

City Council Chief Clerk's Office 402 City Hall Philadelphia, PA 19107

	BILL NO. 241050
	Introduced November 14, 2024
Councilmer	nber Lozada for Council President Johnson
Committ	Referred to the see on Public Property and Public Works

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into various lease and sublease agreements with various landlords and tenants, for use by the City of all or a portion of various premises located at 1835 South Broad Street, 6000 Woodland Avenue, 4029 Market Street, 5610 Lancaster Avenue, 2301 North Broad Street, 6420 Frankford Avenue, 2739 North 5th Street, 5361-91 Chew Avenue, 6233 North Broad Street, and 1619 Grant Avenue, all under certain terms and conditions.

AN ORDINANCE

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a sublease agreement with the Philadelphia Municipal Authority for use by the City of certain premises located at 1835 South Broad Street, Philadelphia, Pennsylvania 19148, pursuant to terms substantially set forth in Exhibit "A-1."

SECTION 2. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a sublease agreement with the Philadelphia Municipal Authority for use by the City of certain premises located at 6000 Woodland Avenue, Philadelphia, Pennsylvania 19142, pursuant to terms substantially set forth in <u>Exhibit "A-2</u>."

SECTION 3. The Commissioner of Public Property is hereby authorized to enter into a lease with Hoon Ho Oh as Landlord, for use by the City, of certain premises located at 4029 Market Street, Philadelphia, Pennsylvania, 19104, pursuant to terms substantially set forth in Exhibit "A-3."

SECTION 4. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a lease agreement with 5610 Associates LLC as Landlord, for use by the City of certain premises located at 5610 Lancaster Avenue, Philadelphia, Pennsylvania 19131, pursuant to terms substantially set forth in Exhibit "A-4."

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SECTION 5. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a lease agreement with 2301 North Broad Associates, LP as Landlord, for use by the City of certain premises located at 2301 N. Broad Street, Philadelphia, Pennsylvania 19132, pursuant to terms substantially set forth in <u>Exhibit "A-5</u>."

SECTION 6. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a sublease agreement with the Philadelphia Municipal Authority, for use by the City of certain premises located at 6420 Frankford Avenue, Suite 17B, Philadelphia, Pennsylvania 19135, pursuant to terms substantially set forth in Exhibit "A-6."

SECTION 7. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a lease agreement with HACE as Landlord, for use by the City of certain premises located at 2739 North 5th Street, Philadelphia, Pennsylvania 19133, pursuant to terms substantially set forth in Exhibit "A-7."

SECTION 8. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a lease agreement with Chew & Wister, L.P. as Landlord, for use by the City of certain premises located at 5361-91 Chew Avenue, Philadelphia, Pennsylvania 19138, pursuant to terms substantially set forth in Exhibit "A-8."

SECTION 9. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a sublease agreement with the Philadelphia Municipal Authority for use by the City of certain premises located at 6233 North Broad Street, Philadelphia, Pennsylvania 19141, pursuant to terms substantially set forth in Exhibit "A-9."

SECTION 10. The Commissioner of Public Property is hereby authorized, on behalf of the City of Philadelphia, to enter into a sublease agreement with the Philadelphia Municipal Authority for use by the City of certain premises located at 1619 Grant Avenue, Suites 15 and 16, Philadelphia, Pennsylvania 19115, pursuant to terms substantially set forth in <u>Exhibit "A-10</u>."

SECTION 11. The Commissioner of Public Property is hereby authorized to take all actions deemed by the Commissioner to be necessary and appropriate to carry out the provisions and intent of this Ordinance, including executing any and all instruments and ancillary documents that are necessary and appropriate.

SECTION 12. The City Solicitor is hereby authorized to review, to negotiate and to approve the various leases and subleases and all other instruments and documents necessary and appropriate to effectuate this Ordinance, which leases, subleases, instruments and documents shall contain such terms and conditions as the City Solicitor shall deem necessary, desirable, and proper to protect the interests of the City of Philadelphia.

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EXHIBIT "A-1"

Terms of Proposed Sublease

For 1835 South Broad Street, Philadelphia, Pennsylvania, 19148

- **1. Landlord:** RAJ Land LP or successive owner of the Premises.
- **2. Tenant/Sublandlord**: Philadelphia Municipal Authority.
- **3. Subtenant:** City of Philadelphia.
- **4. Premises Address:** 1835 South Broad Street, Philadelphia, Pennsylvania 19148.
- 5. Use of the Premises: Approximately 6,600 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- **6. Term of Lease:** Ten (10) years.
- **7. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent for Lease Year 1 will be \$24.00 per square foot and shall escalate at a rate of approximately 2% per year over the term including the renewal term. The total base rent for Lease Year 1 will be \$158,400.
- **9. Utilities:** The City shall pay directly through the City's own accounts or, if not billed directly, shall reimburse the cost of utilities paid on City's behalf.
- **10. Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **11. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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EXHIBIT "A-2"

