

**2012-2018 CHESTNUT STREET  
COMMUNITY BENEFITS AGREEMENT**

**THIS COMMUNITY BENEFITS AGREEMENT** (hereinafter, “the Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between **ALTERRA PROPERTY GROUP, LLC** (hereinafter, “Developer”) and the **CENTER CITY RESIDENTS’ ASSOCIATION** (hereinafter “CCRA”).

**WHEREAS**, Developer is party to a ground lease with the Philadelphia Housing Authority (hereinafter “the PHA”) with regard to certain real property owned by the PHA in Philadelphia, Pennsylvania, currently known as 2012-18 Chestnut Street (hereinafter, “the Property”);

**WHEREAS**, Developer desires and intends to construct on the Property, *inter alia*, a 107,258 square foot residential tower with ground level retail/commercial (hereinafter, “the Project”);

**WHEREAS**, CCRA is the registered community organization (hereinafter, “RCO”) under the Philadelphia Zoning Code authorized to represent the interests of the residents who live in the territory encompassing the south side of John F. Kennedy Boulevard to the north side of South Street, and from west side of Broad Street to the Schuylkill River; and which such territory includes the Property and the cite of the Proposed Property; and

**WHEREAS**, Developer has, to date, has made efforts to engage CCRA regarding its plans to develop the Property to construct the Project;

**NOW THEREFORE**, in consideration of the mutual promises and obligations contained herein, the adequacy and sufficiency of which are hereby expressly acknowledged by the parties hereto, and intending to be legally bound, the parties hereby enter into this Agreement and agree to the following terms:

1. **Design Plans and Specifications**. Developer will agree to construct the Project substantially in accordance with the plans attached to this Agreement as Exhibit “A” (hereinafter “the Current Plans”) with respect to massing, setbacks, ground level retail space dimensions, internal residential and retail/commercial trash storage, design, and materials visible on the proposed building’s exterior, subject to any and all necessary modifications that may be required or requested in connection with obtaining any zoning ordinance(s), approval(s), and/or permit(s) from the City of Philadelphia and/or any other governmental agency (hereinafter, “Necessary Modifications”). Notwithstanding the foregoing, and subject to all such Necessary Modifications, the final plans for the Project shall have at least the following parameters:

- (a) The maximum height of the project will be 165 feet.
- (b) The Project will include ground level retail/commercial on the side of the building that fronts Chestnut Street.
- (c) The Project will not include above-grade parking.

- (d) The Project will include 60 internal bike storage spaces for residential occupants.
- (e) The Project will have enclosed, off-street trash storage for residential and retail/commercial occupants, which is to be accessed from the 2000 block of Ionic Street, substantially as shown in Exhibit “A”.
- (f) There will be no vehicle entrance, loading, or unloading on Chestnut Street.

2. **Modification of Design Plans and Specifications.** The parties acknowledge and understand that the Current Plans are not final, and further acknowledge and understand that the Current Plans will be modified as planning for the Project progresses. Prior to the submission of any request for zoning approvals with the Philadelphia Department of Licenses and Inspections (hereinafter, “L&I”), Developer agrees to submit updated plans for the Project (hereinafter, “Updated Plans”) to CCRA; and CCRA shall then determine, within ten (10) days following receipt thereof, whether the Updated Plans are substantially consistent in all relevant respects with the parameters outlined in Paragraph 1 of this Agreement. Updated Plans that are reasonably determined by CCRA not to be substantially consistent shall be modified by Developer to the satisfaction of both Developer and CCRA prior to Developer submitting the Updated Plans for zoning approval(s), provided that CCRA shall have a maximum of ten (10) days to comment on any additional revisions made to the Updated Plans pursuant this Paragraph.

