

INVESTMENT SUMMARY

Love Park Garage

Philadelphia, Pennsylvania



Overview

Jones Lang LaSalle (“JLL”) has been retained by the City of Philadelphia (“Seller” or “City”), and is pleased to present the opportunity to acquire Love Park Garage (the “Property” or the “Garage”) an 820 space garage located beneath JFK Plaza (the iconic “LOVE Park”) at 15th and Arch Streets in Philadelphia, Pennsylvania. With entrances on Arch Street at 16th and Cherry Street, the Property is at the heart of the City’s central business district (“CBD”) with direct access to the hub of the city’s public transportation network and a plethora of restaurant, retailers, entertainment and cultural opportunities.

LOVE Park, the symbolic heart of the city and a destination for tourists from around the world, is expected to undergo a major city funded renovation. The Property offers an investor/developer the rare opportunity to acquire an exceptionally well located, stabilized parking facility in the Philadelphia CBD with an excellent potential to add value through parking rate growth and renovation of the Garage and LOVE Park simultaneously*.

**See Terms of Sale*

Investment Highlights

Irreplaceable Location and Accessibility

Located at the heart of Philadelphia’s CBD at 15th and Arch Streets, LOVE Park is immediately accessible to the greatest density of office workers in the City, the second largest retail pedestrian count, immediate access to all forms of mass transportation and several of Philadelphia’s most popular destinations. The Garage will thrive on maximum visibility and accessibility. Just one block from City Hall, underground access is available to the Market-Frankford and Broad Street lines, the subway surface routes to West Philadelphia and connections to the Regional Rail lines at Suburban Station.



CENTER CITY PHILADELPHIA BY THE NUMBERS

Center City contains the country's third largest downtown residential growth - Current population estimates sit at **179,903** residents

Tourist destination - the city's vast amenities currently entail **388** arts and cultural organizations, **760** eating establishments and **800** retailers

Increased demand for both new and repositioned hotel rooms - since the recession, the CBD delivered **407** new keys, an additional **466** currently under construction, an estimated pipeline of **1,706** additional hotel rooms and planned renovations of **1,270** downtown keys

Second largest downtown student population in the country - **2,754** beds under construction, 62.1% of which are in University City

Standard & Poor's Ratings Services has raised the City of Philadelphia's long-term and underlying rating on the City's general obligation (GO) debt to A-. It's the first time since 1979 that the city has been rated **A-** by **S&P**.

Approximately **965,000** square feet of new or proposed retail space across the Philadelphia CBD

Mixed-use ground-up and conversion projects - **850** units have delivered in the recovery-to-date with an additional **1,673** under construction and a proposed pipeline of **4,791**.

Center City parking kiosk revenue increased to **\$27 million** in 2012, a **50%** increase over 2010 figures

Philadelphia's office market has seen continued tightening- forward leasing trends and occupied office-to-multifamily conversions drove **3.2 million** square feet of leasing in 2012—the highest deal flow volume since 2007



Nearby Demand Drivers

Family Court – Currently under construction at the northwest corner of 15th and Arch Streets, the new \$160 million Family Court building will unite the Domestic Relations and Juvenile Division facilities of the Philadelphia Family Court into a 670,000-square-foot facility with 15 floors above ground and three floors of below-ground parking operated by the Philadelphia Parking Authority. The building will feature space for court queuing and security, court support offices, public waiting areas, staff support areas, holding cells and judges' chambers for court administration. Construction is expected to be completed by spring 2014.

The Benjamin Franklin Parkway – The Benjamin Franklin Parkway is home to several of Philadelphia's most visited cultural destinations including the Philadelphia Museum of Art, the Franklin Institute, the Academy of Natural Sciences, the Rodin Museum and, most recently, the Barnes Foundation. Opened in May 2012, The Barnes Foundation houses the world's largest collection of impressionist, post-impressionist and early modern paintings.



