



Legislation Text

File #: 190507, **Version:** 0

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into an amendment to a lease agreement with RedGap Limited Partnership, for use by the City of all or a portion of the premises located at 4000 North American Street, 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 RedGap Limited Partnership with City as tenant, for use by the City, of all or a portion of the premises located at 4000 North American 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 lease amendment and other documents necessary to effectuate this Ordinance, which lease amendment 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 Lease Amendment for 4000 North American Street, Philadelphia, PA

- 1. Landlord:** RedGap Limited Partnership
- 2. Tenant:** City of Philadelphia
- 3. Premises Address:** 4000 North American Street, Philadelphia, PA
- 4. Use of the Premises:** Approximately 120,853 square feet to be used for both office and warehouse space.
- 5. Term of Lease:** Ten (10) years; provided, however, the City (in accordance with Section 8-200(3) of the Philadelphia Charter) shall have right to terminate the Lease amendment, at the City's sole option, at any time after the expiration of four years without liability to the Landlord for damages or loss of profits which would have been realized had the Lease amendment not been terminated.
- 6. Renewal Term:** Tenant shall have one (1) five (5) year renewal option.

7. **Rent:** The annual base rent will be approximately \$4.10 per square foot in lease years one and two; \$4.35 per square foot in years three through five, \$4.74 per square foot in years six through nine, \$5.21 per square foot in year ten. Should the City exercise its option to renew, the rent will remain \$5.21 per square foot in years eleven and twelve and will increase to \$5.68 per square foot for the remainder of the renewal term. The first year's annual base rent will be approximately \$495,497.30.
8. **Utilities:** The City shall pay all utilities associated with the tenancy.
9. **Landlord Work:** Landlord shall complete improvements to the premises within six (6) months of the execution of a lease extension.
10. **Tenant Improvement Allowance:** At the start of Lease Year Seven (7), Landlord will provide up to \$100,000.00 for tenant improvements, as needed, upon City's written request.