



City of Philadelphia

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

BILL NO. 230361

Introduced May 4, 2023

Councilmember Driscoll

**Referred to the
Committee on Public Property and Public Works**

AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into a sublease agreement with the Philadelphia Municipal Authority for use by the City of the Premises located at 8716-20 Frankford Avenue, Philadelphia, Pennsylvania, 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 of Philadelphia, is hereby authorized to enter as subtenant into a sublease agreement with the Philadelphia Municipal Authority, as tenant and sublandlord, for a portion of the premises located at 8716 Frankford Avenue, Philadelphia, Pennsylvania, for use by the City, pursuant to the terms substantially set forth in Exhibit A.

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

City of Philadelphia

BILL NO. 230361 continued

EXHIBIT "A"

Terms of Proposed Sublease For 8716-20 Frankford Avenue, Philadelphia, PA

1. **Sublandord:** The Philadelphia Municipal Authority (The Philadelphia Municipal Authority will enter into a prime lease for the premises with Posel Enterprises)
2. **Subtenant:** City of Philadelphia
3. **Premises Address:** 8716-20 Frankford Avenue, Philadelphia, PA 19136
4. **Use of the Premises:** Approximately 12,015 rentable square feet, to be used for office space and light warehouse use by the Community Life Improvement Program (CLIP)
5. **Term of Sublease:** 10 years
6. **Rent:** The annual base rent will be approximately \$18.95 per rentable square foot in years one through five and \$21.25 per rentable square foot in years 6 through 10. At approximately 12,015 rentable square feet, the first year's annual base rent will be approximately \$227,684.25.
7. **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 the City's behalf.
8. **Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses, which proportionate share shall equal 25.56% of total operating expenses. Annual operating expense increases are capped at 5%.
9. **Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan with a tenant improvement allowance of \$400,000.00.