased by apartment units, but students can qualify to rent based on only his/her pro-rated share.) In exchange for this preferred status, the College agreed it may, in its reasonable

discretion, place a hold on official transcripts and registration for any student who defaults on his/her rental obligation until satisfied.

4. There will not be any retail space in Phase I, but Phase II retail space will be increased. Phase II borders 16th street which is more attractive to potential retail partners than Hamilton street.

Ms. Zellers further stated that staff would like to expedite this process to allow potential student renters looking to sign up this August for the Fall semester to have the benefit of the preferred credit rating approval process.

In response to Committee members' questions, staff stated that the retail space to be added on 16th Street will not generate additional ground lease payments as that concept was included in the original Lease Agreement. It was noted that at the end of the academic year, there were 32 students renting at The Hamilton. The management company of The Hamilton is Bozzuto, a national company. Mr. Epps asked for information relating to the number of minority staff working at The Hamilton. The staff stated that the information will be made available at the next Business Affairs Committee meeting.

Action: Mr. Herzog moved and Mr. Epps seconded the motion that the Business Affairs Committee recommend that the Executive Committee of the Board of Trustees approve the First Amendment to the Lease Agreement with RPG. The motion passed unanimously.

MEETING OF THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES

The Executive Committee of the Board of Trustees was convened to move forward with the recommendation of the Business Affairs Committee. Ms. Zellers presented a Resolution (please refer to Attachment A), to the Executive Committee which outlined that Phase I of the 15th & Hamilton Project has reached substantial completion as defined in the Ground Lease Agreement dated May 12, 2017. As stated in the Resolution, RPG Hamilton, L.L.C. ("RPG") and the College have negotiated in good faith regarding certain amendments to the Lease Agreement for Phase II of the 15th & Hamilton Project (including but not limited to an increased number of apartment units, increased ground rent paid by RPG to the College, and for changes in retail space from Phase I to Phase II); and for preferred financial considerations and credit review process for CCP students seeking residency at the Hamilton. After discussion regarding the Amendment to the ground lease with RPG, the following action was taken.

Action: Ms. Fulmore-Townsend moved and Mr. Roebuck seconded the motion that the Executive Committee of the Board of Trustees approve the Resolution authorizing the College to execute the First Amendment to Lease Agreement for the 15th and Hamilton Project. The motion passed unanimously.

Attachment A

**Resolution Authorizing the College to
Execute the First Amendment to Lease
Agreement for the 15th & Hamilton Street
Project**

RESOLUTION

WHEREAS, on November 3, 2016, the Board of Trustees for Community College of Philadelphia (the "Board") passed a resolution authorizing the Community College of Philadelphia (the "College") to execute an Agreement to Enter into Ground Lease and the corresponding Ground Lease with RPG Hamilton, LLC ("RPG Hamilton") for a public-private partnership with RPG Hamilton whereby RPG Hamilton would develop the College's property located at 440 N. 15th Street Philadelphia, PA 19130 to create a mixed-use development comprised of student and market housing, and retail amenities, and to provide for the ongoing management of the property (the "15th & Hamilton Project") subject to the terms and conditions of the Ground Lease;

WHEREAS, the Ground Lease included terms and conditions for Phase I and Phase II of the 15th & Hamilton Project;

WHEREAS, the College and RPG Hamilton entered the Ground Lease on May 12, 2017 ("Lease Agreement");

WHEREAS, Phase I of the 15th & Hamilton Project has reached Substantial Completion as defined in the Lease Agreement and RPG Hamilton and the College have negotiated in good faith regarding certain amendments to the Lease Agreement for Phase II of the 15th & Hamilton Project (including but not limited to an increased number of apartment units, increased ground rent paid by RPG Hamilton to the College, and for changes in retail space from Phase I to Phase II); and for preferred financial considerations and credit review process for CCP students seeking residency at the Hamilton;

NOW THEREFORE ON THIS 14th DAY OF AUGUST 2019, IT IS RESOLVED THAT THE EXECUTIVE COMMITTEE OF THE BOARD AUTHORIZES THE COLLEGE TO EXECUTE THE FIRST AMENDMENT TO LEASE AGREEMENT FOR THE 15th & HAMILTON PROJECT.