



City of Philadelphia

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

BILL NO. 250433

Introduced May 1, 2025

Councilmember Young

**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 premises located at 1601-29 John F. Kennedy Boulevard, 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, is hereby authorized to enter into a sublease agreement, as subtenant, with the Philadelphia Municipal Authority, as tenant and sublandlord (the "Sublease") for use by the City of Philadelphia of premises located at 1601-29 John F. Kennedy Boulevard, Philadelphia, Pennsylvania, pursuant to terms substantially set forth in Exhibit "A."

SECTION 2. The Commissioner of Public Property and other proper City officials are hereby authorized to take all necessary and proper actions to carry out the provisions and intent of this Ordinance and to fulfill the terms and provisions of the Sublease, including without limitation, negotiating and executing any and all ancillary and supplemental instruments and documents associated with the Sublease that the Commissioner and those proper City officials deem necessary, proper, and desirable to promote and protect the interests of the City.

SECTION 3. The City Solicitor is hereby authorized to review, negotiate, and approve the Sublease and any and all ancillary and supplemental instruments and documents deemed by the City Solicitor to be necessary and appropriate to carry out the provisions and intent of this Ordinance, which Sublease and ancillary and supplemental instruments and documents shall contain such terms and conditions deemed by the City Solicitor to be necessary, proper, and desirable to promote and protect the interests of the City.

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EXHIBIT “A”

Terms of Proposed Sublease

1601-29 John F. Kennedy Boulevard, Philadelphia, Pennsylvania, 19103

1. **Landlord:** One Penn Associates, L.P., a Delaware limited partnership
2. **Tenant/Sublandlord:** The Philadelphia Municipal Authority
3. **Subtenant:** City of Philadelphia.
4. **Premises Address:** 1601-29 John F. Kennedy Boulevard, Philadelphia, Pennsylvania, 19103
5. **Use of the Premises:** Approximately 56,599 rentable square feet of office space for general office and administrative purposes, to wit: (i) approximately 13,522 rentable square feet of space within office suite 1050 (“Suite 1050”); (ii) approximately 23,978 rentable square feet of space within office suite 1400 (“Suite 1400”); and (iii) approximately 19,099 rentable square feet of space within office suite 1800 (“Suite 1800”).
6. **Term of sublease:** (i) an initial term of 13 years for Suite 1050; (ii) an initial term of 15 years for Suite 1400; and (iii) an initial term of 12 years for Suite 1800.
7. **Renewal Terms:** (i) an optional renewal term of 5 years for Suite 1050; (ii) an optional renewal term of 5 years for Suite 1400; and (iii) an optional renewal term of 5 years for Suite 1800.
8. **Rent:** (i) base rent of approximately \$20.59 per rentable square foot in Lease Year 1 for Suite 1050 and Suite 1400, escalating at a rate of approximately 2% per Lease Year; and (ii) base rent of approximately \$23.30 per rentable square foot in Lease Year 1 for Suite 1800, escalating at a rate of approximately 2% per Lease Year.
9. **Utilities:** The City shall be responsible for paying Landlord for its utility consumption in the Premises at a rate of \$1.50 per rentable square foot, subject to equitable adjustments based on actual utility costs.
10. **Operating Expenses:** The City shall be responsible for its proportional

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share of operating expenses, subject to an annual cap of 4% that limits the increase of controllable operating expenses.

- 11. Tenant Improvements:** Landlord shall fit out Suite 1400 based on a mutually accepted space plan.