



City of Philadelphia

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

BILL NO. 190892

Introduced November 14, 2019

Councilmember Blackwell

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

AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City, to convey to the Philadelphia Authority for Industrial Development all or a portion of certain parcels of land in and about the area bounded by University Avenue, Civic Center Boulevard, Hamilton Street and 34th Street, for further conveyance; and authorizing the Commissioner of Public Property, on behalf of the City, to enter into a lease agreement to lease back a portion of the property to the City; 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 of Philadelphia, is hereby authorized to convey to the Philadelphia Authority for Industrial Development certain parcels of land in and about the area bounded by University Avenue, Civic Center Boulevard, Hamilton Street and 34th Street, as more particularly identified in Exhibit "A" and generally known as 451 S. University Avenue and 501 S. University Avenue, for further conveyance to and redevelopment by the Trustees of the University of Pennsylvania ("Penn") and the Children's Hospital of Philadelphia ("CHOP"), or their designees, under certain terms and conditions.

SECTION 2. Conveyance of the parcels identified in Section 1 and Exhibit A from the City of Philadelphia to PAID shall be conditioned upon a commitment by PAID to require Economic Opportunity Plans in accordance with Section 17-1602 of The Philadelphia Code, as amended, in connection with development of the parcels.

SECTION 3. The Commissioner of Public Property, on behalf of the City of Philadelphia, is hereby authorized to enter into a lease agreement with an entity to be formed by Penn and CHOP, or their designees, for a portion of the development that will be constructed on the premises identified in Section 1 and Exhibit "A", pursuant to terms substantially set forth in the document attached hereto as Exhibit "B".

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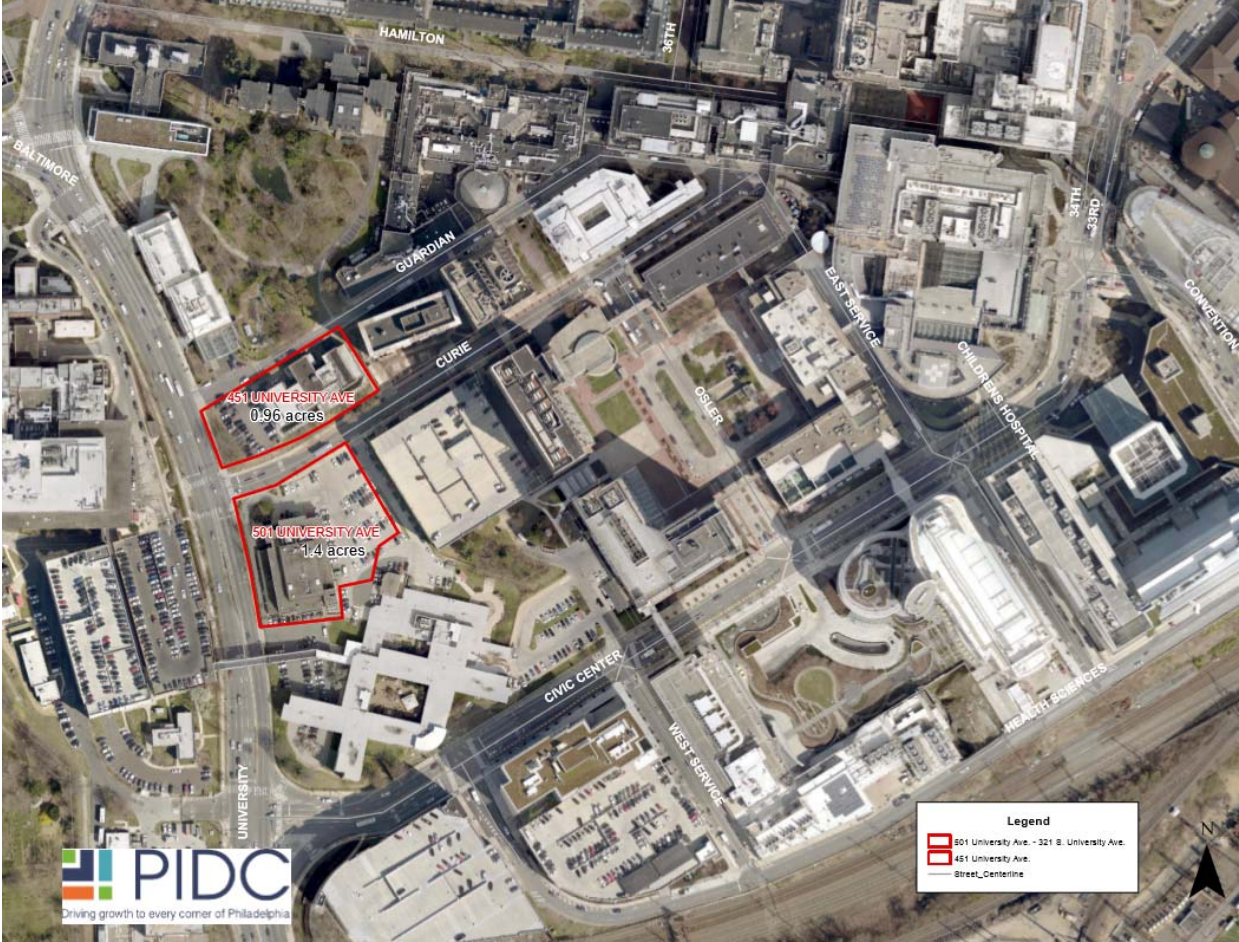
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SECTION 4. The City Solicitor is hereby authorized to review and to approve, prior to execution, all instruments and documents necessary to effectuate this Ordinance, which instruments and documents shall contain such terms and conditions as the City Solicitor shall deem necessary and proper to protect the interests of the City.

