

Legislation Text

File #: 180462, **Version:** 1

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into an amendment to sublease agreement with the Philadelphia Authority for Industrial Development for the use by the City of premises located at 1101 Market Street, 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, as subtenant, is hereby authorized to enter into an amendment to a sublease agreement with the Philadelphia Authority for Industrial Development, as sub-landlord, for use by the City of premises located at 1101 Market Street, Philadelphia, PA, pursuant to terms substantially set forth in the document attached hereto as Exhibit "A".

SECTION 2. The City Solicitor is authorized to review and approve all instruments and documents necessary to effectuate the acquisition authorized by this Ordinance. Those 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 and to carry out the purposes of this Ordinance.

EXHIBIT "A"

Terms of Proposed Sublease Amendment
For 1101 Market Street, Philadelphia, PA

TENANT/SUB-LANDLORD: The Philadelphia Authority for Industrial Development

SUBTENANT: The City of Philadelphia

DEMISES PREMISES: 5,565 rentable square feet on the 13th Floor and 31,307 rentable square feet on a portion of the 11th Floor and the entire 12th Floor for a total increase of 36,672 rentable square feet.

TERM: Commencing on July 1, 2018 (the "Commencement Date") and terminating on February 28, 2025. If an existing option held by another tenant in the building to expand into the Demised Premises is not executed, then the term will expire on August 31, 2031.

BASE RENT:

Time Period	Base Rent Rate/sq. ft. not including operating expenses
07/01/2018-08/31/2018	\$12.95
09/01/2018 - 08/31/2019	\$13.40
09/01/2019 - 08/31/2020	\$13.85
09/01/2020 - 08/31/2021	\$14.30
09/01/2021 - 08/31/2022	\$14.75
09/01/2022 - 08/31/2023	\$15.20
09/01/2023 - 08/31/2024	\$15.65
09/01/2024 - 02/28/2025	\$16.10

If the Term is extended:

Time Period	Base Rent Rate/sq. ft. not including operating expenses
03/01/2025-02/28/2026	\$16.55
03/01/2026-02/28/2027	\$17.00
03/01/2027-02/28/2028	\$17.45
03/01/2028-02/28/2029	\$17.90
03/01/2029-02/28/2030	\$18.35
03/01/2030-02/28/2031	\$18.80
03/01/2031-08/31/2031	\$19.25

OPERATING EXPENSES: Tenant shall continue to be responsible for its proportionate share of Operating Expenses and Taxes (to the extent applicable) in accordance with the terms of the which proportionate share shall be increased by 6.087% to 39.658%, effective as of the Commencement Date.

TENANT IMPROVEMENTS: So long as there is no event of default, Landlord shall provide Tenant with an allowance of \$233,302.50 for Tenant Improvements, to be used for all hard and soft construction costs, including architects, consultants and other work as may be required by the authorities having jurisdiction. Tenant may utilize up to \$2.50 per rentable square foot of said allowance to offset costs for furniture, fixture

and equipment as well as moving costs. The parties hereto agree that the allowance must be fully exhausted within one (1) year of the Commencement Date.

FURNITURE IN THE DEMISED PREMISES: So long as there is no event of default, Tenant shall be entitled to all existing furniture and fixtures in the Demised Premises at no additional expense. Tenant expressly acknowledges that Landlord makes no warranty or representation, express or implied or arising by operation of law, including but not limited to, any warranty of condition, habitability, merchantability or fitness for a particular purpose, with respect to the furniture and fixtures and Landlord is under no obligation to repair or replace such items.