Terms of Proposed Sublease For 6000 Woodland Avenue, Philadelphia, PA 19142

- 1. Landlord: 6000 Woodland Partners, LP.
- **2. Tenant/Sublandlord**: The Philadelphia Municipal Authority.
- **3. Subtenant**: City of Philadelphia.
- **4. Premises Address:** 6000 Woodland Avenue, Unit 12, Philadelphia, PA 19142.
- 5. Use of the Premises: Approximately 3,000 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- **6. Term of Lease:** Seven (7) years.
- **7. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent during Lease Year 1 will be \$24.35 per rentable square foot and shall escalate at a rate of approximately 2% per year over the s term, including the renewal term. The total base rent for Lease Year 1 will be \$73,050.
- **9. Utilities:** The City shall pay directly through City's own accounts, or, if not billed directly shall reimburse the cost of electricity paid on City's behalf.
- **10. Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **11. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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EXHIBIT "A-3"

Terms of Proposed Lease For 4029 Market Street, Pennsylvania, 19104

- 1. Landlord: Hoon Ho Oh
- **2. Tenant**: City of Philadelphia
- **3. Premises Address:** 4029 Market Street, Pennsylvania, Philadelphia 19104
- **4. Use of the Premises:** Approximately 3,000 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- 5. Term of Lease: Seven (7) years, provided that, in accordance with Section 8-200(3) of the Philadelphia Home Rule Charter, the City shall have the right to terminate the Lease, at the City's sole option, at any time after the expiration of four (4) years without liability to the Landlord for damages or loss of profits which would have been realized had the lease not been terminated.
- **6. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent during Lease Year 1 will be \$22.50 per rentable square foot and shall escalate at a rate of approximately 2% per year over the seven (7) year term. The total base rent for Lease Year 1 will be \$67,500.
- **8. Utilities:** The City shall pay directly through the City's own accounts, or, if not billed directly shall reimburse the cost of electricity paid on City's behalf.
- **9. Operating Expenses:** The City shall be responsible for operating expenses.
- **10. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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EXHIBIT "A-4"

Terms of Proposed Lease For 5610 Lancaster Avenue, Philadelphia, PA 19131

- **1. Landlord:** 5610 Associates LLC.
- **2. Tenant**: City of Philadelphia.
- **3. Premises Address:** 5610 Lancaster Avenue, Unit 400, Philadelphia, Pennsylvania 19131.
- **4. Use of the Premises:** Approximately 5,876 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- **5. Term of Lease:** Ten (10) years, provided, however, that the City, in accordance with Section 8-200(3) of the Philadelphia Home Rule Charter, shall have the right to terminate the Lease, at the City's sole option, at any time after the expiration of four (4) years without liability to the Landlord for damages or loss of profits which would have been realized had the lease not been terminated.
- **6. Renewal Term:** The City shall have a three (3) year renewal option.
- **Rent:** Base rent during Lease Year 1 will be \$16.45 per rentable square foot and shall escalate annually at rates starting at 6.5% for Lease Year 1, with the percentage increase declining each year to 2.4% in Lease Year 10. The total base rent for Lease Year 1 will be \$96,638.24.
- **8. Utilities:** The City shall pay directly through City's own accounts, or, if not billed directly shall reimburse the cost of electricity paid on City's behalf.
- **Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **10. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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EXHIBIT "A-5"

Terms of Proposed Lease 2301 North Broad Street, Philadelphia, Pennsylvania, 19132

- **1. Landlord:** 2301 North Broad Associates, LP.
- **2. Tenant:** City of Philadelphia.
- **3. Premises Address:** 2301 North Broad Street, Philadelphia, Pennsylvania 19132.
- **4. Use of the Premises:** Approximately 2,907 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- 5. Term of Lease: Seven (7) years provided, however, that the City, in accordance with Section 8-200(3) of the Philadelphia Home Rule Charter, shall have the right to terminate the Lease, at the City's sole option, at any time after the expiration of four (4) years without liability to the Landlord for damages or loss of profits which would have been realized had the lease not been terminated.
- **6. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent for Lease Year 1 will be \$24.41 per square foot and shall escalate at a rate of approximately 3% per year over the term including the renewal term. The total base rent for Lease Year 1 will be \$70,959.87.
- **8. Utilities:** The City shall pay directly through the City's own accounts or, if not billed directly, shall reimburse the cost of utilities paid on City's behalf.
- **9. Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **10. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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EXHIBIT "A-6"

Terms of Proposed Sublease For 6420 Frankford Avenue Suite #17B Philadelphia, Pennsylvania, 19135

