**Term Sheet** (to be redlined by respondents)

The Master Development Agreement (the “Master Development Agreement”) to be entered into between the Philadelphia Authority for Industrial Development (“PAID”) and the development partner (the “Development Partner”) for the approximately 20-acre North Site and the approximately 20-acre South Site development projects (collectively, the “Project Area”) will contain, among other things, the following terms.

|  |  |
| --- | --- |
| **Roles and Responsibilities** | Philadelphia Industrial Development Corporation (“PIDC”) on behalf of PAID, will remain the Master Developer and owner of the underlying ground estate in the Project Area. In this role, PIDC will work with our Development Partner to make the fundamental decisions about land use and development standards within the Project Area.  The Development Partner will play the primary role in overseeing the planning (in collaboration with PIDC), design, financing, construction, marketing, leasing, and building management for buildings in the Project Area, including site infrastructure where it currently may not exist or is insufficient to support the proposed development, in close coordination with PIDC. The Development Partner will operate, manage, and maintain all the buildings that it develops within the Project Area in a first-class manner to ensure cleanliness, safety, and timely routine and capital maintenance and repair. |
|  |  |
| **Exclusive Development Right** | In return for the Development Partner’s commitment to collaborate with PIDC to create a master plan and marketing strategy for the Project Area, and to develop new buildings, the Development Partner will receive the exclusive right to develop and lease the land within the defined boundaries of the Project Area, subject to its compliance with the terms of the Master Development Agreement. |
|  |  |
| **Development Timeline** | The Master Development Agreement will contain a take-down schedule for the leasehold parcels in the Project Area. It will also contain a phasing schedule for construction and build-out of the Project. The Development Partner will be expected to complete development of an initial biomanufacturing facility of at least 75,000 rentable square feet within 36 months after execution and delivery of the Master Development Agreement, in no event later than June 30, 2026. |
|  |  |
| **Completion Guaranty** | The Development Partner will be required to provide an acceptable completion guaranty for each separate development within the Project Area. |
|  |  |
| **Closing Costs** | The Development Partner will be required to pay all costs associated with the commencement and recording of the lease of each development parcel within the Project Area. |
|  |  |
| **Master Plan** | The Development Partner will be required to collaborate with PIDC in the master planning process for the Project Area and to pay one-half the cost thereof. PIDC and the Development Partner will jointly select and manage the master planning team. PIDC reserves the right to approve the planning firm or team. |
|  |  |
| **Marketing Plan** | The Development Partner will be expected to prepare, implement, and diligently pursue a marketing strategy to effectively market the Project to prospective tenants. The marketing plan should include the Development Partner’s provision of staff and financial resources to implement the strategy. These efforts will be complemented by broader efforts to market Philadelphia to new and expanding businesses by the City of Philadelphia, Chamber of Commerce, and other partners, as well as PIDC’s overall marketing of its real estate assets. |
|  |  |
| **Project Design** | PIDC reserves the right to approve the designs proposed by the Development Partner, to include review of submissions through a PIDC-managed design review process. |
|  |  |
| **Long-Term Participation** | PAID seeks to participate in the appreciation of the value of the Project. This participation could take many different forms, such as participation in cash flow, a share of the proceeds of appreciated property upon a sale, and/or a share of proceeds from a refinancing. Respondents shall propose the economic structure that they believe would meet PAID’s goals of long-term participation in the Project. |
|  |  |
| **Ground Lease Rate** | Respondents shall propose the price, or price formula, for leasehold parcels they acquire from PAID. |
|  |  |
| **Conveyance of Land** | PAID will not allow drawdown of leasehold parcels before site and development plans are in place, required permits and approvals have been obtained, and financing to develop the parcel is committed. |
|  |  |
| **Termination Right** | PAID may terminate the Master Development Agreement if the Development Partner fails to meet the defined performance criteria and timeframes. |
|  |  |
| **Assignment of Rights by Development Partner** | The rights and obligations of the Development Partner may not be assigned or transferred without the prior approval of PAID. The provisions of the Master Development Agreement governing prohibition on assignment will also prohibit certain transfers of direct and indirect interests in the Development Partner. |
|  |  |
| **Infrastructure** | The Development Partner will be responsible for the financing, design, permitting, and construction of any new infrastructure or upgrades, including circulation driveways, parking, and utilities, within the Project Area. |
|  |  |
| **Physical Presence** | In order to coordinate between the Development Partner and PIDC during the long-term planning and development process, PIDC expects that the Development Partner will maintain or establish a local presence that includes individuals with the relevant experience and technical capabilities to successfully develop and market projects in the Project Area. Office locations within Philadelphia will be considered suitable for the purposes of fostering communication and collaboration. |
|  |  |
| **Diversity: Development & Operations** | The Development Partner will be required to commit to an Economic Opportunity Plan (EOP) which will contain ranges of projected utilization of qualified and certified Minority, Women, and Disabled Small Business Enterprises (MWDBE) in the planning, marketing, design, construction, and operation phases of the Project. The Development Partner will be encouraged to pursue the highest levels of MWDSBE attainment. |
|  |  |
| **Diversity: Ownership** | The Development Partner will be required to include diverse equity ownership in its projects. |