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BRIDGET COLLINS-GREENWALD
Commissioner

May 14, 2014

The Honorable Darrell Clarke
City Council President
City Hall, Room 490
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised at the May 6th, 2014 hearing before the Committee of the Whole on the Fiscal Year 2015 budget for the Department of Public Property. The questions were recorded as follows:

From Council President Clarke:

1. Can you provide, to the Chair, a copy of the Tom Knox facilities report?

The facilities report can be found at the following website:

http://www.phila.gov/mayor/pdfs/Facilities_Task_Force_Final_Report_112013.pdf. We have also attached the report to this response as Attachment 1.

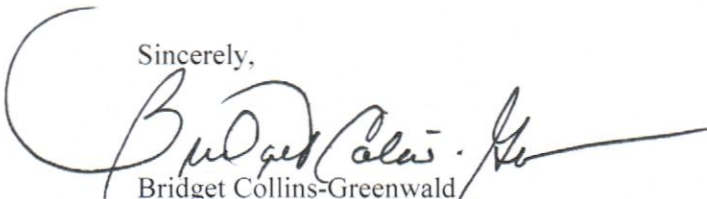
From Councilwoman Blackwell:

2. What is the plan for the ice skating rink at Dilworth Plaza when it is not in use?

The ice skating rink is structured to sit on top of the fountain area. When the rink closes, the fountain will be made ready for the upcoming spring/summer season.

Please feel free to contact me with any questions you may have about the information provided in this response.

Sincerely,



Bridget Collins-Greenwald
Commissioner Department of Public Property

cc: Everett Gillison, Chief of Staff
Rob Dubow, Director of Finance
Rebecca Rhynhart, Budget Director
Fiona Greig, Deputy Budget Director

FINAL REPORT AND RECOMMENDATIONS



Mayor's Task Force on City-Owned Facilities

Tom Knox, Chair

City of Philadelphia

November 2013

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Acknowledgements

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 Leasing Subcommittee - Glenn Blumenfeld
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Executive Summary

The Mayor's Task Force spent two years evaluating four major areas of City facility management: space allocation, leasing, maintenance and facility management, and utility payments/energy efficiencies. The single greatest finding is the lack of systematic and coordinated data tracking by the City with regard to facility management. The complete cost of facility operations is not recorded in a manner that provides for optimal allocation of funding for the maintenance, repair and the capital investment in City facilities. Currently, there are multiple systems in place to record work orders for facility repairs. Each department collects data relevant to its specific needs, with no mechanisms for sharing information. There is no single, comprehensive database in City government that stores a common set of measurable data on the entire portfolio of facilities including: square footage, age of systems, expected useful life of systems, use, occupancy, and repair history.

The lack of centralized, uniformly collected data limits the City from fully evaluating the useful life of facilities and building components (roofs, heating and cooling, electrical systems, etc.) and calculating the return on investment (ROI) of repair versus replacement decisions. The lack of comprehensive data hampers the City's ability to develop a true strategic plan for making informed facility decisions, including building a new facility, rather than funding deferred maintenance projects indefinitely.

Further complicating the situation is that the City has not institutionalized the process of adequately tracking space utilization in City-owned and leased facilities. Personnel moves and their consequential effect on space are not captured in a single database or set of floor plans. Past space studies are a snapshot in time. Without the requisite up-to-date data on space utilization versus actual need, the City could be leasing unnecessary space at a cost of millions of dollars per year. Critical to solving both space allocation and leasing issues is to develop more concise lease language, institute policies that strengthen the City's position when negotiating leased space, and to institutionalize the practice of providing the Department of Public Property real time data on changes in personnel and space utilization.

Important steps have recently been taken by the City to track energy use by facility. Accurate data is critical to driving decisions to reduce energy consumption and costs by departments and tenants at

individual facilities and to reach the City's Greenworks plan goal of 30 percent reduction in energy consumption by 2015. The current practice of a centralized utility bill payment process for all departments and tenants has its efficiencies in terms of paying and tracking bills; however, since departments and tenants don't pay their utilities out of their own operations budgets, there is no incentive to enforce conservation. In addition, there is no governance policy in place to determine when the City should pay the utilities for non-City tenants leasing space in City-owned facilities.

Top Ten Recommendations of the Mayor's Task Force on City Facilities:

1. Implement an integrated, citywide asset management program (AMP) to manage all data on City-owned facilities in a uniform and consistent manner. The program should include technology and guiding policies and procedures. *In progress.*
2. Engage a design firm to conduct a space utilization study and develop new space standards for City offices that represent best practices and achieve optimal efficiencies.
3. Develop a citywide space consolidation plan, based on the space utilization study, which optimizes use of existing City-owned facilities and minimizes need for leased space.
4. Mandate a competitive procurement process for all real estate acquisitions and leasing including comprehensive request for proposals ("Lease RFP") and standard lease provisions to maximize the City's ability to achieve competitive rates.
5. Proactively prioritize capital investments based on strategic requirements, informed by data and reports generated from the new citywide AMP, as opposed to allocating capital reactively to deferred maintenance needs, subject to imminent health and safety issues.
6. Structure programs, processes, and agreements to incentivize reduction in the City's energy consumption in both owned and leased space.
7. Establish criteria for payment of utilities for existing tenants of City-owned facilities including a utility payment review board and process for managing contested payment relationships. *In progress*
8. Include sustainability requirements in the new the "Lease RFP" consistent with Mayor Nutter's goal of becoming America's Greenest City.
9. Ensure adequate staffing for the Department of Public Property's Real Estate Division to proactively address space consolidation and lease management tasks and to properly negotiate all leases for the City in order to achieve the best pricing and lease terms.

10. Commit to properly funding facility maintenance and capital improvements to achieve a state of good repair across the City's portfolio.

The Task Force estimates that significant cost savings and efficiencies can be gained through implementation of its recommendations. The following tables provide ranges of savings and costs, referenced by topic, and prepared from available sources of information to the Task Force. Sources of information include the FY14 Capital Budget, energy bill payments tracked by the Mayor's Office of Transportation and Utilities, lease abstracts, and the professional knowledge of the commercial leasing, facility and space management industries represented by members of the Task Force.

The recommendations of the Task Force are consistent, in general, with the findings and recommendations of the FTI Consulting, Inc., report (February 2013) with regards to space management energy efficiency measures, and facility asset tracking.

Implementation Benefits:

5-Year Savings Estimates (FY2015-FY2019)			
Area of Savings	Low	High	Notes
<i>Utility Payments / Energy Efficiency</i>			
Reduction in number of tenant utility payments in City-owned facilities.	\$575,000	\$2,012,000	City's utility billing database, five year summary. ¹
<i>Capital Planning and Programming</i>			
Reduction in portion of Capital Program spent on deferred maintenance achieved through greater preventive maintenance across facilities.	\$16,500,000	\$33,700,000	Nearly 50% or \$55.2M of the FY2014 Capital Budget general obligation bond funded projects are categorized as deferred maintenance. Reduction is accumulative over five years starting at 2%-5% savings in 2015 and increasing to 15%-20% in 2019.
<i>Asset and Facility Management</i>			
Energy savings from preventive maintenance program.	\$24,055,000	\$36,083,000	2011 base of \$33.4M in energy bills with 12% to 18% savings per year through 2018. Excludes PWD, Aviation facilities, and space leased from the City where maintenance is performed by the lessor.
<i>Space Allocation and Leasing</i>			
Reduction in leased space or leased cost/sqft.	\$25,000,000	\$50,000,000	Task Force estimate.
Total Savings Estimates Over 5-Years	\$66,130,000	\$121,795,000	

¹The high-end savings estimate would increase to \$30.4M if Philadelphia Art Museum complex utility bills were managed separately from all other City facility tenant payments.
11/20/2013

Implementation Costs:

5-Year Cost Estimates (FY2015-FY2019)				
Costs by Recommendation	Low	High	Notes	
<i>Asset and Facility Management</i>				
Implement a citywide asset management program (AMP).	\$800,000	\$1,500,000	Implementation and annual maintenance fees over five years. Based on review of available estimates for work order and asset tracking system and services, not including City personnel costs.	
<i>Space Allocation</i>				
Space utilization study to produce a new standardized space program for City offices.	\$100,000	\$150,000	One time expenditure.	
Feasibility study for co-location of public-serving facilities.	\$100,000	\$150,000	One time expenditure.	
<i>Capital Planning and Programming</i>				
Increase staffing resources within Dept. of Public Properties Real Estate Division.	\$1,120,000	\$1,180,000	Cost of two additional attorneys over five years including salary and benefits.	
Deferred maintenance study.	\$50,000	\$75,000	One time expenditure.	
Cost Estimates Over 5-Years	\$2,170,000	\$3,055,000		

Background and Purpose

Philadelphia Mayor Michael A. Nutter established the Mayor's Task Force on City Facilities by executive order on August 9, 2011 to ensure that:

- The City obtains the best financial terms for housing City operations in facilities and for leasing City-owned facilities;
- City facilities are clean, safe, and code-compliant;
- Facilities with complementary uses are co-located; and
- Underutilized facilities are merged.

The Task Force began its work in early 2012, chaired by Tom Knox. Members met monthly and operated through three subcommittees: Facilities (co-chaired by Jim Tucker and Joseph Campbell), Leasing (chaired by Glenn Blumenfeld), and Utilities (chaired by Don Haas). Staff support of the monthly meetings was provided by the Department of Public Property, Philadelphia City Planning Commission, Mayor's Office of Sustainability, Mayor's Office of Transportation and Utilities, and Integrity Office.

This report presents the findings and recommendations of the Task Force's work in five topic areas: Space Utilization; Leasing; Asset and Facility Management; Capital Planning and Programming; and Utility Payments and Energy Efficiency. Each topic introduces the problem, defines the importance, presents general solutions, and makes specific recommendations. Actions to achieve each recommendation are listed in the *Next Steps* section of the report. Each implementation action identifies the lead City department(s) responsible for follow through and notes where applicable. See page 25 for the *Implementation Actions* table.

SPACE UTILIZATION

The Problems

While formal space standards exist, they are antiquated and are often ignored as there are no repercussions for individual departments that deviate from the standards. This practice has led to:

- Inequality among staff in terms of space allocation and type of space (i.e., office versus workstation);
- A surplus of space throughout the City's real estate portfolio, particularly for administrative functions across departments; and
- Underutilization of many owned and leased facilities.

Improved space utilization in the Triplex could potentially eliminate multiple office leases saving the City \$3.4M to \$10M/year.

Why it Matters?

As of September 2013, the City spends over \$22 million per year on major leased spaces.² Money is wasted if underutilized space in city-owned facilities leads to the procurement of unnecessary leased space.

The Solutions

Use modern space standards (more open plans and smaller workstation and office footprints) and practices such as "hoteling" (non-dedicated office space for field staff) to shrink the City's total real estate footprint, substantially reduce the need for leased assets, and achieve material savings. For example, a pilot program of the Department of Human Resources to establish a mobile workforce has resulted in reduced office space demand and the planned elimination (spring 2014) of leased space at the Three Parkway Building.

Recommendation 1: Conduct a comprehensive space study.

Undertake a comprehensive strategic space utilization study of the City's portfolio of major office/administrative facilities, taking into account best practices and implementing more modern space standards and practices. Better space allocation in City facilities could improve efficiency by 10 percent

² From Department of Public Property records, top 30 leases by cost, see Appendices. 11/20/2013

or more. Current rental exposure from the City's major leases is over \$22 million per year. A significant opportunity exists to significantly lower this annual cost by shrinking the City's real estate footprint through more efficient space standards and utilization of Wi-Fi to enable mobile computing within a given office, floor, building, etc. Adoption of more efficient space standards is generally consistent with a recommendation made to the City by FTI Consultants Inc., in early 2013.

Recommendation 2: Adopt modern space standards.

Follow industry trends. According to a report by the federal General Services Administration (GSA) corporate office standards have declined from 250 square feet per employee in 2000 to less than 190 square feet in 2009. GSA researchers identified government office space allocation ranging from 120 square feet per employee for private offices to 48 square feet per employee for cubicles.³

Recommendation 3: Implement new technology to manage space allocation.

Implement available technology to track and design for changing and optimal uses of interior facility space. The current lack of technology requires staff to manually update hardcopy floor plans and to physically verify occupancy (and near term changes to occupancy) numbers by work area; both of which are resource intensive processes. DPP is currently updating floor plans and occupancy numbers for the Municipal Services Building (MSB) and One Parkway Building (OPB); the last update occurred in 2009.