- (a) **Parking Reduction.** The parking requirement pursuant to the ordinance only sunsets if an application for a new zoning permit is made. If no parking reduction is requested, the developer would have to continue to provide all the parking spaces required, even if they are empty. These spaces would be available to new tenants as they sign leases. In the event that the parking requirement sunsets, the developer agrees to make commercially reasonable efforts to help tenants rent spaces directly from the parking lot operators that are providing the spaces, or help them make alternate parking arrangements. It should be noted that the residents will ultimately be paying for the spaces that they are using, and that triggering this provision may not, in and of itself, require a new Civic Design Review, unless the City Departments determine otherwise.

3. **Additional Promises and Community Benefits.** In a further effort to be a good neighbor and encourage the beneficial development the area near the Property, Developer further agrees to the following:

- (a) **Diverse Enterprise and Workforce Opportunities.** Developer is committed to certain diverse enterprise and workforce goals for construction of the Project, which are designed both to ensure a diverse business enterprise pool as well as a workforce that is both diverse and reflective of the City of Philadelphia. Therefore, as part of any City Council legislative bill/ordinance which Developer seeks that would change City zoning controls that are applicable to the Property to accommodate the

Project, Developer agrees to apply for, and enter into, an Economic Opportunity Plan (hereinafter, “EOP”) approved by the Philadelphia Office of Economic Opportunity. Developer will provide CCRA with a copy of such EOP and all reports or updates required thereunder.

- (b) **Affordable Housing.** The Project will include an affordable housing component, providing for a minimum of twenty percent (20%) workforce housing on premises using Philadelphia area median income (hereinafter, “AMI”) standards, that meets the satisfaction of the PHA. Tenants will be selected in accordance with the Developer’s Tenant Selection Plan, attached to this Agreement as Exhibit “C.”
- (c) **Sustainable Design.** The Project will incorporate Energy Star appliances, where economically feasible, to enhance the energy efficiency of the building.
- (d) **Streetscape Improvements.** The sidewalk improvements will include granite curbs, cast concrete or stone sidewalk pavers, street lighting, and street trees. With regard to street trees, Developer agrees to protect or replace the two (2) existing street trees at the Property and plant a third street tree following construction of the Project.
- (e) **Stormwater Management.** The Project will have a stormwater management system approved by the Philadelphia Water Department.
- (f) **Exterior Maintenance.** At all times, Developer will make commercially reasonable efforts to maintain the exterior of the Project as appropriate for a high-rise building. Developer will act promptly to cure any acts of vandalism or graffiti occurring on or around the premises.
- (g) **Trash Storage.** The Owner agrees to cause all trash generated by both residential and commercial/retail occupants of the Project to be stored within the premises of the Property in one (1) or more trash facility(ies) to be constructed as part of the Project.
- (h) **Deliveries and Trash Removal.** Post Construction, Developer agrees that loading/unloading for both residential and commercial occupants of the Project, and trash removal, shall be accessed exclusively from the 2000 block of Ionic Street onto 20th Street. Trash and waste shall be removed commercially, no less than twice a week, and at times as required or permitted by applicable law. Developer shall direct its waste hauling provider to pick up trash only during these times. Trash and waste shall not be put out for pick-up on the street. On the contrary, trash and waste shall only be picked up from inside the Project. Developer shall also maintain appropriate security in the areas of the loading docks and trash activities.

- (i) **Loading Zone Designation.** Developer will take steps to have the Philadelphia Streets Department designate the west side of 20th Street, between Ionic Street and Chestnut Street as a loading zone.
- (j) **Traffic Congestion on 20th Street.** To avoid congestion on 20th Street due to loading/unloading, developer will take commercially reasonable steps to schedule loading/unloading at such times to restrict simultaneous use of any loading/unloading areas by more than one (1) vehicle at any time. While any loading/unloading area is in use, Developer will make commercially reasonable efforts to direct other vehicles to circle the block or return at a later time to avoid idling and congestion on 20th Street. An employee or other agent of Developer (or agent managing the building) will be available to mitigate any loading/unloading conflicts that may arise.
- (k) **Building Lighting.** The building exterior (including, without limitation, interior glazed spaces facing the outside) shall not have flashing, color changing or exposed strip LED lighting. There shall be no signage or lighting on the building, except as may be permitted under the Philadelphia Zoning Code or other applicable law. All building exterior lighting shall be pointed in a downward facing direction, or pointed upward to backlight or illuminate the building, but in no event shall such lighting spill over onto City sidewalks or private property.

