



City of Philadelphia

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

BILL NO. 241023

Introduced October 31, 2024

Councilmember Gilmore Richardson for Council President Johnson

**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 lease agreement with AC HSS Office Ventures II, LLC, for use by the City, of a portion of the premises located at 1930 South Broad Street, Philadelphia, Pennsylvania 19145, under certain terms and conditions.

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 lease agreement with AC HSS Office Ventures II, LLC, for use by the City of a portion of the premises located at 1930 South Broad Street, Philadelphia, Pennsylvania 19145, pursuant to certain conditions set forth in the document attached hereto as Exhibit "A".

SECTION 2. 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 necessary and appropriate for the City to enter into the lease agreement and carry out the purpose of this Ordinance pursuant to the terms set forth in Exhibit "A".

SECTION 3. The City Solicitor is authorized to review, negotiate, and approve all instruments and ancillary documents deemed by the City Solicitor to be necessary and appropriate to carry out the provisions and intent of this Ordinance, which instruments and documents shall contain such terms and conditions deemed by the City Solicitor to be necessary, desirable, and in the best interests of the City.

City of Philadelphia

BILL NO. 241023 continued

EXHIBIT "A"

Terms of Proposed Lease For 1930 S. Broad Street, Philadelphia, Pennsylvania, 19145

1. Landlord: AC HSS Office Ventures II, LLC.
2. Tenant: City of Philadelphia.
3. Premises Address: 1930 S. Broad Street, Philadelphia, Pennsylvania 19145.
4. Use of the Premises: Approximately 6,991 rentable square feet for office use.
5. Term of Lease: Fifteen (15) 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 two (2) five (5) year renewal options and one (1) four (4) year renewal option.
7. Rent: Base rent for Lease Year 1 will be \$23.75 per square foot and shall escalate at a rate of approximately 6% at Lease Year 3 and again at Lease Year 6. Base rent shall escalate at a rate of approximately 8.6% after Lease Year 9 and escalate at a rate of approximately 3.45% after Lease Year 12. Should the City exercise its renewal term option, the base rent will escalate at a rate of approximately 10% after Lease Year 15, Lease Year 20, and Lease Year 25. The total base rent for Lease Year 1 will be \$166,036.25.
8. Utilities: Included in Operating Expenses.
9. Operating Expenses: The City shall be responsible for its proportionate share of operating expenses, which proportionate share shall be 2.53% of total operating expenses.
10. Tenant Improvements: Landlord shall fit out the Premises based on a space plan mutually acceptable to the City and the Landlord.