The City currently lacks technology to efficiently quantify the space used in all of its facilities and track changes in occupancy in real time.

³ "Workspace Utilization and Allocation Benchmark" - General Services Administration, Office of Real Property Management, 2009. http://www.gsa.gov/graphics/ogp/Workspace_Utilization_Benchmark_July_2012.pdf
11/20/2013

LEASES

The Problems

Based on a review by the Task Force's Leasing Subcommittee, the City appears to lease far more space than it needs at rental rates that are, in some cases, above market or not optimal for City functions, particularly when there is excess space in owned facilities. In addition:

- The City has renewed existing leases without exposing the requirement to the marketplace in a competitive procurement process. As a result, the rents have gradually increased above market rates and the City has not secured building improvement allowances and other leasing concessions over time necessary to properly maintain these spaces and minimize occupancy costs.
- The City's leases lack key provisions and tenant rights that the City should be able to secure given its size, credit and bargaining leverage.
- There are instances where City agencies negotiate lease terms on their own and bring in the Real Estate Division of the Department of Public Property too late in the process to achieve parity for the City.
- Finally, when the City leases space from a third party landlord, the value of the building is increased due to the predictable stream of funds guaranteed by the lease agreement. The increased building value could instead be captured by the City through purchase and a sale-leaseback structure (see recommendation below).

The City currently pays an average of \$19/sqft for leased office space for the top 30 leases.

Why it Matters?

The City spends over \$22 million annually on leased space.⁴ Underutilized leased space and poorly negotiated terms drain unnecessary operating funds from the City. Improving and centralizing leasing management processes present several opportunities for meaningful savings by the City.

The Solutions

⁴ See Appendices for table of *Top 30 City- Leased Facilities by Cost*.
11/20/2013

The City should evaluate leasing versus ownership decisions on a regular basis and ensure that a set number of leases renew on a rolling basis. With citywide leasing functions assigned to the Real Estate Division of the Department of Public Property (DPP), it is imperative that this division be properly staffed to handle the work load and prepare well in advance of lease renewals (18 to 36 months) by issuing requests for proposals to solicit the best market prices.

Recommendation 4: Establish guidelines for owning vs. leasing space.

Institute a set of policies and decision matrices for establishing when it should own a facility or lease it. The City should reevaluate lease and ownership decisions throughout its portfolio on a regular basis. Owning real estate long term is generally less costly than leasing it.

Recommendation 5: Use a standard RFP for finding and negotiating leased space.

Ensure the best lease terms by requiring that in all cases a competitive lease procurement/request for proposal (RFP) process be utilized to secure multiple bidders for all of the City's real estate leasing requirements (*see Appendices*). Without competition for new and renewed space, the City will pay above-market rental rates and receive below-market concession packages. Use of a "Lease RFP" will allow for flexibility to be built into the City's leases and response to the Lease RFP will serve as a prerequisite for doing business with the City. The Lease RFP should also include provisions to ensure that leased space meets sustainability guidelines and energy conservation goals set by the City for its own buildings and operations.

Recommendation 6: Increase staffing resources for the Real Estate Division of the Department of Public Property.

All leasing functions for the City fall within the Real Estate Division of the Department of Public Property (DPP). There have been instances where leases are sought by individual departments that lack the necessary expertise to find and negotiate favorable leasing contracts for the City and also cannot adequately evaluate their individual space requirements within the larger context of the City's overall space inventory. Recognizing the authority and knowledge of DPP's Real Estate Division as the centralized manager of leases will allow the implementation for a portfolio-wide strategy to optimize real estate and minimize exposure. For example, lease terms may be staggered across the leased portfolio to ensure that at any given time leases are expiring thereby allowing the City to shed unnecessary space more frequently. Further, the DPP can identify opportunities to consolidate

functions into underutilized assets where this information may not be known to individual department heads.

Recommendation 7: Use sale-leaseback as a cost saving tool when appropriate.

In a sale-leaseback, the City buys a building (or otherwise utilizes an existing building in its owned inventory) with the intention of occupancy; however rather than continue to own the property, the City sells the building to a third party investor and simultaneously agrees to lease it back on a long term basis. The committed rental payments made by the City on the lease arrangement have the net effect of increasing the market value of the building (as compared to its "as vacant" value) and this enhanced value is captured by the City through a higher sales price. Otherwise, when the City makes a long-term lease agreement, the resulting increase in market value on the building may be monetized and recouped by its owner.

ASSET/FACILITIES MANAGEMENT

The Problems

The City lacks a central system where critical information about its facilities is stored, which makes it burdensome to manage and plan for facilities effectively. Where information exists, it is fragmented across departments using various technologies and is often incomplete or sporadically maintained. To date, no coordinated effort or technological system exists to:

- Integrate and share facility data among departments; and
- Track operating cost data by facility for informed decision making and strategic operations or capital programming.

Why It Matters

The lack of comprehensive information about facilities prevents departments from determining operating, life-cycle, replacement and return on investment costs. Decentralized approaches to facility maintenance data collection is a duplication of efforts, resources, and lacks coordination to ensure uniformity and utility of information for decision making and analysis.

The City cannot calculate the cost-benefits of repair vs. replacement decisions - required by 2013 changes to the Philadelphia Code Chapter 21 - without collecting data on condition, use, and age of building components.

The Solutions

Manage all data on facilities, including repairs, cost of operations, and use through a comprehensive asset management program. There is valuable business intelligence to be gained for systematic tracking of facility maintenance costs that can be used to evaluate repair versus replacement decisions, plan for facility component replacement (roof, boiler, chiller, etc.), evaluate changes in conditions and use over time, and ultimately to make informed operating and capital budget decisions.

Recommendation 8: Institutionalize the newly created master facilities database.

A comprehensive database of City-owned and leased facilities was prepared by Philadelphia City Planning Commission (PCPC) staff for analysis by the Task Force. The database is now regularly maintained by PCPC

and stored in a GIS data format for mapping and analysis. This master facility database should be adopted by all departments as a common resource and facility locator.

Recommendation 9: Implement a strategic, citywide asset management program (AMP).

A comprehensive asset management program (AMP), including technology and guiding policies and practices, is needed citywide to issue work orders, generate reports, and track metrics including:

- Energy use;
- Material and labor costs of maintenance;
- Useful life of components;
- Replacement dates and warranties;
- End-of-useful-life dates; and
- Capital investments.

It is critical that a common relational database and supporting policies be implemented for the consistent tracking of work orders and metrics so that data can be evaluated equally across all departments responsible for facility maintenance and operations. A citywide AMP will allow commonly collected data to feed reports for decision making and business intelligence at multiple levels.

Recommendation 10: Track operating and maintenance costs by facility in AMP and use metrics to implement performance-based management practices.

Track overall operating and maintenance (O&M) costs per square foot for facilities, focusing first on the top 100 facilities by square footage, which represent 80 percent of City-owned facilities total square footage. As the asset management program is fully implemented, it should be expanded to include all facilities. Use the cost per square foot data and other metrics to make informed management decisions and to evaluate the costs and benefits of:

- Repair versus replacement; and
- Consolidation/closure scenarios.⁵

⁵ See Appendices for table of *City's Top 100 City-Owned Facilities by Square Foot*.
11/20/2013

In addition, a performance-based approach using AMP metrics will help to fulfill amendments to Chapter 21 of the Philadelphia City Code passed by City Council in 2013 that require the Director of Finance to prepare annual reports on:

- Program-based budgeting specific to space and maintenance costs for each building (§21-2100); and
- Complete cost-benefit and ROI analysis of each new capital project (§21-2200).

Recommendation 11: Evaluate costs and benefits of in-house versus contracted facility management and maintenance.

DPP and Philadelphia Prisons System (PPS) currently contract with a property management company to perform facility management at several sites including the Municipal Services Building (MSB), One Parkway Building (OPB), and Curran-Fromhold Correctional Facility. The contractor uses a work order system to track the cost of maintenance work at these sites. The ability of contractors to document operating and maintenance (O&M) costs using a database system is of value to the City, and costs should be reported to the City annually as part of the contract agreement with a property management firm.

A newly established preventive maintenance team within Dept. of Public Property has reduced energy costs up to 10% across facilities serviced by the team in 2013.

CAPITAL PLANNING AND PROGRAMMING

The Problems

Due to a combination of factors—limited resources, aging structures, and potential over-supply of public facilities for current and future population needs—the City is generally not able to make capital investments in a truly strategic, proactive manner. Instead, it spends much of its resources on deferred maintenance, i.e., investing in major improvements or repairs to facilities that could have been avoided had proper routine maintenance taken place over the life of the asset.

Nearly 50% of all capital requests (funded by bonds) are deferred maintenance projects. Is this the best use of interest-bearing bond funds?

Additionally, the limited capital funding that the City is able to spend each year is generally allocated across departments and projects according to formulas and processes established years ago, which may no longer be the best way of meeting today's capital needs of assets and departments. A portion (typically \$10 million) of the City's annual capital budget is provided directly to City Council's district members for their discretionary use, within their districts. Each district Council member may approach the spending of capital funds differently, particularly when it comes to coordinating project spending with a City operating department's adopted plans or priorities. This is due in part to the City's lack of data for establishing project priorities, both across the City and within individual Council districts, and uneven engagement by City departments of district Council members in coordinating capital programming needs.

Why It Matters?

The annual Capital Budget and six-year Capital Program are the City's principal means for funding and planning for improvements to its facilities and infrastructure. The City has limited borrowing capacity as set by state law and debt capacity. For the five past years, the average annual amount of new funding was \$95 million, far below the City's true capital needs, estimated a few years ago at about \$1 billion to bring all City facilities to a state of good repair.

The Solutions

Recommendation 12: Establish a broader, more transparent Capital Program preparation process.

Currently preparation of the budget and program is shared among the PCPC, the Budget Office, Capital Projects Division of DPP, and the operating departments that make annual requests for funding. The process begins in September with a call for departments to identify capital investment needs, and ends in June of the following year with the Capital Budget being approved by City Council. Although the process involves departments in the initial requests, the final budget approved by Council is often the result of a series of budget-driven decisions and negotiations that are not as clear to the departments or the public as they could be. This should be improved by being more inclusive of a broader range of stakeholders, and being more iterative and ongoing, particularly with the operating departments. Large educational institutions (e.g., Drexel University) provide good examples of how year-round capital planning and programming, involving a broad range of stakeholders (e.g., users, project managers, budget analysts) can make the most positive impact with limited resources.

Recommendation 13: Prioritize capital investment based on needs, value, and other criteria and alignment to the City's comprehensive plan, *Philadelphia2035*, and other related plans including *Green City, Clean Waters; Greenworks; and Green 2015*.

A transparent process requires methods for evaluating capital requests and tracking decisions. The Budget Office, Capital Projects Division of DPP, and PCPC should establish a clear set of evaluation criteria on which to discuss and weigh requests for consideration, with the highest ranking given to life and safety issues. In addition, the city's comprehensive plan, *Philadelphia2035*, should be recognized as providing critical guidance to capital programming.

One purpose of a comprehensive plan is to identify priorities for capital investments over a long-term time horizon. As such, *Philadelphia2035* and other adopted plans including *Clean City, Green Waters*, *Greenworks*, and *Green2015* should be used collectively as the foundation for evaluating funding requests and for coordinating and planning short-term and long-term capital investments.

Recommendation 14: Track accurate data on the cost of deferred maintenance versus preventive maintenance.

In order to make good decisions, the cost of deferred maintenance versus preventive maintenance needs to be tracked using the citywide asset management program discussed above in the *Asset/Facility Management* section, recommendations 10 and 11.

UTILITIES / ENERGY PAYMENTS AND EFFICIENCY

The Problems

The City centrally pays for the utilities of all General Fund departments including some non-City tenants of City-owned facilities. The latter arrangements have arisen over the years through formal and semi-formal agreements with inconsistent lease terms regarding utilities. The practice of a centralized utility bill payment has its efficiencies in terms of paying and tracking bills; however, since departments and tenants don't pay their utilities out of their own operations budgets, there is no incentive to conserve and reduce energy costs. The City spends \$28.8 million per year on utilities for General Fund departments with approximately \$590,000 allocated to utility payments for non-City tenants of City facilities.⁶

Why It Matters?