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EXHIBIT "A": PREMISES TO BE CONVEYED



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EXHIBIT “B” - TERMS OF PROPOSED LEASE

1. **Landlord:** An entity to be formed by the Trustees of the University of Pennsylvania and the Children’s Hospital of Philadelphia, or their designees
2. **Tenant:** The City of Philadelphia, acting through its Department of Public Property.
3. **Premises:** 21,500-22,700 rentable square feet (“RSF”) of office space or as otherwise agreed by the parties based on final floorplate and layout, in a building to be constructed on a portion of the parcel currently known as 501 S. University Avenue, Philadelphia, PA. The final RSF of the premises will be sufficient to accommodate the use set forth in Paragraph 4 below, as mutually agreed by the parties and set forth in the lease.
4. **Use of the Premises:** Licensed outpatient treatment services for substance-use disorders, which includes medically-assisted treatment for substance-use disorders, by the City’s Department of Public Health.
5. **Term of Lease:** Twenty-nine years and eleven months (29 years and 11 months); provided, however, the City (in accordance with Section 8-200(3) of the Philadelphia Charter) shall have right to terminate the lease, at the City’s sole option, at any time after the expiration of four (4) years from the commencement date of the lease without liability to the Landlord for damages or loss of profits which would have been realized had the lease not been terminated.
6. **Renewals:** The City of Philadelphia shall have the option to renew the lease for two additional twenty nine years and eleven months (29 years and 11 months) periods at fair market rent; provided, however, the City (in accordance with Section 8-200(3) of the Philadelphia Charter) shall have 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.
7. **Rent:** Annual base rent will be \$1 per year for the initial term of the lease (i.e. 29 years and 11 months). If the lease is extended for one or more of the renewal terms, the annual base rent during such renewal term shall be fair market rate, pursuant to the terms of the lease.
8. **Utilities:** Tenant shall pay all monthly utility and common area charges at the premises.

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9. **Tenant Improvements:** The premises will be designed, constructed, and fit-out for the purpose set forth in Paragraph 4, in consultation with the Tenant. The parties understand and agree that the cost of tenant improvements will be deducted from the purchase price when the underlying parcel is conveyed by the Philadelphia Authority for Industrial Development to the Landlord.

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