



City of Philadelphia

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

BILL NO. 230355

Introduced May 4, 2023

Councilmember 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 Innerport Business Complex Associates, L.P. for use by the City of all or a portion of the premises located at 7801 Essington Avenue, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Public Property is hereby authorized to enter into a lease with Innerport Business Complex Associates, L.P., with the City of Philadelphia as tenant, for use by the City, of all or a portion of the premises located at 7801 Essington Avenue, Philadelphia, Pennsylvania, 19153 pursuant to terms substantially set forth in Exhibit "A".

SECTION 2. The City Solicitor is hereby authorized to review and to 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.

City of Philadelphia

BILL NO. 230355 continued

EXHIBIT "A"

Terms of Proposed Lease For 7801 Essington Avenue, Philadelphia, PA

1. **Landlord:** Innerport Business Complex Associates, L.P.
2. **Tenant:** City of Philadelphia
3. **Premises Address:** 7801 Essington Avenue, Philadelphia, PA 19153
4. **Use of the Premises:** Approximately 37,760 usable square feet, to be used for office space and accessory uses by the City's Air Management Services and Environmental Health Services.
5. **Term of Lease:** 15 years, provided, however, the City (in accordance with Section 8-200(3) of the Philadelphia Charter) shall have the right to terminate the lease, at the City's sole option, at any time after the expiration of four 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 a five (5) year renewal option.
7. **Rent:** The annual base rent will be \$13.64 per usable square foot for lease years 1-5, \$15.68 per usable square foot for lease years 6-10 and \$18.04 per usable square foot for lease years 11-15. For the renewal option years of 16-20, the annual base rent will be \$20.74 per square foot. At approximately 37,760 usable square feet, the first year's annual base rent will be approximately \$515,000.00.
8. **Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses, which proportionate share shall equal 100% of total operating expenses.
9. **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.
10. **Tenant Improvements:** Landlord shall provide the City a \$1,416,000.00 tenant improvement allowance.