When departments or tenants are not held responsible for utility use, they have little incentive to save money through energy conservation. The approximately \$590,000 spent annually on tenant utility costs is difficult to contain or reduce without economic incentives directed at the energy consumer.

Blanket utility payments made for all departments provide no incentive for cost control. Annual cost to City: \$28.8M/yr.

In addition, while the City has taken great strides in energy management (e.g., web-based utility bill tracking and audit system; strategic wholesale portfolio electricity and natural gas procurement; and heating/cooling and lighting remote controls in the largest office buildings), the City must integrate energy conservation and sustainable practices into both operations and the early stages of planning and design of replacement systems and new construction, to ensure facilities operate efficiently and economically in the long term. Further, the City does not actively mandate life-cycle cost analyses as part of preparing the capital program. Incorporation of life-cycle cost analyses and utility costs in the building construction, or system replacement planning process, can result in significant savings and avoided costs.

⁶ General fund only, excludes utility payments for Aviation and Water funds totaling \$80M/yr. Source: MOTU. 11/20/2013

The Solutions

The City must engage all departments, and tenants, in the conservation of energy. Through existing energy tracking systems, the City should identify where conservation efforts are effective and reward departments for their energy reduction efforts (e.g., since 2011 the Energy Efficiency Fund has been used to install lighting retrofits at Fleet Shops; energy efficient equipment upgrades at the Philadelphia Museum of Art; and remote heating/cooling controls at Police and Fire stations).

Recommendation 15: Adopt utility standards for all City facilities (leased or owned).

Healthy, sustainable work environments promote productivity and acknowledge the value of lowering our impact on the environment both locally and globally. To achieve sustainable and more productive facilities, the City should adopt the utility standards as outlined in the *Green and Environmentally Sustainable Practices Guidelines*, prepared by the Task Force (see *Appendices*).

Recommendation 16: Use savings from energy efficiency to fund building improvements.

The City should reward efforts to reduce energy use by departments. A program should be designed and implemented by the City to measure departmental energy use against an appropriate benchmark.⁷ When cost reductions are achieved, a portion of the resulting savings should be reserved and dedicated exclusively for a facility-improvement fund to support additional energy efficiency or sustainability projects. The balance of the energy savings should be returned directly to the department to reward and encourage more energy efficiency.

Recommendation 17: Make decisions on facility improvements based on return-on-investment (ROI) calculations and life-cycle cost analyses.

Understanding how much a facility is going to cost to operate and maintain throughout the life of the facility is a crucial component to determine how to approach first cost investment. The City should mandate life-cycle cost analyses and energy efficiency design information for its facilities. Decisions regarding repairs, replacement, or new construction should be informed by ROI and life-cycle cost analyses.

⁷ The Mayor's Office of Sustainability is in the process of preparing benchmarks for various facility types across the City's portfolio.

Recommendation 18: All renovations and new construction should meet sustainability standards.

Initiate a policy that all new built or renovated city properties meet a certain sustainability standard. For example, Section 17-111 of the Philadelphia Code mandates that any new facility over 10,000 SF must be at least LEED Silver. For construction less than 10,000 SF apply the proposed *Green and Environmentally Sustainable Practices Guidelines* prepared by the Task Force (see *Appendices*).

Recommendation 19: Implement guidelines and a review panel governing utility payments by the City to (non-City) tenants of City-owned facilities.

The City has a responsibility to taxpayers to lease facilities at a fair value and to renegotiate rent prices regularly. Utilities should not be an element of the negotiation. Instead, in every lease, the tenant should be responsible for payment of the utilities. When the City pays the utilities for a tenant, the tenant has no incentive to operate and maintain that facility economically. If necessary, the City can provide a lower leasing fee or negotiate some other alleviation to offset the burden of the cost of utilities. Energy efficiency is driven by economics.

In moving to a practice of having tenants pay for utilities, existing tenants should be allowed to appeal this change based on evidence of an agreement that the City would pay utilities or by demonstrating the value of the services provided to the community operated from a City-owned facility. A utility payment panel should be established to review and make decisions on appeals by non-City tenants. The panel should have representation by City Council, the Mayor's Office, and the real estate industry. For details on the proposed structure and operation of the panel, see the *City Utility Payment Policy* in the *Appendices*.

Energy efficiency is driven by economics.

NEXT STEPS

The table included in this section provides details on the actions needed to carry out each recommendation under the five topic areas. The actions are sequential and begin with the necessary first actions and build toward the more complicated ones that the City needs to take in order to realize cost savings and efficiencies from changes to space utilization, leasing, asset and facility management; capital planning, and utility payments and energy efficiencies. The Task Force identified the City departments or offices most likely to carry out each action. Where possible, notes are provided on estimated costs or on the status of an action that coincides with existing or planned departmental projects.

At a more general level, the following are recommended to advance and institutionalize the findings of the Task Force:

1. Establish accountability to this report by creating an annual review by an independent panel. Membership should be drawn from private and institutional sectors.
2. Incorporate these recommendations in the City's Five Year Plan as a means of implementing and institutionalizing this report.
3. Identify funds within the operating and capital budgets for FY2015 to use for the space allocation study, implementation of a citywide asset management program, and an increase in DPP's Real Estate Division staffing.

Implementation Actions

Lead City Department(s)	Notes (cost, status, etc.)
<p>1. Conduct a comprehensive space study.</p>	
Finance	(a) Identify funding for space utilization study. \$100K
Finance, DPP	(b) Hire space utilization planner /consultant.
DPP	(c) Review best space utilization practices of peer cities and large, institutional users including use of technology as a benchmark.
DPP	(d) Make strategic decisions on need for leased vs. owned space after new space standards are approved and a comprehensive restacking plan is implemented for owned and leased facilities.
DPP	(e) Restack the Center City office portfolio, leased and owned, using new and efficient space standards thereby freeing up available swing space to accommodate consolidations/relocations of other City-owned or leased properties.
DPP	(f) Let existing leases run out and, by employing new modern, more efficient space standards, consolidate to newly freed up space in existing City-owned facilities.
DPP, PCPC, Operating Departments	(g) Conduct a separate feasibility study to identify and implement synergistic co-locations of public-serving facilities (e.g., health centers, recreation centers, library branches, etc.) into shared, modern facilities as well as Police and Fire operations, where feasible. \$100K

SPACE ALLOCATION

Actions

		Lead City Department(s)	Notes (cost, status, etc.)
SPACE ALLOCATION	2. Adopt modern space standards.		
	Actions	DPP	(a) Based on findings of space utilization study, on a systematic basis, reconfigure offices to adopt modern space standards.
		Finance, DPP, Operating Departments	(b) Require departments to provide head counts and updates to use of floor space on regular basis.
SPACE ALLOCATION	3. Implement new technology to manage space allocation.		
	Actions	DPP, OIT	(a) Procure and implement technology, such as a space management database, to support the routine update, management and analysis of space utilization in City facilities including maintenance of floor plan diagrams to be managed by DPP's Real Estate Division.
		Finance, DPP, Operating Departments	(b) Require departments to provide head counts and updates to use of floor space on regular basis; to be tracked in a new space management database. Verify counts annually during the operating budget submittal process.

	Lead City Department(s)	Notes (cost, status, etc.)
<p>4. Establish guidelines for owning vs. leasing space.</p>		
<p>LEASES</p>		
<p>Actions</p>	<p>DPP</p>	
<p>(a) Adopt governing policies for when the City should lease space. Leasing should be limited to situations:</p> <ul style="list-style-type: none"> • When space is required for an operation that has a fixed tenure or duration; • When a satellite office or operation is needed to provide services, and facility ownership in the designated area is not practical or cost effective; • When a short-term overflow situation exists or swing-space is needed; • When rental terms are so compelling that leasing is the cheapest alternative in such cases; and • When no currently owned facilities are viable and capital is not available to acquire a new or retrofit an existing facility. 		
<p>(b) Within 18-30 months before expiration date of a lease, evaluate the cost benefits of eliminating or reducing such leased space and consolidating departments/personnel into City-owned facilities or other leased locations. Use the space allocation analysis to inform the evaluation.</p>	<p>DPP</p>	

	Lead City Department(s)	Notes (cost, status, etc.)
<p>5. Use a standard RFP as the basis for finding and negotiating leased space.</p>		
<p>LEASES</p> <p>Actions</p> <p>(a) Institute a requirement that a comprehensive RFP be used for all lease procurement activities (see Appendix). The RFP includes provisions that ensure cost competitiveness and promote or advance other City priorities including:</p> <ul style="list-style-type: none"> • Anti-bias clauses (mandatory, not optional); • Sustainability language consistent with Greenworks goals and the Green and Environmentally Sustainable Practices Guidelines / Sustainability Rider prepared by the Task Force (see <i>Appendices</i>); • Requirements that landlords buy utilities at competitively priced rates; • Contraction and expansion rights to provide the City with maximum flexibility; • Requirements that Landlords expend defined funds on regular maintenance and repair so that their facilities are maintained at a certain quality; and • Renewal provisions that favorably define “market” rental rates to give the City the benefit of prevailing market concession packages. <p>(b) When renewing leases, analyze need for space improvements. Include set of Tenant Improvements (TI) as conditions of renewal agreement.</p> <p>(c) Stagger leases so that lease comes up for renewal regularly to allow the Real Estate Division to evaluate needs, based on space utilization data, and act appropriately.</p>	DPP	Initiated
	DPP	
	DPP	
	DPP	

		Lead City Department(s)	Notes (cost, status, etc.)
6. Increase staffing resources for Real Estate Division of the Department of Public Property.			
LEASES	Actions	(a) Hire additional staff to manage new leasing processes effectively (see recommendation 5 above).	2 additional lawyers
		(b) Reaffirm DPP's role as the City's lease management office as established under the City Charter through an Executive Order by the Mayor.	Mayor's Office
7. Use sale-leaseback as cost saving tool when appropriate.			
LEASES	Action	(a) Evaluate the cost benefits of negotiating the sale of an existing City office building with the intent to lease it back (long-term) from the new owner. The sale price should reflect the increased market value of the building created by the long-term lease agreement and reliable rental income.	DPP, Law

		Lead City Department(s)	Notes (cost, status, etc.)
ASSET MANAGEMENT	8. Institutionalize the newly created master facilities database.		
	Actions	(a) Incorporate master facility database's unique facility/asset ID in all existing budget, Capital Program, leasing, and work order databases across all departments.	Operating Departments, MDO, PCPC
		(b) Require departments to submit updates to the database during the operating budget submittal process to include: occupancy and numbers of the public/constituents served per facility.	Operating Departments, Finance, PCPC
		(c) Prepare maintenance plan for support of the database including required update schedule, access, storage and hardware/software needs.	PCPC, OIT
ASSET MANAGEMENT	9. Implement a strategic, citywide Asset Management Program (AMP).		
	Actions	(a) Assemble internal working group to prepare and execute an implementation plan for an integrated citywide asset management program including technology and policies.	DPP, MOS, MOTU, OIT, PCPC
		(b) Review peer city or related institutional practices on asset management including technology used and best practices.	PCPC
		(c) Conduct needs assessment of each department responsible for facility maintenance functions and document shared and department-specific requirements for asset management and work order tracking functions, data, and reports.	DPP, MOS, MOTU, OIT, PCPC

	Lead City Department(s)	Notes (cost, status, etc.)
<p>9. Continued from previous page...</p>		
<p>ASSET MANAGEMENT</p> <p>Actions</p> <p>(d) Prepare AMP implementation plan for Administration to adopt including:</p> <ul style="list-style-type: none"> • Policies, procedures and standards for data collection and reporting by departments; • Funding; • Roll-out/timeline: include pilot, testing, training and adjustment phases to ensure that systems and polices are adapted to meet challenges; • Software or cloud-service, database, and other technology specifications; and • Training. <p>(e) Investigate sources of funding for AMP.</p> <p>(f) Issue request for proposal to implement AMP technology solution.</p>	<p>DPP, PCPC, MOS, OIT, MOTU</p>	<p>Initiated</p>
	<p>Finance, OIT</p>	<p>Initiated</p>
	<p>OIT</p>	<p>\$500K to \$1M</p>
<p>ASSET MANAGEMENT</p> <p>Actions</p> <p>(a) Use AMP to track the following metrics:</p> <ul style="list-style-type: none"> • Facility utilization by staff; • Facility utilization by the public; • Deferred maintenance cost per square foot; • Utility cost per square foot; and • Operating and maintenance (O&M) cost per square foot. 	<p>DPP, PPR, Library, PPS, PDPH, OSH</p>	
<p>10. Track operating and maintenance costs by facility in AMP and use metrics to implement performance-based management practices.</p>		

