



City of Philadelphia

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

BILL NO. 241031

Introduced October 31, 2024

Councilmember Bass for 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 a sublease agreement with the Philadelphia Municipal Authority, for use by the City of a portion of the premises located at 1 S. Broad Street, 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 into a sublease agreement with the Philadelphia Municipal Authority, with the City as subtenant, for use by the City of a portion of the premises located at 1 S. Broad Street, Philadelphia, Pennsylvania, 19107 pursuant to terms substantially set forth in 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 all instruments and ancillary documents necessary and appropriate for the City to carry out the purposes of this Ordinance.

SECTION 3. The City Solicitor is authorized to review, negotiate, and approve the sublease and all ancillary documents deemed by the City Solicitor to be necessary and appropriate to carry out the provisions and intent of this Ordinance, which sublease 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 of Philadelphia to carry out the purpose of this Ordinance.

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BILL NO. 241031 continued

EXHIBIT "A"

Terms of Proposed Sublease For 1 S. Broad Street, Philadelphia, Pennsylvania, 19107

1. **Landlord:** Broad One L.P.
2. **Tenant/Sublandlord:** Philadelphia Municipal Authority
3. **Subtenant:** City of Philadelphia
4. **Premises Address:** 1 S. Broad Street, Philadelphia, Pennsylvania, 19107
5. **Use of the Premises:** Approximately 18,439 rentable square feet for office use.
6. **Term of Lease:** Fifteen (15) years
7. **Renewal Term:** The City shall have one (1) five (5) year renewal option.
8. **Rent:** Base rent for Lease Year 1 will be \$15.75 per square foot and shall escalate at a rate of approximately 6% after Lease Year 3, Lease Year 6, Lease Year 9, and Lease Year 12. Should the City exercise its renewal term option, the base rent will be escalated at a rate of approximately 10% after Lease Year 15 and remain at the same base rent rate for the remaining years of the renewal term. The total base rent for Lease Year 1 will be \$290,414.25.
9. **Utilities:** The City is not responsible for utilities.
10. **Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.
11. **Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan and provide a tenant improvement allowance of \$737,560.00.