

## Legislation Details (With Text)

**File #:** 200662      **Version:** 1      **Name:**

**Type:** Bill      **Status:** ENACTED

**File created:** 11/19/2020      **In control:** Committee on Public Property and Public Works

**On agenda:**      **Final action:** 6/17/2021

**Title:** 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 a portion of the premises located at 11311 Roosevelt Boulevard, Philadelphia, Pennsylvania, all under certain terms and conditions.

**Sponsors:** Councilmember O'Neill

**Indexes:** AGREEMENTS, PUBLIC PROPERTY

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result	Tally
7/1/2021	1	MAYOR	SIGNED		
6/17/2021	1	CITY COUNCIL	READ AND PASSED	Pass	17:0
6/10/2021	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL		
6/10/2021	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
6/10/2021	1	CITY COUNCIL	READ AND ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
5/28/2021	0	Committee on Public Property and Public Works	HEARING NOTICES SENT		
5/28/2021	0	Committee on Public Property and Public Works	HEARING HELD		
5/28/2021	0	Committee on Public Property and Public Works	AMENDED		
5/28/2021	1	Committee on Public Property and Public Works	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
11/30/2020	0	Committee on Public Property and Public Works	RECESSED		
11/30/2020	0	Committee on Public Property and Public Works	HEARING NOTICES SENT		
11/19/2020	0	CITY COUNCIL	Introduced and Referred		

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 a portion of the premises located at 11311 Roosevelt Boulevard, Philadelphia, Pennsylvania, 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 lease agreement with the Philadelphia Municipal Authority for use by the City, of a portion of the premises located at 11311 Roosevelt Boulevard, 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.

EXHIBIT "A"

Terms of Proposed Sublease  
For 11311 Roosevelt Boulevard, Philadelphia, PA

1. Sublandlord: The Philadelphia Municipal Authority (The Philadelphia Municipal Authority will enter into a prime lease for the premises with Covington Property Partners, LLC.)
2. Subtenant: The City of Philadelphia
3. Premises Address: 11311 Roosevelt Boulevard, Philadelphia, PA
4. Use of the Premises: Approximately two hundred twenty nine thousand four hundred fifty nine (229,459) rentable square feet, to be used for warehouse and office space for the City Commissioners.
5. Term of Lease: Initial Term of Sixteen (16) years with an option to renew for two (2) additional five (5) year terms.
6. Rent: The first year annual base rent will be approximately \$1.91 per rentable square foot and represents a blended rent amount for two hundred sixteen thousand eight hundred seventy six (216,876) square feet of warehouse space and twelve thousand five hundred eighty three (12,583) square feet of office space. The blended rent amount will increase at varying rates annually as shown on Exhibit A-1. At approximately 229,459 rentable square feet, the first year's annual base rent will be approximately \$438,798.00.
7. Utilities: Tenant shall pay monthly for utility usage at the premises.
8. Tenant Improvements: Landlord shall turn-key the premises based on a mutually accepted space plan.

EXHIBIT "A-1"

Rent Chart

Total SF	
Base Rent PSF	
Monthly Rent	
Annual Rent	
YR1*	
229,459	
\$1.91	
\$36,566.52	
\$438,798.23	
YR2	
229,459	
\$6.26	
\$119,655.55	
\$1,435,866.64	
YR3	
229,459	
\$6.61	
\$126,387.46	
\$1,516,649.50	

YR4  
229,459  
\$7.22  
\$138,045.42  
\$1,656,545.00  
YR5  
229,459  
\$7.40  
\$141,586.92  
\$1,699,043.01  
YR6  
229,459  
\$7.58  
\$144,954.90  
\$1,739,458.76  
YR7  
229,459  
\$7.78  
\$148,691.73  
\$1,784,300.70  
YR8  
229,459  
\$7.97  
\$152,436.13  
\$1,829,233.53  
YR9  
229,459  
\$8.17  
\$156,188.29  
\$1,874,259.52  
YR10  
229,459  
\$8.37  
\$160,129.15  
\$1,921,549.77  
YR11  
229,459  
\$8.58  
\$164,078.16  
\$1,968,937.88  
YR12  
229,459  
\$8.80  
\$168,216.26  
\$2,018,595.08  
YR13  
229,459  
\$9.01  
\$172,362.93  
\$2,068,355.11  
YR14  
229,459  
\$9.24  
\$176,699.11  
\$2,120,389.30  
YR15  
229,459  
\$9.47  
\$181,044.29

\$2,172,531.53  
YR16  
229,459  
\$9.71  
\$185,579.44  
\$2,226,953.26  
YR17  
229,459  
\$9.95  
\$190,304.77  
\$2,283,657.25  
YR18  
229,459  
\$10.20  
\$195,039.80  
\$2,340,477.59  
YR19  
229,459  
\$10.46  
\$199,965.49  
\$2,399,585.93  
YR20  
229,459  
\$10.72  
\$204,901.38  
\$2,458,816.52  
YR21  
229,459  
\$10.98  
\$210,028.43  
\$2,520,341.15  
YR22  
229,459  
\$11.26  
\$215,346.91  
\$2,584,162.96  
YR23  
229,459  
\$11.54  
\$220,676.37  
\$2,648,116.41  
YR24  
229,459  
\$11.83  
\$226,197.80  
\$2,714,373.54  
YR25  
229,459  
\$12.13  
\$231,911.48  
\$2,782,937.72  
YR26  
229,459  
\$12.43  
\$237,636.97  
\$2,851,643.66

\*Year 1 is presented as the "License Year" from November 1, 2020 to November 1, 2021. Eight (8) months of free rent

was provided to DPP

\*\*Years 17 through 26 of the rent schedule represents two (2) five (5) year renewal options available for the City of Philadelphia to exercise per lease agreement

In addition to the Monthly Base Rent, Tenant will be responsible for its pro rata share of estimated operating expenses for the Premises, including real estate taxes, building property insurance, common area maintenance and property management:

Real Estate Taxes	\$0.49
CAM	\$0.70
Storm Water	\$0.03
Insurance	\$0.10
Property Management	\$0.25
Estimated Operating Expense	\$1.57 / year

Based on pro rata share, Tenant shall pay all taxes (including real and personal property, occupancy, franchise, sales, gross receipts and rent taxes), all charges for any easement or agreement maintained for the benefit of the Leased Premises, all assessments and levies, all permit, inspection and license fees, all rents and charges for water, sewer, utility and communication services relating to the Leased Premises.

Pro rata share = 100% (City of Philadelphia to occupy entirety of the 229,459 SF building)