	Lead City Department(s)	Notes (cost, status, etc.)
<p>10. Continued from previous page...</p>		
<p>ASSET MANAGEMENT</p> <p>Actions</p> <p>(b) Compare data collected in AMP to Building Owners and Managers Association (BOMA) municipal building standards for deferred maintenance, utility, and O&M costs for specific facility types to facilitate the establishment of City-specific benchmarks.</p> <p>(c) Use data in AMP to prepare cost-benefits, return on investment (ROI), and life-cycle analyses to identify facilities reaching obsolescence and to make informed decisions regarding the repair, replacement or sale of such properties.</p> <p>(d) Fulfill Philadelphia Code Chapter 21 requirements for cost-benefits and performance-based program evaluation calculations for the Capital and Operating budgets, respectively (see page 17 for details).</p>	<p>PCPC, MOS, MOTU</p> <p>Finance, Operating Departments</p> <p>Finance</p>	
<p>ASSET MANAGEMENT</p> <p>Actions</p> <p>11. Evaluate costs and benefits of in-house versus contracted facility management and maintenance.</p> <p>(a) For administrative office facilities, compare their deferred maintenance, utility, and O&M costs to that of the Municipal Services Building, One Parkway Building and Criminal Justice Center where maintenance is contracted.</p> <p>(b) For non-administrative office facilities, compare deferred maintenance, utility, and overall O&M costs to similar facilities within the City's inventory and to other peer city operations.</p>	<p>Finance, DPP, MOS, MOTU, PCPC</p> <p>Finance, DPP, MOS, MOTU, PCPC</p>	

	Lead City Department(s)	Notes (cost, status, etc.)
<p>12. Establish a broader, more transparent Capital Program preparation process.</p>	PCPC, Finance	
	<p>(a) Establish a Capital Asset Allocation Committee (PCPC, Finance/Budget, and DPP Capital Projects Division) that meets quarterly to review capital planning and projects in preparation of the Capital Budget and Capital Program.</p> <p>(b) Ensure City's new budget formulation software and processes support capital budget decision-making and analysis.</p>	Initiated
<p>13. Prioritize capital investment based on needs, value, and other criteria and alignment to the City's comprehensive plan, Philadelphia2035, and other related plans including Green City, Clean Waters; Greenworks; and Green 2015.</p>	PCPC, Finance	
	<p>(a) Establish a rating and ranking process to evaluate capital budget and program requests against multiple factors (e.g., health and safety requirements, potential for adverse consequences, life-cycle costs, contracts commitments, potential for interruption of service delivery, consistency with approved master plans, promotion or acceleration of economic development, etc.).</p> <p>(b) Use return on investment analysis to understand the impacts capital investment has on operations and maintenance (e.g., service impacts, and cost of alternative options).</p>	
	<p>(c) Establish a process for improving coordination and collaboration between the City administration and City Council on spending of City Council-dedicated capital funds.</p>	Mayor's Office, City Council, Finance

		Lead City Department(s)	Notes (cost, status, etc.)
13. Continued from previous page...			
Capital Planning	Actions		
	(d) Include City departments in the development of capital-investment recommendations of <i>Philadelphia2035</i> District Plans, through the steering committees and periodic “exchange meetings” to check in on progress.	PCPC	Initiated
	(e) Make inclusion of capital projects from <i>Philadelphia2035</i> and other adopted city plans a formal criterion for Capital funding approval.	Finance, PCPC, DPP	
14. Track accurate data on the cost of deferred maintenance versus preventive maintenance.			
CAPITAL PLANNING	Actions		
	(a) Prepare an analysis of past capital spending according to purpose (e.g., deferred maintenance, capital reserve, and new asset) to understand spending patterns.	PCPC, DPP	Initiated
	(b) Hire consultant to prepare a deferred maintenance study and report for a representative sample of City facilities.	DPP	\$50K-\$70K
	(c) Institute preventive maintenance program across city departments responsible for facility maintenance, if not in place already: PDPH, PPR, Library, etc.	Operating Departments	
	(d) Provide training on preventive maintenance and energy efficiency opportunities to departmental staff responsible for facility maintenance.	MOS, MOTU	

	Lead City Department(s)	Notes (cost, status, etc.)
<p>15. Adopt utility standards for all city occupied facilities (leased or owned).</p>		
	<p>Action</p>	<p>(a) Adopt minimum standards for</p> <ul style="list-style-type: none"> • Water conservation; • Electricity conservation; • Gas conservation; and • Recycling diversion requirements.
<p>16. Use savings from energy efficiency to fund building improvements.</p>		
	<p>Actions</p>	<p>(a) Determine acceptable terms and conditions for energy related savings to foster further energy conservation measures.</p>
		<p>(b) Utilize a third party such as the Philadelphia Energy Authority to provide accounting and money transfer to departments.</p>
		<p>(c) Review the Energy Efficiency Fund approach to determine if appropriating money each year is a better option.</p>

		Lead City Department(s)	Notes (cost, status, etc.)
UTILITIES	17. Make decisions on facility improvements based on return-on-investment (ROI) calculations and life-cycle cost analyses.		
	Action	PCPC, DPP, MOS, MOTU, OIT	(a) Mandate life-cycle cost analyses and energy efficiency design information for major repairs, replacement, or new construction of facilities.
UTILITIES	18. All renovations and new construction should meet sustainability standards.		
	Actions	City Council, MOS, MOTU	(a) Pass ordinance that any renovated city property must meet the <i>Green and Environmentally Sustainable Practices Guideline</i> (see <i>Appendices</i>).
		MOS, MOTU	(b) Study the usefulness of real-time energy data collection to evaluate the performance of City's investments in energy efficiency.
UTILITIES	19. Implement guidelines and a review panel governing utility payments by the City to (non-City) tenants of City-owned facilities.		
	Actions	MOTU	(a) Adopt policy to determine payment of utility accounts (see <i>Appendices</i>).
		DPP	(b) Prepare and issue letters to sites for which the City has no documented contract to pay for utilities notifying end of service and opportunity to appeal with evidence.

	Lead City Department(s)	Notes (cost, status, etc.)
<p>19. Continued from previous page...</p>		
<p>UTILITIES</p>	<p>(c) Review second tier accounts that have not been reviewed and still need consideration.</p>	<p>DPP, MOTU</p>
<p>Actions</p>	<p>(d) Establish a utility payment review board.</p>	<p>Initiated</p>
	<p>Mayor's Office, City Council</p>	

Appendices

- Glossary
- City's Top 100 Facilities by Square Foot
- City's Top 30 Leased Facilities by Cost
- Standard Lease Request for Proposal (RFP)
- Green and Environmentally Sustainable Practices Guidelines / Sustainability Rider for Leases
- Utility Payment Policy

APPENDIX: Glossary

Abbreviation, Acronym or Term	Description
AMP	Asset management program
BOMA	Building Owners and Managers Association of Philadelphia
BRT	Board of Revision of Taxes
Budget	Finance Department, Budget Office
CJC	Criminal Justice Center
Com	Community
DHS	Department of Human Services
DPP	Department of Public Property
DOR	Department of Records
Finance	Finance Department
Fleet	Fleet Management Office
GIS	Geographic Information System
Hoteling	Non-dedicated office space for field staff
L&I	Department of Licenses and Inspections
Library	Free Library
MDO	Managing Directors Office
MOS	Mayor's Office of Sustainability
MSB	Municipal Services Facility
MOTU	Mayor's Office of Transportation and Utilities
OIT	Office of Innovation and Technology
OPB	One Parkway Facility
Ops	Operations
OSH	Office of Supportive Housing
PCPC	Philadelphia City Planning Commission
PDPH or Public Health	Philadelphia Department of Public Health
Phila or PHL	Philadelphia
PPR	Philadelphia Parks and Recreation
PPS	Philadelphia Prisons System
PWD	Philadelphia Water Department
Quadplex Facilities	City Hall, Criminal Justice Center (CJC), Municipal Services Facility (MSB) One Parkway Facility (OPB)
RFI	Request for information
RFP	Request for proposal
ROI	Return on investment
SF or SQFT	Square foot
Streets	Streets Department
Triplex Facilities	City Hall, Municipal Services Facility (MSB) One Parkway Facility (OPB)

APPENDIX: Top 100 City-Owned Facilities by Square Foot

Final Report and Recommendations

Mayor's Task Force on City-Owned Facilities

RANK	ASSET ID	NAME	ADDRESS	ASSET TYPE	OCCUPANTS	BLDG SQFT (rentable)	AGE	SQFT/PUBLIC USE (2012)	UTILITY COST/SQFT (FY2011)	UTILITY COST NOTES
1	64	Holmesburg Prison	8215 Torresdale Avenue	Detention Center Adult	PRISONS	688,128	98		0.30	Shared w/ #66
2	287	City Hall	Market St and Broad St	Multi-Use\Office Building	Multiple Depts	659,185	145	3.92	1.80	Shared w/ #93, #165
3	1438	Philadelphia Museum of Art (PMA)	2600 Ben Franklin Parkway	Museum	PMA	631,000	84	6.31	4.95	Shared w/ #1745
4	93	Criminal Justice Center	1301 Filbert Street	Multi-Use\Office Building	COURTS	571,570	19	0.26	3.04	Shared w/ #287, #165
5	165	Municipal Services Building (MSB)	1401 JFK Blvd	Multi-Use\Office Building	Multiple Depts	500,000	45		1.84	Shared w/ #93, #287
6	319	Eastern State Penitentiary Museum	2027 Fairmount Avenue	Museum	E. State Pen. Museum	443,414	184			Not paid by City
7	395	Curran-Fromhold Correctional Facility	7901 State Road	Detention Center Adult	PRISONS	436,250	18	4.35	4.84	
8	397	House of Correction	8151 State Road	Detention Center Adult	PRISONS	387,000	86	13.69	3.46	Shared w/ #701, #2989, #1701
9	40	One Parkway Building (OPB)	1515 Arch St	Multi-Use\Office Building	Multiple Depts	379,846	48		3.62	
10	701	Riverview Supportive Housing	7979 State Road	Housing\Group Quarters	OSH	373,618	42	10.38	0.34	Shared w/ #397, #2989, #1701
11	309	Family Court	1801 Vine Street	Multi-Use\Office Building	COURTS	250,000	74	0.42	2.08	
12	398	Riverside Correctional Facility	8001 State Road	Detention Center Adult	PRISONS	220,000	9	12.52	2.38	
13	321	Central Library	1901 Vine Street	Library Central	LIBRARY	200,680	91	0.21	3.44	
14	393	Philadelphia Industrial Correction Center	8301 State Road	Detention Center Adult	PRISONS	200,000	34	8.15	4.10	
15	1745	PMA Perelman Building	2501-21 FAIRMOUNT AVE	Museum	PMA	173,000	84			Shared w/ #1438

RANK	ASSET ID	NAME	ADDRESS	ASSET TYPE	OCCUPANTS	BLDG SQFT (rentable)	AGE	SQFT/ PUBLIC USE (2012)	UTILITY COST/ SQFT (FY2011)	UTILITY COST NOTES
16	1703	Juvenile Justice Service Center	91 N. 48th Street	Detention Center Youth	DHS	166,000	0.25	3.07		Not enough data to report
17	1049	Legacy Youth Tennis and Education Center	Ridge Avenue	Recreation Building	PPR	126,624				
18	156	Police Administration Building (HQ)	700-734 Race Street	Police Operations\Unit	POLICE	126,000	57		4.65	
19	394	Philadelphia Detention Center	8201 State Road	Detention Center Adult	PRISONS	108,960	50	3.84	6.18	
20	1744	Highway 1st District Yard and Building	49th & Parkside Avenue	Materials Yard	STREETS	80,503			0.16	
21	895	Health Administration Building	500 South Broad Street	Multi-Use\Office Building	HEALTH	77,688	54	2.83	3.35	
22	1012	Memorial Hall	4231 N Concourse Dr	Museum	Please Touch Museum	75,314	137			
23	785	Health Center 5	1900 N. 20th Street	Health Center	HEALTH	67,280	53	1.52	1.56	
24	904	Garage 134	100 E Hunting Park Avenue	Garage\Maintenance Building	FLEET	59,962	45		2.90	
25	680	Police Tactical Unit / Police Warehouse	660-70 E. Erie Avenue	Warehouse	POLICE	53,000			1.55	
26	274	Fire Administration Building	240 Spring Garden Street	Multi-Use\Office Building	FIRE	50,601	38		3.30	
27	1157	Police 24th/25th District	3827 Whitaker Avenue	Police Station	POLICE	48,000	12		3.17	
28	575	Woodstock Shelter Supportive Housing	1981 Woodstock St.	Housing\Group Quarters	OSH	47,490	43	0.66	2.16	
29	738	Street Lighting Shop	701 Ramona Avenue	Garage\Maintenance Building	STREETS	42,856	70			