- Office
- Retail
- Parks and Open Space
- Hotel
- Education and Medical Institutions
- Construction and Development
- Public and Religious Institutions
- Multifamily
- Cultural Institutions



Convention Center – As one of the top 10 largest convention centers in the country, the Philadelphia Convention Center comprises seven Exhibit halls totaling 679,000 square feet of exhibit space. The recent \$786 million Philadelphia Convention Center Expansion encompasses 20 acres of CBD land and over 2.3 million square feet. The project significantly increased parking demand and displaced over 600 parking spaces in the CBD.

Municipal Services Building – The Municipal Services Building forms a backdrop for the new Dilworth Plaza on the west side of City Hall. Completed in 1963, the building houses Philadelphia’s municipal services offices and provides access to the Suburban Concourse below.

Dilworth Plaza – One block from the Property, Dilworth Plaza will soon be transformed into a high-quality, well-managed civic space. The plaza will act as a gateway to transit and a sustainable centerpiece that links together Philadelphia’s primary employment, hospitality and cultural districts. For pedestrians, the renovated Dilworth Plaza will connect the Pennsylvania Convention Center’s new Broad Street entrance to South Broad Street’s Avenue of the Arts, tie together East and West Market Streets and provide a solid anchor for the Benjamin Franklin Parkway.



Supply Constrained Parking Market

Lack of available sites, high construction and land costs make the development of competitive product nearly impossible. Philadelphia's strict zoning laws, which restrict construction of free-standing parking garages along key thoroughfares in the Philadelphia CBD, create a high barrier to entry for development of additional parking facilities. The city also maintains strict regulations on the design and size of off-street parking facilities in specific zones, particularly in the downtown core and on key pedestrian corridors, including Chestnut, Walnut and Broad Streets. Meanwhile, demand for parking continues to increase due to the rapidly growing residential population and increase in tourism.

Vibrant Center City Philadelphia

Center City Philadelphia is comprised of 45.6 million square feet of office space, 23,278 multifamily units and a population of 179,903, making it the third largest central business district in the United States. Following six decades of population declines, Center City's population continues to grow at a record pace as it experiences a renaissance into a diverse, work-live-play environment, attracting new young, highly educated residents and empty nesters.

Excellent Demographics

Located 80 miles from New York City and 125 miles from Washington DC, Philadelphia is located at the crossroads of the most prosperous and densely populated regions in the United States. Philadelphia is the second largest city on the east coast and sixth largest in the United States.

