

# City of Philadelphia



(Bill No. 150370)

## AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City, to enter into a sublease agreement with the Philadelphia Authority for Industrial Development for use by the City of premises located at 2800 S. 20th Street, all under certain terms and conditions.

### *THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. The Commissioner of Public Property, on behalf of the City, is hereby authorized to enter into a sublease agreement, as subtenant, with the Philadelphia Authority for Industrial Development, as tenant and sublandlord, for use by the City of premises located at 2800 S. 20th Street, pursuant to terms substantially similar to those set forth in the document attached hereto as Exhibit "A."

SECTION 2. The City Solicitor is hereby authorized to review and approve the lease and other documents necessary to effectuate this Ordinance, which lease and documents shall contain such terms and conditions as the City Solicitor shall deem necessary and proper to protect the interests of the City of Philadelphia and to carry out the purpose of this Ordinance.

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## EXHIBIT "A"

### Terms of Proposed Lease and Sublease For 2800 S. 20th Street, Philadelphia, PA

1. **Landlord:** Defense Realty, LLC.
2. **Tenant and Sublandlord:** Philadelphia Authority for Industrial Development.
3. **Subtenant:** City of Philadelphia, acting through its Department of Public Property.
4. **Square Footage:** Not to exceed 85,000 square feet.
5. **Premises Address:** Defense Center Business Campus, Building #6, 2800 S. 20th Street, Philadelphia, PA.
6. **Use of the Premises:** The Premises will serve as the location of the City's Unified Call Center which will house the City's 911 and 311 Call Centers, Police and Fire Dispatch, the City's Office of Emergency Management and the City's Emergency Operation Center.
7. **Commencement Date:** Work on the fit-out of the Premises will commence during the fourth quarter of the 2015-2016 fiscal year.
8. **Term:** Not to exceed ten (10) years. In the event that the City does not exercise its option to purchase the demised premises (as described in paragraph 9), City shall have the option to renew the Term for two (2) additional five (5) year renewal terms (each a "Renewal Term"). City may exercise this option by providing written notice to Landlord at least one hundred and eighty (180) days prior to the end of the Term or then- current Renewal Term, as applicable.
9. **Purchase Option:** City shall have the option to purchase the demised premises at the end of the term of the lease on one year prior written notice for the fair market value of the improved premises, which shall be determined through a process agreed to by both Landlord and the City prior to the execution of the lease, less the cost of any improvements made to the demised premises by the City, if the Tenant improvements are included in the appraised value. Landlord and City shall jointly engage a mutually agreeable real estate appraiser to determine the fair market value of the improved premises as of the date of the completion of the fit out of the Premises. So long as both parties agree to the value determined by such real estate appraiser, said appraised amount shall be the price for purchasing the demised premises (the "Purchase Price"). In the event City exercises the Option to Purchase, City shall have a credit against the Purchase Price, at the closing of

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said purchase, equal to thirty (30%) percent of the total of Fixed Rent paid over the Term.

- 10. Fixed Rent:** \$8/ square foot plus the amortized cost of the fit-out of the Premises.
- 11. Utilities:** The City will be responsible for the provision of utilities to the Premises.
- 12. Cost of the Fit-Out of the Premises:** The cost to fit-out the Premises will be negotiated with the Landlord.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on September 10, 2015. The Bill was Signed by the Mayor on September 29, 2015.



Michael A. Decker  
Chief Clerk of the City Council