RANK	ASSET ID	NAME	ADDRESS	ASSET TYPE	OCCUPANTS	BLDG SQFT (rentable)	AGE	SQFT/ PUBLIC USE (2012)	UTILITY COST/ SQFT (FY2011)	UTILITY COST NOTES
30	1770	Highway 4th District Yard Bldg	4501 Stenton Ave	Garage\Maintenance Building	STREETS	41,480				Shared w/ #1769
31	1719	Garage 258	2525-45 Master Street	Garage\Maintenance Building	FLEET	41,176		2.31		Shared w/ #824
32	1769	Highway 4th District Yard	4501 Stenton Ave	Garage\Maintenance Building	STREETS	40,113		0.25		Shared w/ #1770
33	179	Police Forensic Science Center	843 - 849 N. 8th Street	Laboratory	POLICE	40,000	90	7.98		
34	840	King, Martin Luther Recreation Center	2101-35 Cecil B. Moore	Recreation Building	PPR	39,332	44	1.96		
35	281	Regional Library Northeast	2230 Cottman Avenue	Library Regional	LIBRARY	36,996	50	5.01		Shared w/ #277
36	1023	Car Barn at West Fairmount Park	4100 Montgomery Dr	Garage\Maintenance Building	PPR	36,804		3.17		Shared w/ #1022
37	367	Junod Playground	Mechanicsville Rd	Recreation Building	PPR	34,350		1.74		Shared w/ #368
38	970	Weccacoe Playground Building	405-25 Queen Street	Recreation Building	PPR	34,138	113			
39	832	Stenton Shelter Supportive Housing	1300 E. Tulpehocken St.	Housing\Group Quarters	OSH	33,998	54	4.38		
40	922	Rivera Recreation Center	3201 N 5th Street	Recreation Building	PPR	33,532		1.79		Shared w/ #1040
41	1678	Former Library George Institute	1461-69 N 52nd St	Other	Vacant	33,056				
42	959	Tolentine Community Center Building	1025-33 Mifflin Street	Recreation Building	PPR	32,322	113	0.99		
43	391	Afro-American Historical Cultural Museum	7th & Arch Streets	Museum	AAHC Museum	32,100	37	3.40		
44	272	Anderson, Marian Recreation Center	740 S 17th Street	Recreation Building	PPR	31,857	32	1.51		

RANK	ASSET ID	NAME	ADDRESS	ASSET TYPE	OCCUPANTS	BLDG SQFT (rentable)	AGE	SQFT/ PUBLIC USE (2012)	UTILITY COST/ SQFT (FY2011)	UTILITY COST NOTES
45	861	Animal & Vector Control Facility	111 - 131 West Hunting Park Ave	Kennel	HEALTH	31,824	41	63.65	\$2.97	
46	974	Kingsessing Recreation Center	4901 Kingsessing Ave	Recreation Building	PPR	28,759			\$1.87	
47	1123	Air Management Lab	1501 E. Lycoming Avenue	Laboratory	HEALTH	28,700	49	26.09	\$1.86	
48	1150	Police 22nd District	1747 N. 17th Street	Police Station	POLICE	28,600	73		\$1.74	
49	671	Kendrick Recreation Center	5822-24 Ridge Avenue	Recreation Building	PPR	27,684	86		\$2.02	
50	965	Myers, Francis J. Recreation Center	5800 Chester Avenue	Recreation Building	PPR	27,475			\$2.29	
51	687	Athletic Recreation Center	1450 N 26th St	Recreation Building	PPR	26,845	28		\$1.78	
52	58	Health Center 3	555 S. 43rd Street	Health Center	HEALTH	26,750	54	0.77	\$2.79	Shared w/ #397, #701, #1701
53	2989	Prisons Maintenance Building	8001 State Road	Garage\Maintenance Building	PRISONS	26,310				
54	761	Young, Lonnie Recreation Center	1100 E Chelton Avenue	Recreation Building	PPR	25,971			\$1.86	
55	1163	Moore, Cecil B. Recreation Center	2020-50 W Lehigh Avenue	Recreation Building	PPR	24,713			\$3.54	
56	216	Police 18th District	5510 Pine Street	Police Station	POLICE	24,532	30		\$3.28	
57	363	Vare Recreation Center	2600 Morris Street	Recreation Building	PPR	24,504			\$2.49	
58	1367	29th & Chalmers Playground Building	3001 W Lehigh Avenue	Recreation Building	PPR	23,902				Paid by PSD
59	929	Traffic Shop	4501 G Street	Garage\Maintenance Building	STREETS	23,666	53		\$2.61	Shared w/ #738
60	531	Police 1st District	2301 S. 24th Street	Police Station	POLICE	23,000	16		\$5.18	

RANK	ASSET ID	NAME	ADDRESS	ASSET TYPE	OCCUPANTS	BLDG SQFT (rentable)	AGE	SQFT/ PUBLIC USE (2012)	UTILITY COST/ SQFT (FY2011)	UTILITY COST NOTES
61	688	Garage 233	3275 Fox Street	Garage\Maintenance Building	FLEET	22,533				Shared w/ #608
62	686	Highway 5th District Yard	4000 Whitaker and Luzerne	Multi-Use\Office Building	STREETS	22,398	70	622.17	\$0.80	
63	709	Police 35th District	5960 N. Broad Street	Police Station	POLICE	22,000	43		\$4.01	
64	788	Police Tow Squad	4290-98 Macalester St	Garage\Maintenance Building	POLICE	21,970	53		\$2.02	
65	857	Highway 5th District Salt Dome	4040 Whitaker Avenue	Salt Shed	STREETS	21,812	70		\$0.68	
66	246	Police 12th District	6438 Woodland Avenue	Police Station	POLICE	21,235	57		\$1.95	
67	899	Bridesburg Recreation Center	4625 Richmond Street	Recreation Building	PPR	21,192	58		\$2.17	
68	961	Health Center 2	1720 S. Broad Street	Health Center	HEALTH	21,175	51	0.43	\$4.26	Shared w/ # 72, 73, 1771
69	74	Streets Training Center Facility	8401 State Road	Multi-Use\Office Building	STREETS	21,134		23.48		
70	1269	Highway 1st District Salt Dome	48th & Parkside Avenue	Salt Shed	STREETS	21,134			\$0.60	
71	277	Health Center 10	2230 Cottman Avenue	Health Center	HEALTH	21,013	37	0.36		Shared w/ #281
72	645	Health Center 6	321 W. Girard Avenue	Health Center	HEALTH	21,000	40	0.41	\$2.33	
73	1776	Police IMPACT	7800 Dugan Rd	Police Operations\Unit	POLICE	21,000			\$3.95	
74	1679	Former Library - Vernon Park	5710-18 Germantown Ave	Other	Vacant	20,830				
75	161	Mummers Museum	Washington Avenue	Museum	Mummers Museum	20,797	37			Not paid by City
76	446	Gateway Shelter Supportive Housing	907 Hamilton Street	Housing\Group Quarters	OSH	20,679	63	0.38	\$3.36	

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RANK	ASSET ID	NAME	ADDRESS	ASSET TYPE	OCCUPANTS	BLDG SQFT (rentable)	AGE	SQFT/PUBLIC USE (2012)	UTILITY COST/SQFT (FY2011)	UTILITY COST NOTES
77	824	Police AID Unit	2525-45 Master Street	Police Operations\Unit	POLICE	20,601	23			Shared w/ #1719
78	1205	Feltonville Recreational Center	231-37 E Wyoming Avenue	Recreation Building	PPR	20,273			\$1.84	
79	685	Garage 159	4040 Whitaker Avenue	Garage\Maintenance Building	FLEET, STREETS	20,070			\$6.35	
80	116	Police 19th District	1201 N. 61st Street	Police Station	POLICE	20,000	57		\$0.02	
81	982	Sayre Morris Recreation Center	5825 Spruce St	Recreation Building	PPR	20,000				Paid by PSD
82	1008	Carousel House Recreation Center	1701 Belmont Avenue	Recreation Building	PPR	20,000	147		\$3.27	
83	957	Guerin Recreation Center	2201 S 16th Street	Recreation Building	PPR	19,965			\$1.67	
84	1204	Northeast Transfer Station	3901 N Delaware at Wheatsheaf Ln	Transfer Station	STREETS	19,902			\$5.44	Shared w/ various
85	27	Garage 423 - Autobody Shop	1117 Reed Street	Garage\Maintenance Building	FLEET, DPP	19,644	57		\$4.66	
86	86	Former Childrens Reception Center	1823 Callowhill Street	Multi-Use\Office Building	Children's Crisis Center	19,566	64			Not paid by City
87	722	Belfield Recreation Center	2109 W Chew Avenue	Recreation Building	PPR	19,125	17		\$1.52	
88	1138	Regional Library Northwest - J Coleman	68 W. Chelton Avenue	Library Regional	LIBRARY	19,117	35	0.17	\$5.51	
89	250	Jardel Recreation Center	1400 Cottman Avenue	Recreation Building	PPR	19,088			\$2.09	
90	648	Mcveigh Recreation Center	400-64 E Ontario Street	Recreation Building	PPR	19,025			\$2.47	
91	818	Northcentral Service Building	2523 Glenwood Avenue	Multi-Use\Office Building	STREETS	18,996	57		\$3.90	Shared w/ various
92	829	Former 24th/25th Police Dist	3300 N. Front Street	Police Station	Vacant	18,928	52			

RANK	ASSET ID	NAME	ADDRESS	ASSET TYPE	OCCUPANTS	BLDG SQFT (rentable)	AGE	SQFT/ PUBLIC USE (2012)	UTILITY COST/ SQFT (FY2011)	UTILITY COST NOTES
93	75	Philadelphia Fire Academy Building	5200 Pennypack Street	Multi-Use\Office Building	FIRE	18,911	33		\$3.64	
94	1158	Finley Recreation Center	7701 Mansfield Avenue	Recreation Building	PPR	18,909	22		\$2.50	
95	1701	Alternative Special Detention Central Unit	8101 State Road	Detention Center Adult	PRISONS	18,680		1.38		Shared w/ #397,701, 2989
96	1080	L&I East District Office	Rising Sun Avenue	Multi-Use\Office Building	L&I	18,592	89			
97	35	Lawncrest Recreation Center	6000 Rising Sun Avenue	Recreation Building	PPR	18,553			\$3.29	
98	66	Prisons Training Academy	8215 Torresdale Avenue	Multi-Use\Office Building	PRISONS	18,348				Shared w/ #64
99	468	Police 2nd/15th District	2831 Levick Street	Police Station	POLICE	18,162	57		\$3.08	
100	953	Murphy Recreation Center	300 Shunk Street	Recreation Building	PPR	18,115			\$2.32	

Median	27,160	53	2	\$2
Average	90,129	58	29	\$3
Lowest	18,115	0	0	0
Highest	688,128	184	622	\$8
TOTAL SQFT	9,012,930			

Total All Buildings (442) SQFT	11,262,539	Top 100 as Percent of Total SQFT	80%
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*Excludes Aviation terminal and support buildings and PWD water and wastewater facilities.