4. **Support for Approvals.** As consideration for CCRA entering into this Agreement, CCRA agrees to the following:

- (a) CCRA shall support Developer's efforts to petition Philadelphia City Council to amend and/or revise applicable zoning controls for the Property in accordance with the draft legislative language attached to this Agreement as Exhibit "C" (hereinafter, "the Draft Legislation"). For the avoidance of doubt, such support shall include, but shall not be limited to, writing a letter to Philadelphia City Councilperson Kenyatta Johnson (or any such person who may succeed him as the District City Councilperson for the Property) in support of a bill (or amendment to any bill) that includes language that is identical or substantially similar to the language set forth in the Draft Legislation; and at Developer's request, sending a representative to appear and offer testimony at any hearing of Philadelphia City Council, or meeting of any board or agency of the City of Philadelphia, to indicate CCRA's support thereof.
- (b) Except as otherwise provided by this Agreement, CCRA shall not protest, oppose, contest, or appeal any application for a permit submitted by or on behalf of Developer with respect to the Project, including but not limited to, any application relating to zoning – including for the reduction of parking

spaces as outlined in the ordinance, or the construction of streets, building, historic, or utilities; or for the reduction of parking spaces as outlined in § 14-526(3)(a)(.1) of the Draft Legislation (Exhibit “B”). Except as otherwise provided by this Agreement, at the request of Developer, CCRA shall write to or send a representative to appear before any governmental board or agency to testify or otherwise indicate CCRA’s non-opposition for any application for a permit submitted by or on behalf of Developer in connection with the Project.

In the event of any appeal by CCRA of any permit or approval obtained by or on behalf of Developer, Developer shall have the right to unilaterally terminate this Agreement and all of its obligations hereunder.

5. **Subsequent Zoning Re-Classifications.** Notwithstanding CCRA’s requirements under Paragraph 4 of this Agreement, if three (3) years after any zoning ordinance described in Paragraph 4(a) is passed by Philadelphia City Council and enacted into law, but Developer has failed or refused to apply for zoning approvals with the Philadelphia Department of Licenses and Inspections (or has failed or refused to commence demolition and construction on the Property), CCRA reserves the right to petition Philadelphia City Council to rezone the Property back to the zoning controls which existed in law as of the date hereof, unless the expiration clause in the zoning ordinance has become effective.

6. **Construction Activity.**

(a) Developer shall provide CCRA with a proposed construction schedule prior to the commencement of construction work for the Project. Once construction begins, to the extent any material schedule changes are made, Developer shall provide CCRA with an updated construction schedule. All schedules shall be subject to the approval of the City of Philadelphia and subject to compliance with the requirements of the City of Philadelphia.

(b) All construction activities shall be performed in accordance with applicable provisions of Philadelphia Code Chapter 10-400. Temporary sidewalk and streets closures may be made in accordance with the rules and regulations of the Philadelphia Streets Department and other applicable laws. If sidewalk closures occur, protected temporary pedestrian walkways (*i.e.*, buffered from traffic and covered) will be provided, subject to Streets Department approval.

(c) Construction activity may be performed Mondays through Fridays from 7:00 a.m. until no later than 5:00 p.m., and from 8:00 a.m. until 5:00 p.m. on Saturdays. If Developer and/or its contractors, subcontractors, material suppliers, and/or agents find it necessary to work outside of the hours set forth above, Developer shall use reasonable efforts to give CCRA reasonable advance notice that such work at such times is necessary, and the reasons therefor. Developer shall use commercially reasonable efforts to cause its contractors, subcontractors, material suppliers, and agents to restrict vehicles, cranes, or other equipment from idling before or after the hours when construction is allowed.

