



City of Philadelphia

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

Legislation Text

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Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into an amendment to a lease agreement with Southeastern Pennsylvania Transportation Authority ("SEPTA"), for use by the City, of a portion of the premises located at 1234 Market Street, Philadelphia, Pennsylvania by the City, 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 an amendment to a lease agreement with Southeastern Pennsylvania Transportation Authority ("SEPTA"), for use by the City, of a portion of the premises located at 1234 Market 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 amendment to the lease and other documents necessary to effectuate this Ordinance, which amendment to the lease 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.

EXHIBIT "A"

Terms of Proposed Sublease For 1234 Market Street, Philadelphia, PA

1. Landlord: Southeastern Pennsylvania Transportation Authority
2. Tenant: City of Philadelphia
4. Premises Address: 1234 Market Street, Philadelphia, PA
5. Use of the Premises: Approximately 54,080 rentable square feet, to be used for office space.
6. Term of Lease: January 1, 2021 through October 31, 2032
7. Rent: The annual base rent, will be approximately \$24.00 per rentable square foot in Lease Year 1 and will escalate at a rate of approximately \$.50 per rentable square foot per year thereafter. At approximately 54,080 rentable square feet, the first year's annual base rent will be approximately \$1,297,920.

8. **Tenant Improvement Allowance:** Five dollars (\$5.00) per rentable square foot will be provided in Lease Year 6 for tenant improvements. Tenant has the ability to convert this amount to rent credits.
9. **Operating Expenses:** The Base Year will be 2021. There will be a 4% cap on controllable operating expenses. The 2021 Base Year operating expenses estimate is \$8.51 per rentable square foot.
10. **Cost Savings:** Tenant will receive 3 months rent abatement in Lease Year 1 and 1.5 months in Lease Years 4-12. Tenant will receive a 25% broker commission rebate in the form of rent credit in Lease Year 2.