Data from PCPC's Master Facility Database 9/5/13

APPENDIX: Top 30 City-Leased Facilities by Cost

RANK	ASSET ID	LEASE NUM	ADDRESS	CITY DEPARTMENTS\TENANTS	LESSOR	LEASED SQFT	TOTAL COST\ SQFT	OTHER COST (incl Utilities)	TOTAL LEASED COST*	TERM**	PRIMARY USE
1	2981	20-70	Aramark Bldg, 1101 Market St	PWD, Public Health, Community Behavioral Health, Bar Assoc. Offices	Girard Estate Leasehold	179,295	\$30	\$2,664,907	\$5,443,980	8/31/2016	Office
2	868	69-21	1327-39 Chestnut St	District Attorney's Office (DA)	Phila Municipal Authority	200,114	\$23	\$613,264	\$4,565,516	1/31/2026	Office
3	2979	20-109	Curtis Center, 601 Walnut St	BRT, OPA, Human Relations Com., Inspector General	Phila Municipal Authority	78,695	\$25	\$9,806	\$1,966,855	8/31/2022	Office
4	2977	11-53	2800 S 20th St at Oregon Ave	Delaware Valley Intelligence Center	Phila Authority for Ind Dev	39,830	\$44	\$1,440,000	\$1,768,199	6/30/2026	Office
5	2980	04-01	SEPTA Bldg, 1234 Market St	Office of Innovation and Technology Offices	U.S. Equities Realty	42,532	\$29	\$421,718	\$1,229,826	6/30/2014	Office
6	92	20-90	990 Spring Garden St	L&I, Police, Streets, Community Empowerment Office, Town Watch	Spring Garden East, LLP	86,640	\$14	\$137,037	\$1,220,037	6/30/2014	Office
7	324	31-09	3101 Market St	Dept of Records Archive Center	Phila Parking Authority	79,900	\$13	\$874,769	\$1,074,519		Storage
8	1766	20-91	Land Title Bldg, 100 S Broad St	Commission on Aging, Fleet, Sheriff, Tax Review Board	Phila Municipal Authority	50,461	\$19	\$48,664	\$949,897	8/31/2018	Office
9	2982	73-14	4700 Wissahickon Ave	City Commissioners Voting Machine Warehouse	Forty Seven Hundred LP	184,128	\$5	\$244,200	\$869,399	6/30/2014	Storage
10	2978	22-01	Three Parkway Building, 1601-1645 Cherry St	Dept of Human Services	Phila Municipal Authority	27,522	\$30	\$119,164	\$834,736	4/20/2014	Office
11	3003	73-15	520-34 N Delaware Ave	City Commissioners Office	Spring-Del Assoc	39,116	\$16	\$135,156	\$644,642	6/30/2014	Office

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RANK	ASSET ID	LEASE NUM	ADDRESS	CITY DEPARTMENTS\TENANTS	LESSOR	LEASED SQFT	TOTAL COST\ SQFT	OTHER COST (incl Utilities)	TOTAL LEASED COST*	TERM**	PRIMARY USE
12	713	11-42	4000 American St	L&I, DPP, Office of Supportive Housing, Police Special Ops.	Red Gap Limited Partnership	37,500	\$7	\$141,036	\$265,536	12/3/2017	Storage
13	1727	11-39	5301 Tacony St, Arsenal Bldg 202	Police Strike Force	Arsenal Business Center	13,260	\$17	\$77,333	\$229,690		Office
14	3005	24-79	1430 Cherry St	Office Supportive Housing Intake	WHY Partners LP	9,997	\$23	\$19,992	\$228,280		Office
15	405	11-37	401 N 21 st St	Police 9th District	Rodin Partners	24,000	\$7	\$171,590	\$171,590	12/1/2024	Office
16	3004	36-12	8 Penn Center	City Mail Room	Phila Municipal Authority	9,736	\$17	\$24,660	\$163,583	10/31/2019	Office
17	1708	20-61	2504 Snyder Ave	DPP Warehouse	Peter Roberts Enterprises	27,325	\$6	\$30,645	\$158,016		Storage
18	1735	11-52	4500 S Broad St	Police Regional Operation Command South	Phila Auth. for Industrial Development	9,635	\$14	\$135,113	\$135,114	3/30/2014	Office
19	282	52-10	18 S 7th St	Library Branch - East Phila/Independence	18 S 7th St Assoc	7,736	\$16	\$597	\$122,439	5/31/2020	Library
20	1762	20-88	34 S 11th St	DA's Complaint Unit	Girard Square A NYLP	8,076	\$13	\$0	\$108,218		Office
21	1730	11-38	1341 N Delaware Ave	Police Citywide Vice / Employee Assist.	Penn Treaty Park Place	7,670	\$12	\$16,234	\$94,008		Office
22	1733	11-41	98 Ashton Rd, NE Airport Hanger A	Police Northeast Aviation Unit	Atlantic Aviation PNE	6,200	\$12	\$0	\$72,000		Office
23	2996	10-59	2150 W Somerset St	North Philadelphia Municipal Services Bldg	Equity Retail Brokers	3,000	\$21	\$32,943	\$64,143		Office

RANK	ASSET ID	LEASE NUM	ADDRESS	CITY DEPARTMENTS\TENANTS	LESSOR	LEASED SQFT	TOTAL COST\ SQFT	OTHER COST (incl Utilities)	TOTAL LEASED COST*	TERM**	PRIMARY USE
24	3017	35-01	714 Market St	Finance - Tax Code Unit	Liberty Resources, Inc	3,343	\$14	\$6,720	\$46,000		Office
25	3002	28-06	2615-21 E Huntingdon St	PWD Distribution Crews Muster Site	Global-Win Inc	3,000	\$11	\$3,037	\$33,037		Storage
26	2998	20-107	8729-49 Frankford Ave	DPP Warehouse, MDO - Community Life Improvement Office	Washington Service Corp	1,200	\$20	\$6,857	\$24,029		Storage
27	137	10-60	9239 Roosevelt Blvd	Northeast Philadelphia Municipal Services Bldg	Alvin & Marie Antony	2,400	\$10	\$6,017	\$24,017		Office
28	169	20-77	Pier 46 at Delaware Ave	Fire Marine 15	U. S. Coast Guard	3,049	\$5	\$16,753	\$16,753		Fire Ops.
29	2981	28-05	Aramark Bldg, 1101 Market St (Basement)	PWD Storage	Girard Estate Leasehold	1,150	\$14	\$450	\$15,676	8/31/2016	Storage
30	1672	26-52	1311 S 10th St	L&I Confiscation Warehouse	Stephen J. Palladinetti	6,500	\$2	\$1,592	\$14,592		Storage

Average	39,767	\$19	\$246,675	\$751,811
Median	11,629	\$14	\$31,794	\$167,586
TOTAL	1,193,010		\$7,400,254	\$22,554,327

*Total Lease Cost includes Other Cost column (separate column for 'base cost' is not represented).

**Leases are year to year, unless specified by term date.

Source: DPP Real Estate Division 10/31/13

APPENDIX: Lease Request for Proposal (Lease RFP)



CITY OF PHILADELPHIA

Request for Proposal

For Office Space

The City of Philadelphia currently leases approximately [] square feet at {insert address}, in Center City Philadelphia (the “**Current Facility**”).

With its lease for the Current Facility expiring on _____, the City is in the process of identifying a new location for its operations. It is anticipated that the City will require between _____ and _____ rsf of office space and related amenities depending on ultimate growth projections and programming outcomes.

The City anticipates making a final building decision by {insert date}. This Request for Proposal (“**RFP**”) seeks a proposal for new office space based on the terms and conditions described herein.

IN RESPONDING TO THIS RFP, PLEASE FOLLOW THE SPECIFIC FORMAT HEREOF. IN SELECTING A LANDLORD FOR ITS OFFICES, THE CITY IS LOOKING FOR THE BEST OVERALL PROPOSAL TAKING INTO ACCOUNT BOTH ECONOMIC AND OTHER DEAL TERMS. AS A RESULT, IN YOUR RESPONSE, PLEASE SPECIFICALLY NOTE WHERE YOU ARE UNABLE TO ACCOMMODATE THE TERMS AND CONDITIONS OUTLINED HEREIN.

Your response is due by {insert date} by 5:00 PM (EST). Please email responses to _____ or deliver by mail to _____.

On behalf of the City, we appreciate your participation in the RFP process and look forward to your response.

A. General Info

1. Tenant

City of Philadelphia (“**Tenant**” or “**City**”)

2. Building

Please describe the Building, including the address and location of the Building, distinguishing features, and a list of tenants of the Building together with a stacking plan.

3. Landlord/Developer

Please describe the ownership structure of the Building, any Equity Partners, and any contemplated plans or timeframe for potential disposition of the asset, if applicable.

4. Premises

Tenant is seeking approximately _____ rentable square feet. The exact square footage will be determined based upon a finalized test-fit. The rentable square footage should be determined in accordance with BOMA standards plus an add-on factor. In your response, please indicate the add-on factor to the BOMA measurement for both multi-tenant and single tenant floors.

5. Use

Tenant requires the right to use the Premises for general office use and incidental and ancillary uses as well as any other lawful purpose.

6. Storage and Other Below Grade Operations

In addition to the Premises described above, Tenant requires a minimum of _____ rentable square feet of below grade storage for space. Certain Tenant personnel may work full time in such below grade space. The space must be waterproof and environmentally controlled. Please provide a description of any such space in the Building, the total amount available and a rental rate for such space.

B. Lease Economics

Lease Term

Tenant is seeking proposals for both a _____ year lease term and _____ year lease term.

Lease Commencement Date

The "**Lease Commencement Date**" shall be _____.

Rent Commencement Date

Please identify the number of months of "free rent" that Landlord will provide from the Lease Commencement Date for each requested term.

Base Rent

Please indicate the Base Rent and rent structure (gross, NNN, net of electric, etc.) for the Premises for each option described above. Base Rent should be reduced by any concessions normally offered to tenants but not being offered to Tenant (on an amortized basis, if applicable).

Tenant Improvement Allowance

Please indicate the amount of Improvement Allowance included within the Base Rent quoted above.

The Improvement Allowance may be used for any costs relating to occupancy of the Premises including, without limitation, moving costs, architectural and engineering costs, other soft costs, cabling and wiring, fixtures, equipment and hard costs. The Improvement Allowance shall be the first dollars expended in connection with any improvements to the Premises and Tenant shall not be required to expend any of its own funds until the Improvement Allowance is fully exhausted. The Improvement Allowance shall be escrowed until all construction costs have been paid in full, and any unused portion shall be credited against rent payments until exhausted.

C. Tenant Improvement Work {Note: Only in multi-year deals}

I. Construction

Tenant shall have the right to select one of the following two options to construct the tenant improvements to the Premises (the “**Tenant Improvement Work**”):

[Tenant shall have the right to competitively bid all tenant improvement work to third parties and to select a contractor to construct the Premises. Landlord may elect to bid on such work. In the event Tenant selects a third party contractor to perform the Tenant Improvement Work, Landlord shall not be eligible for any supervisory or other fee in connection with the construction of the Premises. All general contractors and major subcontractors shall be reasonably satisfactory to Landlord.] **{Note: Separations act applies to construction work performed by Tenant.}**

Tenant shall have the right to have Landlord construct the Premises on behalf of the Tenant. In such case, Landlord shall bid all work to at least three qualified general contractors on a lump sum basis or, if Landlord is to act as the general contractor, Landlord shall bid out all work, trades and purchase orders with a value of \$10,000 or more to at least three qualified subcontractors or suppliers. Tenant shall have the right to designate one qualified general contractor to be included in the bid process (in the event Landlord is not acting as the general contractor), to be present when bids are first opened and to participate with its construction representative in the negotiation, refinement and evaluation of such bids with Landlord. In the event Landlord charges a supervisory fee and is not acting as the general contractor, such fee, together with the fees and profit charged by Landlord's general contractor, shall not exceed the total overhead and profit which would typically be charged by an independent general contractor. Please indicate the fee Landlord will charge if it acts as the general contractor for the Tenant Improvement Work.

If Landlord performs the Tenant Improvement Work under option 2, it shall provide Tenant with a one year warranty against defective or nonconforming work. Any defective or nonconforming work shall be replaced or corrected by or on behalf of Landlord at no additional cost to Tenant.

Please specify whether the Landlord uses Union contractors or open shop. If Tenant's Improvement Work is completed by an open shop, the City requires that the contract be at “prevailing wages”.

In addition, if Tenant elects to have Landlord construct the Tenant Improvement Work, Landlord shall be required to deliver the completed Premises to Tenant not later than _____ (the “**Outside Delivery Date**”) to allow Tenant time to install its furniture, fixtures and telecommunications. In the event Landlord is late in delivering the Premises for reasons other than (1) force majeure or (2) Tenant delay, Landlord shall be responsible for {Choose one: (A) any holdover rent Tenant is liable for under its existing lease at [*Current Location*] or (B) Landlord shall provide Tenant, as liquidated damages, and not as a penalty, two days of additional free rent for each day of delay beyond the Outside Delivery Date. Please identify when Tenant will be required to submit final

drawings for the Tenant Improvement Work in order to ensure completion by the Outside Delivery Date.