- 1. Landlord: Mayfair Real Estate LLC and Chichester Mayfair LLC
- **2. Tenant/Sublandlord:** The Philadelphia Municipal Authority.
- **3. Tenant:** City of Philadelphia.
- **4. Premises Address:** 6420 Frankford Avenue Suite #17B Philadelphia, Pennsylvania, 19135.
- 5. Use of the Premises: Approximately 2,651 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- **6. Term of Lease:** Seven (7) years.
- **7. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent for Lease Year 1 will be \$22.50 per square foot and shall escalate at a rate of approximately 2% per year over the term including the renewal term. The total base rent for Lease Year 1 will be \$59,647.50.
- **9. Utilities:** The City shall pay directly through the City's own accounts or, if not billed directly, shall reimburse the cost of utilities paid on City's behalf.
- **10. Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **11. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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EXHIBIT "A-7"

Terms of Proposed Lease 2739 North 5th Street Unit #1, Philadelphia, PA 19133

- 1. Landlord: HACE
- **2. Tenant:** City of Philadelphia
- **3. Premises Address:** 2739 North 5th Street Unit #1, Philadelphia, Pennsylvania 19133
- **4. Use of the Premises:** Approximately 2,200 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- 5. Term of Lease: Ten (10) years, provided that, in accordance with Section 8-200(3) of the Philadelphia Home Rule Charter, the City shall have the right to terminate the Lease, at the City's sole option, at any time after the expiration of four (4) years without liability to the Landlord for damages or loss of profits which would have been realized had the lease not been terminated.
- **6. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent for Lease Year 1 will be \$20.00 per square foot and shall escalate at a rate of approximately 2% per year over the term including the renewal term. The total base rent for Lease Year 1 will be \$44,000.
- **8. Utilities:** The City shall pay directly through the City's own accounts or, if not billed directly, shall reimburse the cost of utilities paid on City's behalf.
- **Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **10. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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EXHIBIT "A-8"

Terms of Proposed Lease 5361-91 Chew Avenue, Philadelphia, Pennsylvania 19138

- 1. Landlord: Chew & Wister, L.P.
- **2. Tenant:** City of Philadelphia.
- **3. Premises Address:** 5361-91 Chew Avenue, Philadelphia, Pennsylvania 19138.
- **4. Use of the Premises:** Approximately 2,500 rentable square feet for office/retail use.
- **Term of Lease:** Ten (10) years, provided that in accordance with Section 8-200(3) of the Philadelphia Home Rule Charter, the City shall have the right to terminate the Lease, at the City's sole option, at any time after the expiration of four (4) years without liability to the Landlord for damages or loss of profits which would have been realized had the lease not been terminated.
- **6. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent for Lease Year 1 will be \$25.00 per square foot and shall escalate at a rate of approximately 2% per year over the term including the renewal term. The total base rent for Lease Year 1 will be \$62,500.
- **8. Utilities:** The City shall pay directly through the City's own accounts or, if not billed directly, shall reimburse the cost of utilities paid on City's behalf.
- **9. Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **10. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan and provide a tenant improvement allowance.

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EXHIBIT "A-9"

Terms of Proposed Sublease 6233 North Broad Street, Philadelphia, Pennsylvania 19141

- **1. Landlord:** The Robert Nicoletti Family Trust.
- **2. Tenant/Sublandlord**: Philadelphia Municipal Authority.
- **3. Subtenant**: City of Philadelphia.
- **4. Premises Address:** 6233 North Broad Street, Philadelphia, Pennsylvania 19141.
- 5. Use of the Premises: Approximately 4,205 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- **6. Term of Lease:** Ten (10) years.
- **7. Renewal Term:** The City shall have one (1) three (3) year renewal option.
- **Rent:** Base rent for Lease Year 1 will be \$21.40 per square foot and shall escalate at a rate of approximately 3% per year over the term including the renewal term. The total base rent for Lease Year 1 will be \$89,987.
- **9. Utilities:** The City shall pay directly through the City's own accounts or, if not billed directly, shall reimburse the cost of utilities paid on City's behalf.
- **10. Operating Expenses:** The City shall be responsible for operating expenses.
- **11. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan and provide a tenant improvement allowance.

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EXHIBIT "A-10"

Terms of Proposed Lease 1619 Grant Avenue Suites #15 and 16 Philadelphia, PA 19115

- **1. Landlord:** Grant Plaza Acquisition, L.P.
- **2. Tenant/Sublandlord**: Philadelphia Municipal Authority.
- **3. Subtenant:** City of Philadelphia.
- **4. Premises Address:** 1619 Grant Avenue Suite #15 and #16, Philadelphia, Pennsylvania 19115.
- 5. Use of the Premises: Approximately 2,824 rentable square feet to be used as a government office by the City of Philadelphia to conduct the City's business affairs, including use of the Premises as a satellite Board of Elections office.
- **6. Term of Lease:** Ten (10) years.
- **7. Renewal Term:** The City shall have one (1) five (5) year renewal option.
- **Rent:** Base rent for Lease Year 1 will be \$22.00 per square foot and shall escalate at a rate of approximately 3% per year over the term including the renewal term. The total base rent for Lease Year 1 will be \$62,128.
- **9. Utilities:** The City shall pay directly through the City's own accounts or, if not billed directly, shall reimburse the cost of utilities paid on City's behalf.
- **10. Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
- **11. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.