

Legislation Text

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Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into a second amendment to an existing sublease between the Philadelphia Authority for Industrial Development and the City for the City's use of certain office space located at 1101 Market Street, under certain terms and conditions.

WHEREAS, on March 31, 1982, the Philadelphia Authority for Industrial Development entered into a twenty-five year lease wherein it leased certain space in the building located at 1101 Market Street, commonly known as the Aramark Building;

WHEREAS, pursuant to Bill No. 1130, the City entered into a twenty-five year sublease wherein it subleased this same space from the Philadelphia Authority for Industrial Development;

WHEREAS, the lease and sublease were subsequently amended; and

WHEREAS, Council wishes to authorize a second amendment to the sublease with the Philadelphia Authority for Industrial Development to, among other things, extend the term of the sublease for an eight-year period; now, therefore

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 second amendment to modify certain terms of a Sublease dated March 31, 1982, between the Philadelphia Authority for Industrial Development and the City of Philadelphia, as amended by a certain Amendment No. 1 to Master Lease and Lease dated December 4, 1996, for the City's use of certain office space located at 1101 Market Street, Philadelphia, Pennsylvania, commonly known as the Aramark Building, under terms and conditions set forth in Exhibit "A" hereto, which shall, among other things, extend the term of the Sublease for an eight-year period.

SECTION 2. The City Solicitor is hereby authorized to review and to approve all instruments and documents necessary to effectuate this Ordinance, which instruments 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 carry out the purpose of this Ordinance.

EXHIBIT "A"

Sublease Terms

Area: 179,295 rentable square feet located on floors 2 through 5 and floors 7 through a portion of 11. Tenant may elect a reduction of space on certain terms and conditions.

Renewal Term: Eight (8) years.

Commencement Date and Expiration Date: September 1, 2008 and to expire August 31, 2016.

Rental Rate: \$13.00 per rentable square foot, triple net, to escalate \$.50 per rentable square foot annually.

Tenant Improvements: Landlord shall provide a refurbishment allowance of \$7.50 per rentable square foot, up to \$1,344,712.50.

Storage Space: Also included is 1,157 rentable square feet of storage space on the truck dock level at \$12.00 per rentable square foot for the first and second year of the extension, escalating 2.5% annually thereafter.

Operating Expenses and

Real Estate Taxes: Tenant shall pay its proportionate share of all operating expenses and real estate taxes.

Additional Concessions: An additional refurbishment allowance of \$4.00 per rentable square foot, or \$717,180.