2. Space Planning, Engineering and Design

Landlord, at Landlord's cost and expense, shall provide CAD-based electronic files of all base building related engineering drawings including structural, mechanical, electrical, and plumbing as required for permitting and construction of Tenant's space.

Tenant has retained consultants to provide architectural and engineering services. Please confirm that Landlord will provide Tenant's architect with a \$0.12 per square foot allowance to test-fit Tenant's program.

3. Condition of Base Building and Premises

Landlord shall deliver the Building and Premises in their current as-is condition, broom clean with all existing tenant property removed and otherwise compliant with all applicable laws, ordinances and governmental regulations, including without limitation the American with Disabilities Act and all other local access ordinances, use and occupancy ordinances, environmental regulations and fire codes. Notwithstanding any of the foregoing to the contrary, it is the intent of the parties that other than typical demolition costs, no unusual or extraordinary costs will need to be incurred by Tenant in order to prepare the space prior to construction of the Tenant Improvement Work such as, without limitation: asbestos or hazardous substance abatement or removal; floor leveling or patching; cabling removal, etc. ("**Extraordinary Prep Costs**"). Landlord shall be responsible for all Extraordinary Prep Costs. **{NOTE: The City should also describe any specific Building upgrades or improvements which are a condition of the Lease such as lobby renovations, bathroom renovations, elevator improvements, HVAC upgrade, etc..}**

D. Lease Terms

I. Electricity and Other Utilities

If the tenant is billed for electric, is the billing based on a proportionate share or sub-meter? What portion, if any, of total electric is carried in the Base Year (e.g. Building common area, HVAC for common areas and/or tenant, lights and plugs only), and what portion of the electric is billed to tenant? Please indicate the tenant electricity costs for your Building and whether it powers HVAC in addition to lights and outlets. All

electricity costs shall be charged to Tenant at Landlord's actual costs, subject to all applicable discounts, with no mark-up, service charge, profit, fee or other additional sum payable to Landlord.

Please confirm that the current electrical service for the premises will deliver up to 6 Watts per rentable square foot and that sufficient capacity is available on existing electrical panels. Please also confirm that Landlord will absorb, at its own expense, the installation of any additional electrical panels that may be required to satisfy Tenant's electrical demand.

Landlord shall competitively bid the electric supply contract every two years.

2. Operating Expenses

Please detail the Building services to be provided to Tenant as part of the Base Rent.

The base amount for Operating Expenses shall be the expenses attributable to the Building for the calendar year _____ grossed up to reflect 100% occupancy of the Building (Base Year) and inclusive of all Operating Expense line items reasonably anticipated for the next 12 months. No Operating Expenses shall be deferred to the following year by Landlord to reduce the Base Year amount. Please provide a copy of the Building's yearly summary of Operating Expenses for _____ and _____ and the current budget for _____. No Operating Expense escalations shall be payable by Tenant for the first 12 months of the Term.

Landlord shall not recover more from Tenant than its proportionate share of the actual Operating Expenses paid by Landlord in connection with the operation of the Building for any year and Landlord shall not make a profit from the collection of Operating Expenses from Tenant. The Lease shall contain typical carve outs for Operating Expenses including, but not limited to, debt service, depreciation or amortization, capital improvements, sums paid to Landlord or its affiliates which are in excess of those that would be charged by third parties for similar services in an arm's length transaction, and above market management fees. **{NOTE: Could include an Exhibit which contains permissible expenses.}**

[Landlord shall be required to maintain the Building each year consistent with good operating practices. It is critical to Tenant that Landlord not defer needed maintenance or subsidize other Operating Expenses at the expense of needed maintenance. Without limiting the generality of the foregoing, Landlord shall be required to document its expenditures for repairs and maintenance each year and shall be required to expend each year, in the aggregate, an amount not less than it expended the prior year (extraordinary items excluded). In the event it expends less than the prior year on repairs and

maintenance, such savings shall be refunded to Tenant (based on its prorated share).]
{NOTE: Only for multi-year lease proposals.}

Tenant shall have the right to audit and contest Operating Expenses at any time during the Lease Term, such audit right reaching back to the Lease Commencement Date, using an auditor of Tenant's choice.

3. Real Estate Taxes

Please provide all information regarding any tax abatement currently in effect or anticipated for the Building. In addition, please identify whether any tax appeal is currently pending or contemplated by Landlord.

Tenant shall pay its pro-rata share of the increase in Real Estate Taxes over and above the total Real Estate Taxes attributable to the Building for the calendar year _____, grossed up to reflect 100% occupancy of the Building, or if an abatement is in effect or anticipated, the first full calendar year that the Building is assessed as a fully occupied and assessed building (Base Year). Any decrease in Real Estate Taxes vis a vis the Base Year shall accrue to Tenant's benefit. No Real Estate Tax escalations shall be payable by Tenant for the first 12 months of the Term.

Landlord shall not recover more than the actual Real Estate Taxes paid by Landlord in connection with the operation of the Building for any year and Landlord shall not make a profit from the collection of Real Estate Taxes from tenants in the Building. Taxes shall reflect and be net of any discounts offered regardless of whether Landlord takes advantage of such discounts (unless Tenant has defaulted in the payment of rent after expiration of applicable grace periods).

Tenant shall have the right to audit and contest Real Estate Taxes at any time during the Lease Term, such audit right reaching back to the Lease Commencement Date, using an auditor of Tenant's choice.

4. After-Hours HVAC Use

Tenant will require HVAC on a 365/24 basis, with no additional charge for after-hours use other than the cost of utilities. Please describe how the Building will meet this requirement and what is required.

5. Energy Efficiency and Sustainability Covenants

Please identify any initiatives or program the Landlord has implemented to improve operating efficiencies within the Building. Please answer the following questions and feel free to describe any other initiatives the Landlord has taken or plans to take with respect to LEED initiatives and sustainable business practices.

- a. Is the Building LEED certified and if not, does the Landlord plan on applying for certification?
- b. Is the Building Energy Star certified?
- c. Has the Landlord replaced old light fixtures with energy efficient bulbs and or ballasts?
- d. Has the Landlord taken any other steps to reduce energy costs in the Building?
- e. Has the Landlord taken any steps to conserve water including automatic flushers and capturing gray water?
- f. Has the Landlord taken any steps to improve the air quality in the Building?
- g. Has the Landlord installed any of the following: motion detectors, occupancy sensors, vacancy sensors, and automatic soap dispensers?
- h. Does the Landlord currently have a recycling program or plan to start one? If so what items are recycled and what rules and regulations are stipulated to the tenants in the Building?

6. Non-Disturbance

Tenant shall require a Non-Disturbance Agreement (“**NDA**”) in a form satisfactory to it and its counsel from both the current and any future holders of any deeds that secure debt, mortgages or ground leases that encumber the Building and land.

7. Parking

Please describe the parking capacity and parking ratio for the Building and any reserve or covered parking spots that can be made available to Tenant. Also, please describe any special or discounted parking arrangements that can be offered to Tenant.

8. Public Transportation

Please describe the various modes of public transportation that provide access to the Building.

9. Access

Tenant requires access to the Building 365/24.

10. Telecommunications

Please list the telecom companies that currently provide fiber wire, cable or satellite service to the Building and Premises. Please confirm that Tenant may have access to riser closets and may core drill to allow vendors to provide necessary telecom bandwidth and equipment to Tenant's Premises.

11. Identity

Tenant will be permitted to install appropriate custom signage on the walls of elevator lobbies in the main lobby of the Building and on each floor on which the Premises are located and in the common areas contiguous to the Premises, as well as any other form of listing or signage enjoyed by other Building tenants of like size.

12. Elevators, Freight Elevator and Loading Dock

Please describe the elevator system that services the Building. Please provide the performance specifications of the elevator system and the last time the mechanical elements were upgraded or replaced. Also please state the name of the contractor that services or otherwise maintains the elevators. These specifications will be incorporated into the Lease as ongoing covenants by Landlord.

13. Lease Security

There shall be no security deposit or letter of credit required by Tenant in connection with the Lease.

14. Default

There shall be no Confession of Judgment for possession or rent, and no late fees or interest charged on late rent.

15. Self Insurance

Tenant requires the ability to self insure and shall not purchase property & casualty insurance for the Premises or its contents.

16. Holdover

Tenant shall be able to hold over at the same rent as the last month of the term for a period of ninety (90) days with no additional penalties, including consequential damages. Holdover after that shall be at one hundred and twenty-five percent (125%) of the rent for the last month of the term and Tenant shall not be responsible for any consequential damages.

17. Brokerage

_____ (“**Broker**”) has been appointed as Tenant’s exclusive agent, and should be paid a full market real estate commission by Landlord under the terms and conditions of a separate agreement. Please provide a commission agreement to Broker with your response.

18. Confidentiality

The terms discussed herein are to be held in strict confidence by both parties and will not be revealed to any third party (other than those reasonably associated with projects of this kind, i.e. attorneys, accountants, and other consultants under contract with either party).

19. Expiration Date

Please submit your response to this Request for Proposal no later than [Date].

E. Tenant Options

I. Expansion Option

Please detail how Landlord can accommodate possible future expansion needs of Tenant including fixed options, rights of first offer or rights of first refusal. Please provide a floor by floor description of future space availabilities including any third party expansion rights encumbering such space, as well as lease expirations dates that might accommodate

Tenant's expansion of the Premises. **{NOTE: If the City agency knows of anticipated growth it will require, fixed options at pre-agreed prices should be included.}**

2. Fixed Option

Tenant will require _____ fixed expansion option(s) contiguous to the Premise or in the same elevator bank as the Premises ("**Fixed Option Space(s)**"). The Fixed Option Space shall be made available to the Tenant between the _____ and _____ lease year(s).

The term of the Fixed Option Space(s) taken by Tenant during the Lease Term shall be coterminous with the initial Premises. Base Rent and additional rent for any Fixed Option Space shall be the same as is then payable for the initial Premises. Landlord shall provide a pro-rated Improvement Allowance and free rent period based on the concessions offered for the initial Premises, taking into account the remaining term as compared to the initial term.

3. Renewal Option

Tenant shall have the right to renew the Lease for a total of two (2) additional terms for an aggregate of [A] years. The first renewal period shall be no less than _____ years and no greater than _____ years as determined by Tenant. The second renewal term shall equal [A] years less the number of years Tenant elected to exercise in the first renewal term. The renewal rights described herein require that Tenant provide Landlord written notice of its election to renew not less than _____ months prior to expiration of the applicable lease term.

Each renewal should be at ninety-five percent (95%) of the then prevailing market rate for new (not renewal) leases for comparable term and space taking into account all relevant factors including prevailing concessions being offered tenants in the market. Tenant shall either (a) receive a market concession package for new comparable leases (including tenant improvement allowance, free rent build-out period and other concessions then given in the market), or (b) receive a rent reduction equal to the payment necessary to amortize the value of such concessions at 8% over the renewal term. By way of example, if a "market" five (5) year deal is deemed to be \$22.50/sf, with \$.50 annual increases, six (6) months of free rent and a \$25 Tenant Improvement Allowance but Landlord elects

not to provide Tenant with the Improvement Allowance, the \$22.50 rent would be reduced to \$17.67 to reflect the amortized value of the Improvement Allowance not provided (i.e., \$22.50-\$4.83). The Base Year for Operating Expenses and Real Estate Taxes shall be first full calendar year of each renewal term.

4. Subleasing and Assignment

Tenant requires the absolute right to sublet, assign or transfer the lease in whole or in part, including any renewal and expansion options, without being subject to recapture rights or profit sharing. Landlord consent shall not be unreasonably withheld, conditioned or delayed; provided that no consent shall be required for transfers or subleases to other City of Philadelphia agencies or departments that are compatible with the Building. **{Note: only for multi-year terms.}**

5. Contraction

Tenant requires the right to reduce the Premises (a "**Contraction Right**") by up to _____ square feet at any time(s) after the _____ lease year upon _____ months prior notice and the payment of a "**Contraction Payment**" in an amount not to exceed the unamortized balance of the Improvement Allowance for the portion of the Premises withdrawn.