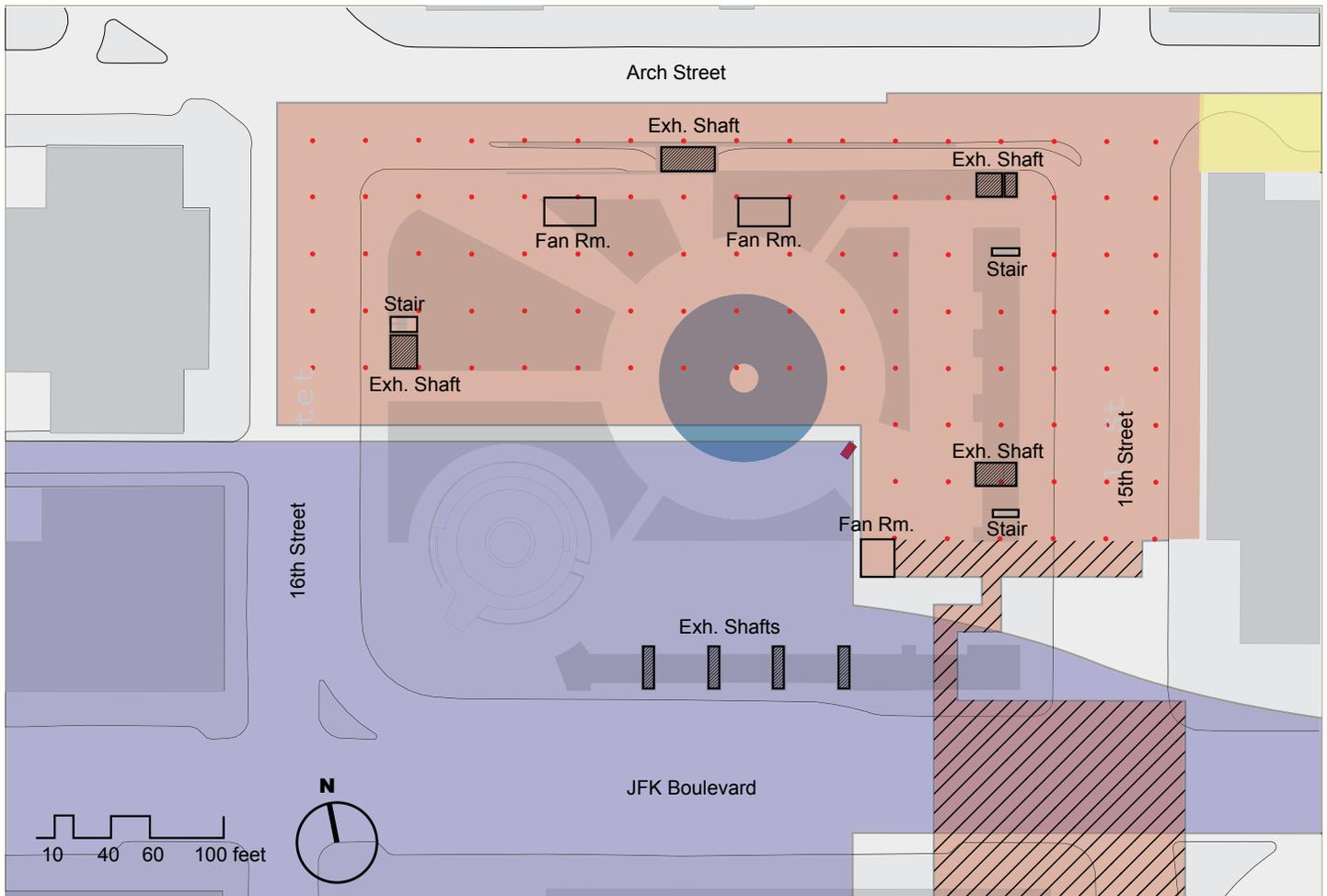
With 45.6 million square feet of office space, 179,903 residents, and more than 11,000 hotel rooms, Center City's dense and walkable grid concentrates large volumes of retail demand in a very compact space.

Center City's population has grown by 10% in the last decade, average income has increased by 53%, and more than two-thirds of the residents now hold at least a bachelor's degree. Home to University of Pennsylvania, Drexel University and Temple University, Philadelphia has one of the largest student populations in the country.

Terms of Sale

Renovation of LOVE Park: The City has approved and will fund a capital budget for the renovation of LOVE Park. The City intends to license the rights to develop LOVE Park and grant the required capital to the ultimate investor/developer of the Garage. This will create a unique and efficient opportunity to coordinate the renovation of the Garage with the complete overhaul of LOVE Park. The City will retain design approval of the new LOVE Park. Ownership of LOVE Park will remain with the City of Philadelphia throughout and following the renovation.

UNDERGROUND MAP



- MSB Loading Dock
- Suburban Station
SEPTA Regional Rail
- Underground Parking Garage
- Pedestrian Concourse
(not included in garage)

Transaction Guidelines

Marketing Procedure

Access: Interested parties should please visit <http://www.phila.gov/rfp> for more information.

Available Due Diligence Information: Asset description, easements, historical operating statements, recent engineering report, plans and drawings and a parking survey, all of which will be available in accordance with the terms of the RFQ (defined below) and RFP (defined below).