(d) Developer shall use commercially reasonable efforts to cause its contractors, subcontractors, material suppliers, and agents to conduct construction activities and construction-related deliveries at the Property in such manner as to limit, to the extent reasonably possible, the raising and spreading of debris and dust which may migrate from the Property to the neighboring properties, and/or the creation (without prompt removal thereof) of waste and dirt piles, except in

connection with the site excavation and foundation construction activities; provided, that such activities are conducted in accordance with applicable laws and codes. To the extent reasonably possible, Developer shall require its contractors, subcontractors, material suppliers, and agents to stage all materials and equipment within the Property.

(e) Developer shall use commercially reasonable efforts to direct its contractors and subcontractors to cause temporary lighting to be used during construction to the maximum extent practicable, and to not shine on or into windows of neighbor properties directly.

(f) Developer shall use its commercially reasonable efforts throughout the duration of the construction of the Project to avoid interference with or obstruction of the utilities of and to neighboring properties including, but not limited to, the electrical, natural gas, cable, telephone, water, and sewer supply. In the event of any such interference or obstruction caused by Developer or any of its contractors, subcontractors, material suppliers, and/or agents, then Developer shall make repair of the interference or obstruction its highest priority and shall repair the same on an emergency basis. Notwithstanding the foregoing, to the extent any interference or obstruction to neighboring residents or their tenants is caused by the utilities, Developer shall not be held responsible therefor.

(g) Developer shall provide security for the Project construction site in such manner as Developer and its contractor determine is reasonably necessary.

7. **Ground Floor Restaurant/Retail Variances.**

(a) CCRA's consideration, as an RCO, of any referral from the Philadelphia Zoning Board of Adjustment and/or application for a zoning variance relating to the planned ground floor retail and/or commercial use shall be exempt from the requirements of Paragraph 4 of this Agreement. For the avoidance of doubt, CCRA shall have the right under this Agreement to oppose or not oppose, or not oppose with conditions, any such future application. Developer acknowledges and understands that with regard to referrals relating to sit-down and take-out restaurants, CCRA frequently does not oppose the applications provided that the tenant or occupant agrees to certain standard restrictions concerning, *inter alia*, trash storage, trash pick-up, delivery times, live music, and noise mitigation.

(b) If any ground floor restaurant operating within the Project desires to hold a liquor license, CCRA shall cooperate with Developer in connection with the granting or transfer of one (1) or more liquor licenses to the Property. Such cooperation shall also include working in good faith with Developer to enter into a standard conditional licensing agreement (hereinafter, "CLA") with the Pennsylvania Liquor Control Board. Developer acknowledges and understands that with regard to CLAs, CCRA frequently asks liquor license applicants to agree to certain standard restrictions concerning, *inter alia*, live music, outdoor music, and noise mitigation.

8. **Signage Variances.** CCRA's consideration, as an RCO, of any application for a zoning variance relating to exterior signage on the Project shall be exempt from the requirements of Paragraph 4 of this Agreement. For the avoidance of doubt, CCRA shall have the right under this Agreement to oppose or not oppose any such future application.

9. **Notices.** All notices and other communications required herein shall be sent by email *and* U.S. first class mail (or in lieu of U.S. first class mail, by other recognized overnight delivery service) to the following addresses:

(1) If to Developer:  
Alterra Property Group, LLC  
414 S. 16th Street  
Philadelphia, PA 19146  
Attn: Leo Addimando  
Managing Partner  
Email: leo@alterraproperty.com

(2) If to CCRA:  
Center City Residents' Association  
1900 Market Street, 8<sup>th</sup> Fl.  
Philadelphia, PA 19103  
Attn: Travis Oliver  
Operations Manager  
Email: centercity@centercityresidents.org

with a copy to:  
Blank Rome, LLP  
One Logan Square  
130 N. 18th Street  
Philadelphia, PA 19103  
Attn: Adam E. Laver, Esquire  
Email: laver@blankrome.com

with a copy to:  
Wade Albert, Esq.  
1845 Walnut Street  
Philadelphia, PA 19103  
Email: wade.d.albert@gmail.com

or in each case, at such other addresses as may, from time-to-time, be specified in writing, provided that no change shall be deemed to have been given until it is actually received by the other party.

