

City of Philadelphia



(Bill No. 170507)

AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City, to enter into a sublease agreement with The Philadelphia Municipal Authority for use by the City of a portion of the premises located at 1425 Arch Street, 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 enter into a sublease agreement with The Philadelphia Municipal Authority, with City as subtenant, for use by the City of a portion of the premises located at 1425 Arch Street, Philadelphia, Pennsylvania, pursuant to terms substantially set forth in the document attached hereto as Exhibit "A".

SECTION 2. The City Solicitor is hereby authorized to review and to approve the sublease and other documents necessary to effectuate this Ordinance, which sublease 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.

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EXHIBIT "A"

Terms of Proposed Sublease For 1425 Arch Street, Philadelphia, PA

1. **Sublandlord:** The Philadelphia Municipal Authority (The Philadelphia Municipal Authority will enter into a prime lease for the premises with WHY Partners, LP)
2. **Subtenant:** The City of Philadelphia
3. **Premises Address:** 1425 Arch Street, Philadelphia, PA
4. **Use of the Premises:** Approximately 39,141 rentable square feet.
5. **Term of Lease:** 15 years.
6. **Renewal Terms:** Subtenant shall have one (1) ten (10) year renewal option.
7. **Rent:** The annual base rent will be approximately \$19.57 per rentable square foot and will escalate at a rate of approximately \$.50 per rentable square foot per year. At approximately 39,141 rentable square feet, the first year's annual base rent will be approximately \$765,989.37. During the Renewal Term, the base rent will increase approximately 2.5% annually. Tenant will receive a rent credit in the amount of approximately \$210,201.
8. **Operating Expenses:** Subtenant will pay its pro rata share of Common Area Costs including real estate taxes.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 22, 2017. The Bill was Signed by the Mayor on July 11, 2017.



Michael A. Decker
Chief Clerk of the City Council