



City of Philadelphia

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

BILL NO. 250440

Introduced May 1, 2025

Councilmember Squilla

**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 an amendment to a lease agreement with Southeastern Pennsylvania Transportation Authority, for use by the City, of a portion of the premises located at 1234 Market Street, Philadelphia, Pennsylvania 19107, 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 an amendment to a lease agreement with Southeastern Pennsylvania Transportation Authority ("SEPTA"), for use by the City of an additional portion of the premises located at 1234 Market Street, Philadelphia, Pennsylvania 19107, pursuant to certain terms and 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. 250440 continued

EXHIBIT “A”

Terms of Proposed Lease For 1234 Market Street, Philadelphia, Pennsylvania, 19107

1. **Landlord:** Southeastern Pennsylvania Transportation Authority.
2. **Tenant:** City of Philadelphia.
3. **Premises Address:** 1234 Market Street, Philadelphia, Pennsylvania 19107.
4. **Use of the Premises:** Approximately 9,695 rentable square feet of additional space for office use with the option to increase the rentable square footage by approximately 4,055 additional rentable square feet (for a total of 13,750 additional rentable square feet) to be utilized by the Department of Public Property to provide space for the operations of the City of Philadelphia, under the same terms and conditions.
5. **Term of Lease:** Six (6) years and ten (10) months for the approximately 9,695 rentable square feet of space. The term for the lease, as amended, and up to approximately 13,750 of additional rentable square feet shall expire October 31, 2032.
6. **Renewal Term:** N/A
7. **Rent:** Base rent for Lease Year 1 will be \$26.00 per square foot and shall escalate at a rate of \$0.50 per rentable square foot per year. The first year’s annual base rent for the additional 9,695 square feet will be \$252,069.96.
8. **Utilities:** Included in Operating Expenses, except that electric usage shall be fixed at an annual rate of \$1.75 per rentable square foot applicable for the additional rentable square feet described in Para. 4 herein.
9. **Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
10. **Tenant Improvements:** Landlord shall provide a tenant improvement allowance.