10. **Lender and Partner Modifications.** In connection with Developer obtaining any debt and/or equity financing for the Project, if Developer's lender requests reasonable modification to this Agreement and/or a subordination, non-disturbance, and attornment agreement (hereinafter, "SNDA"), the parties will cooperate in acknowledging and documenting such modifications and/or in executing a SNDA. CCRA shall not terminate this Agreement in the event of a default hereunder by Developer unless CCRA shall have first given Developer's lender notice of and an opportunity to cure such default. Upon request by any lender or successor owner, CCRA shall provide a commercially reasonable estoppel certificate confirming whether Developer is in compliance with the terms of this Agreement.

11. **Recording.** Developer will record notice of this Agreement with the Philadelphia Department of Records within thirty (30) days of execution of the Agreement by all parties, at its sole expense.

12. **Authority.** The individuals executing this Agreement represent and warrant that they are each authorized to bind their respective party.

13. **Successors and Assigns.** The terms and conditions set forth herein are covenants intended by the parties hereto to apply to and bind Developer and CCRA, and each of their respective successors and assigns (as well as any managers or operators of the Project and the premises thereof, and any condominium and/or co-operative association and members thereof in the event that the Project is ever converted into condominium or co-operate type ownership). Developer agrees to provide a copy of this Agreement to any prospective successor or assign, and require that any successor or assign agree to be bound by this Agreement as a condition of any sale or conveyance; and this Agreement shall be solely binding upon such successors and assigns, and any previous owner shall be released from any liability hereunder. As a condition to such release, Developer agrees to provide CCRA with a copy of Developer's written notice to such successor

or assign, and such successor's or assign's acceptance thereof, regarding the requirements of this Paragraph.

14. **Voluntary Agreement.** The parties acknowledge and represent that each has had the opportunity to thoroughly discuss all aspects of this Agreement with an attorney, that each has carefully read and fully understood all of the provisions of this Agreement, and that each is voluntarily entering into this Agreement.

15. **Submission to Jurisdiction.** The parties hereby consent to the jurisdiction of any state or federal court in Philadelphia County, Pennsylvania, and irrevocably agree that all actions and proceedings relating to this Agreement may and shall promptly be litigated in such courts. Each party further waives any objection it may have to the conduct of any action or proceeding in any such court based on improper venue or *forum non conveniens*.

16. **Additional Terms.**

- (a) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. All other agreements, understandings, and negotiations, by the parties with respect to the subject matter hereof, as of the date hereof, are merged into this Agreement.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.
- (c) In the event that any court or governmental agency of competent jurisdiction finds that any provision of this Agreement, or part thereof, is illegal, invalid, or unenforceable in any respect, the court or governmental agency may limit, alter or reform such provision to render it valid and enforceable. In the event that any court or governmental agency of competent jurisdiction finds that any part of this Agreement is illegal, invalid, or unenforceable in any respect, and that limitation, alteration, or reformation of the provision is not possible, then the validity, legality, and enforceability of the remainder shall not be affected.
- (d) Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law.
- (e) The terms of this Agreement may be changed, waived, discharged, or terminated only by an agreement in writing signed by all parties.
- (f) No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained herein shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in any other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.
- (g) The recitals contained in this Agreement are incorporated herein as if set forth at length. The headings in this Agreement are for convenience of the parties and are not part of the substance thereof.
- (h) This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same Agreement.



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**IN WITNESS WHEREOF**, I have hereunto set my hand and seal on the dates set forth below.

\_\_\_\_\_  
For Alterra Property Group, LLC

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Print name

\_\_\_\_\_  
Title

\_\_\_\_\_  
For the Center City Residents' Association

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Print name

\_\_\_\_\_  
Title