Questions: Questions regarding this RFQ are to be submitted by email to the attention of Rebecca Rhynhart (Rebecca.rhynhart@phila.gov), Nicole McCormac (nicole.mccormac@phila.gov) and Jim Vesey (jim.vesey@am.jll.com) by no later than **5:00p.m. Local Time on Friday, July 19, 2013. The subject title of such emails should read, "RFQ – Love Park Parking Garage"**. Questions may also be transmitted by phone to Jim Vesey at Jones Lang LaSalle (215.988.5511) by 5:00pm Eastern Daylight Time on Friday July 19, 2013. The City expects to respond by July 31, 2013 to questions received by Friday July 19th on the City's website <http://www.phila.gov/rfp>. Questions received after July 19th will be answered at the discretion of the City. Oral responses by Jones Lang LaSalle or any City employee or agent are not binding and shall not in any way be considered as a commitment by the City.

Offering Procedure

Two Phase Sale Process: The City intends to have a two phase sale process: (1) Phase I, a Request for Qualifications (RFQ); and (2) Phase II, a Request for Proposals (RFP).

- **Phase I - RFQ:** In Phase I, the City will issue an RFQ to identify respondents capable of purchasing and operating the Garage as well as capable of managing a large scale development/construction project. Those respondents selected by the City through Phase I will be qualified as bidders eligible to compete in the RFP (Phase II) for the final sale of the Garage.
- **Phase II – RFP:** In Phase II, the City will issue an RFP for the qualified bidders to present pricing as well as detailed plans on how the bidders intend to coordinate with the City to manage and complete the design and construction of the Love Park improvements as well as complete Garage improvements in a timely manner. The City plans to negotiate an agreement of sale with the bidder whose proposal is deemed to be most advantageous to the City.

Date of Initial Offer: A date will be established during the RFQ/RFP process.

Submission Requirements: The RFQ and RFP will govern the sale process and the requirements for your submissions, which, solely by way of example and without limitation, may include the following:

- Purchase price you are prepared to pay for the fee simple interest in the Garage
- An estimate of capital costs for the Garage renovation;
- Request for Qualifications ("RFQ"), this document will be available on the City's website;
- Amount of Earnest Money deposit and time frame for it to be non-refundable;
- Due diligence or contingencies required, if any, and timing;
- Time required to close the proposed acquisition;

Initial Offer Review: Seller and JLL will assess the qualifications of any party submitting an offer in accordance with Seller's objectives. In making this assessment, Seller will consider a number of factors as set forth in the RFQ and RFP, which may include, but not be limited to, response to the RFQ, price, timing of closing and the perceived ability of the investor to complete the transaction.

Best & Final Offers: Based upon the initial offer review, a select group of candidates will be invited to participate in a best & final round of offers. These candidates will also be required to interview with the Seller and JLL.

Date of Best & Final Offers: Final bids will be due as set forth in the RFQ/RFP.

Philadelphia City Council Approval: The sale will be subject to passage of a Philadelphia City Council ordinance, signed by the Mayor.

Notice to All Potential Respondents and Bidders: The information contained in this Investment Summary is not an offer or commitment to consummate any transaction. The receipt of this Investment Summary by an interested party does not create, nor is it intended to create a binding and enforceable contract or commitment between the City or JLL and any other party and this Investment Summary may not be relied upon by any party as the basis for a contract or commitment. References in this Investment Summary to the RFQ and RFP are qualified in their entirety by reference to the actual terms of the RFQ and RFP, which shall control if there is a conflict, variation or inconsistency between the terms of the RFQ and RFP and any references thereto. The process governing the sale of the Garage and renovation of LOVE Park will be conducted solely and exclusively in accordance with the terms of the RFQ and RFP, and any conflict, variation or inconsistency between or among this Investment Summary and the RFQ or RFP shall be resolved in favor of the RFQ and RFP, as the case may be.



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