

City of Philadelphia



(Bill No. 241022)

AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into a lease agreement with 2401 Walnut LP, for use by the City of a portion of the premises located at 2401 Walnut 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 lease agreement with 2401 Walnut LP, for use by the City of a portion of the premises located at 2401 Walnut Street, Philadelphia, Pennsylvania, 19103 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 hereby authorized to review, negotiate, and approve the lease and all other ancillary documents deemed by the City Solicitor to be necessary and appropriate to carry out the provisions and the intent of this Ordinance, which lease 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 to carry out the purpose of this Ordinance.

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EXHIBIT "A"

Terms of Proposed Lease For 2401 Walnut Street, Suite 501 & 502, Philadelphia, Pennsylvania, 19103

1. **Landlord:** 2401 Walnut LP
2. **Tenant:** City of Philadelphia
3. **Premises Address:** 2401 Walnut Street, Suite 501 & 502, Philadelphia, Pennsylvania 19103
4. **Use of the Premises:** Approximately 15,895 rentable square feet for office use.
5. **Term of Lease:** Ten (10) years, provided that in accordance with Section 8-200(3) of the Philadelphia Home Rule Charter the City 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 one (1) five (5) year renewal option.
7. **Rent:** Base rent, for Suite 501, will be \$25.06 per square foot and shall escalate at a rate of approximately 7.35% after Lease Year 2, Lease Year 5, and Lease Year 6. The base rent shall escalate at a rate of approximately 2.5% per year after Lease Year 7 for the remaining years of the term including the renewal term. The total base rent for Suite 501 Lease Year 1 will be \$123,395.44. Base rent, for Suite 502, will be \$25.06 per square foot and shall escalate at a rate of approximately 7.35% after Lease Year 1, Lease Year 4, and Lease Year 5. The base rent shall escalate at a rate of approximately 2.5% per year after Lease Year 6 for the remaining years of the term including the renewal term. The total base rent for Suite 502 Lease Year 1 will be \$274,933.22.
8. **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 City's behalf.
9. **Operating Expenses:** The City shall be responsible for its proportionate share of operating expenses.

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- 10. Tenant Improvements:** Landlord shall fit out the Premises based on a mutually accepted space plan.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on December 19, 2024. The Bill was Signed by the Mayor on January 15, 2025.

A handwritten signature in black ink, reading "Elizabeth McCollum". The signature is fluid and cursive, with the first name "Elizabeth" and last name "McCollum" clearly distinguishable.

Elizabeth McCollum
Interim Chief Clerk of the City Council