File #: 190710, **Version:** 0

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into a lease agreement with 2401 Walnut LP for use by the City of all or a portion of the premises located at 2401 Walnut Street, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Public Property is hereby authorized to enter into a lease with the 2401 Walnut LP, with City as tenant, for use by the City of all or a portion of the premises located at 2401 Walnut 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 and other documents necessary to effectuate this Ordinance, which 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 Lease

For 2401 Walnut Street, Philadelphia, PA

1. **Landlord:** 2401 Walnut, LP
2. Tenant: City of Philadelphia
3. **Premises Address:** 2401 Walnut Street, Philadelphia, PA
4. **Use of the Premises:** Approximately 10,971 rentable square feet, to be used for office 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, 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 not been terminated.

6. **Renewal Term:** Tenant shall have two (2) five (5) year renewal options, provided, however, the City (in accordance with Section 8-200(3) of the Philadelphia Charter) shall have the right to terminate the Lease, at the City's sole option, at any time after the expiration of four years of the renewal term without liability to the Landlord for damages or loss of profits which would have been realized had the Lease not been terminated.

7. **Rent:** The annual base rent will be approximately $23.34 per rentable square foot and will escalate at a rate of approximately 7.35% per rentable square foot every three years. At approximately 10,971 rentable square feet, the first year's annual base rent will be approximately $256,063.14.

8. **Operating Expenses:** The City shall be responsible for its proportionate share of taxes, operating expenses and janitorial expenses.