In connection with any Contraction Right, Tenant shall (1) pay the Contractor Payment upon the effective date of the surrender, (2) be required to pay the cost of demising the space and (3) only surrender contiguous space from the lowest floor in its stack that is reasonably marketable in terms of configuration.

F. Landlord Disclosure

I. Current Financing

Please describe the status of your current financing for the Building including the lender and the current maturity date for your financing. Please further confirm that Landlord is not currently in default under its mortgage loan documents and that no event has occurred which, with the giving of notice and/or passage of time, would constitute a default by Landlord under its mortgage documents.

2. Financial Ability to Fund Upfront Obligations.

Please identify how Landlord will fund the Tenant Improvement Allowance [and base building work, if applicable] required in your proposal. For example, please state whether the full amount of the required funds are currently available in a cash reserve or escrow, a dedicated line of credit with adequate capacity or some other vehicle.

3. Compliance with Laws

Please confirm that to the best of Landlord's knowledge, the Building is in compliance with all applicable federal, state and local laws, rules, ordinances and regulations including, without limitation, all zoning, fire, life safety and building codes and the Americans with Disabilities Act (collectively, "**Laws**") and that Landlord has not received written notice of any pending or threatened action against the Landlord or Building relating to a possible violation of Laws from any governmental authority or any third parties.

4. Environmental Conditions

Your proposal should confirm that the Building is currently in compliance with all Laws regarding environmental conditions, and there are no pending or threatened enforcement actions against the Landlord or Building by any governmental authority which asserts that Landlord has responsibility for cleanup, monitoring or investigation of any environmental conditions.

5. Title and Authority

Please confirm that Landlord has good, marketable, fee simple title to the Property and has the authority to enter into a Lease with the Tenant without the need for third party consent. If any lender or other third party needs to approve the terms of the Lease, please indicate the identity of such party and the timing and procedure for such approval. Also, indicate whether the lender has reviewed and approved the terms of your proposal.

6. No Breach of Third Party Agreements

Please confirm that the Lease contemplated by your proposal would not violate any existing Lease at the Property or any agreement with any third party by which Landlord is bound.

G. Additional Statutory City of Philadelphia Specific Lease Provisions

{Note: It is contemplated that the City will work these business terms into the form RFP it is currently developing for DPP}

Any terms and conditions referenced above shall not be binding upon Landlord or Tenant unless and until a lease agreement and related documents have been fully executed by both Landlord and Tenant. Furthermore, any lease term in excess of 1 year must be approved in an ordinance passed by City Council before it is binding on the Tenant. Should you have any questions, please contact the Broker at the below phone numbers or email addresses.

[Broker] @ 610.688.____ – [Broker Email]

[Broker] @ 610.688.____ – [Broker Email]

**APPENDIX: Green and Environmentally Sustainable Practices Guidelines /
Sustainability Rider for Leases**

City of Philadelphia

Owned or Lease Premises

Green and Environmentally Sustainable Practices Guideline

1. Low-VOC Materials

Contractor shall use products meeting the following criteria

- Adhesives, Sealants and Sealant Primers do not exceed VOC content limits of South Coast Air Quality Management District Rule #1168. Aerosol Adhesives do not exceed VOC content limits of Green Seal Standard GC-36.
- Interior paints and coatings meet the following standards:
- Topcoat Paints: “Green Seal Standard GS-11, Paints”
- Anti-Corrosive and Anti-Rust Paints: “Green Seal Standard GS-03, Anti-Corrosive Paints”
- All Other Architectural Coatings, Primers and Undercoats: “South Coast Air Quality Management District Rule 1113, Architectural Coatings”
- Non-carpet finished flooring: FloorScore-certified
- Carpet: (i) meets the CRI Green Label Plus testing program, (ii) is 100% recyclable, and (iii) contains a percentage of recycled content consistent with EPA’s Comprehensive Procurement Guidelines.
- Carpet padding: (i) meets the CRI Green Label testing and product requirements, (ii) is 100% recyclable, and (iii) contains a percentage of recycled content consistent with EPA’s Comprehensive Procurement Guidelines.
- Carpet adhesives must have less than 50 g/L VOC
- Composite wood and agrifiber products, including core materials, contain no added urea-formaldehyde resins.
- Laminate adhesives used to fabricate on-site and shop-applied assemblies contain no added urea-formaldehyde resins.

2. Environmental Standards

General Objectives

City and / or Landlord acknowledge their intention to operate the Building and the Premises to provide for:

- A comfortable, productive and healthy indoor environment
- Reduced energy use and reduced production, both direct and indirect, of greenhouse gases
- Reduced water use

- The effective diversion of construction, demolition and land-clearing waste from landfill and incineration disposal, and the recycling of tenant waste stream
- The use of cleaning products certified in accordance with standards of Green Seal or equivalent standards so as to minimize the adverse effect of cleaning
- The facilitation of alternate transportation options for occupants or visitors to the Building
- The achievement of such other more specific targets as may be set forth in these Environmental Standards or otherwise set forth in the Lease

3. Energy Efficiency

- City and / or Landlord represents and warrants that the Building has earned the ENERGY STAR label and has an energy performance rating of [60] or be LEED certified. City and / or Landlord shall make best efforts to maintain an ENERGY STAR energy performance rating of at least [60] or LEED certification throughout the Term, and shall provide to Tenant annually a Statement of Energy Performance in the form provided by the ENERGY STAR Portfolio Manager. In the event the Premises is separately metered for energy consumption or Landlord does not otherwise have access to energy consumption data for the Premises, Tenant shall provide Landlord with such data for the Premises upon request.
- Annual Energy Bill Audit Review will be conducted annually with City Energy Office and Landlord / City department leadership.
- All building staff personnel, City or private, are required to attend 10 hours of energy conservation training annually.
- Preventative Maintenance schedules and performance data are to be supplied annually to the appropriate City department.
- Indoor Air Quality, mold awareness, and Legionaries Disease are to be included in the annual building staff personnel training.
- ELECTRIC
 - Energy conservation measures such as lighting motion detectors and high efficiency motors are to be utilized at every opportunity. Occupied and unoccupied operations must be accounted for in order to maximize energy savings.
- STEAM
 - Energy conservation measures are to be utilized at every opportunity. . Occupied and unoccupied operations must be accounted for in order to maximize energy savings.
- GAS
 - Energy conservation measures are to be utilized at every opportunity. . Occupied and unoccupied operations must be accounted for in order to maximize energy savings.

4. Water Conservation

The fixtures serving the common areas of the Building and the Premises must meet the following requirements:

- Lavatory and pantry faucets: [0.5] gallons per minute (gpm) at 60 psi
- Water closets: [1.28] or less gallons per flush (gpf)
- Urinals: [0.5] or less gpf
- Kitchen: [2.2] or less gpm
- Showerhead: [2.0] or less gpm

5. Green Cleaning Policy

City and / or Landlord and Tenant shall use green cleaning materials, products, equipment, janitorial paper products and trash bags (including microfiber tools and wipes) that, at minimum, comply with the Green Cleaning Standards (hereinafter defined), and any contracts with janitorial service providers must require that the contractor complies with all applicable elements of the Environmental Standards, including the Green Cleaning Standards.

The "Green Cleaning Standards" are as follows:

- Cleaning products must meet or exceed Green Seal Standard GS-37 or equivalent standards
- Disinfectants, metal polish, floor finishes, strippers or other products not addressed by the above standard must meet or exceed Green Seal Standard GS-40 or equivalent standards
- Disposable janitorial paper products and trash bags must meet or exceed the minimum requirements of U.S. EPA Comprehensive Procurement Guidelines for Janitorial Paper and Plastic Trash Can Liners, Green Seal Standard GS-09, Green Seal Standard GS-01 or equivalent standards
- Hand soaps must meet or exceed Green Seal Standard GS-41 or equivalent standards

6. Integrated Pest Management Policy

City and / or Landlord and Tenant shall use Integrated Pest Management (IPM) techniques, which emphasize preventive measures to minimize the use of chemicals and toxic pesticides.

7. Environmentally Preferable Purchasing Policy

City and / or Landlord and Tenant shall comply with the Environmentally Preferable Purchasing (EPP) Policy when procuring furniture, fixtures, materials, supplies, appliances and equipment to be brought into the Building and the Premises, which requires that each use, when reasonably practical:

- ENERGY STAR-qualified
- Office equipment (computers, printers, monitors, fax machines, copiers, water coolers, etc.)
- Electronics (TVs, DVD players, etc.)
- Appliances (refrigerators, dishwashers, washers, etc.)
- WaterSense-labeled plumbing fixtures and fixture fittings
- Products containing pre-consumer and post-consumer materials
- Products containing rapidly renewable material
- Products containing Forest Stewardship Council (FSC)-certified wood
- Products harvested and processed or extracted and processed within 500 miles of the Building
- High-efficiency, low-mercury-content lamps that maintain an overall average of less than 90 picogram of mercury per lumen hour of light output
- CFLs that comply with NEMA standards
- Low- or no-VOC furniture, furnishings, or composite wood products that contain no urea-formaldehyde
- Salvaged, refurbished or reused materials, furniture, fixtures, and equipment

8. Solid Waste Management Policy

City and / or Tenant shall comply with the Solid Waste Management Policy, which facilitates the reduction of waste generated by Building occupants that is disposed of in landfills or by incineration. Without limiting the generality of the foregoing, compliance with the Solid Waste Management Policy requires that Tenant participate in the Building's recycling program and that Tenant provide its waste and recycling manifests upon request of Landlord. A diversion rate of 70% recycle to 30 % land fill is required.

9. Environmental Assessment and Reporting

Tenant shall provide to Landlord such data and documentation relating to the premises and the Premises' occupants as Landlord may reasonably request to determine optimal Building operations, compliance with the Environmental Standards and for completion of an annual Environmental Performance Report. Landlord shall provide an annual Environmental Performance Report to Tenant, which shall include the following information regarding the Building's performance:

- ENERGY STAR energy performance rating
- Building consumption for the following, including total gross consumption, consumption per gross square foot and consumption per building occupant:
 - Electricity (with a breakdown by source if any electricity is generated from renewable sources)
 - Gas
 - Other fuels (specify type)
 - Water

- Total gross waste generated by the Building, total gross waste sent to landfills or incineration facilities, total gross waste diverted from landfills or incineration facilities

10. Compliance

Nothing set forth in the Environmental Standards shall be construed as requiring Landlord or Tenant to take any action that conflicts with laws, codes, rules, orders, ordinances, regulations and requirements of federal, state, county or municipal authorities pertaining to the Building or the Premises.

11. Building Rules and Regulations

Smoking is prohibited in the Building and within twenty (20) feet of any entries, outdoor air intakes and operable windows.

The use of Chlorofluorocarbons CFC-based refrigerants is prohibited in the Building and in the Premises.

Energy Conservation

Before closing and leaving its premises at any time, each tenant shall use reasonable efforts to turn off all lights, electrical appliances and mechanical equipment that are not otherwise required to remain on. The use of space heaters is prohibited.

APPENDIX: Utility Payment Policy

MAYOR'S TASK FORCE ON CITY-OWNED FACILITIES
UTILITY SUBCOMMITTEE

Criteria for Determining Eligibility for Utility Charge Subsidy in City-Owned Buildings

GOAL: To alleviate the burden on City taxpayers to pay utility charges for City-owned or leased properties utilized by community and civic organizations (“Users”) where payment of utility charges does not benefit the City at large. To accomplish this goal, the Mayor’s Taskforce on City-Owned Facilities recommends the following procedure.

A. GENERAL PROCEDURE

1. The Department of Public Property Commissioner (“Commissioner”) will gather relevant documents information for review by the City Utility Payment Panel (“Panel”).
2. The commissioner will send a letter will be sent to the User designating its eligibility or non-eligibility for utility charge subsidy by the City. listing the status determination.
3. A User who wishes to challenge a non-eligibility determination has the burden of proof to show that it provides a public service as defined below and should NOT have to pay utility charges.
4. The user must provide the information set forth below and may provide additional information to the Panel it considers relevant. The Panel will review the information and make a final determination as to whether the City will pay utility charges for the facility the User occupies.
5. If the Panel determines that the User does not qualify for the City subsidy, it will notify the User by letter will be sent to the City facility the User occupies. The letter will inform the User that the User must pay utility charges for the facility starting with the subsequent utility bill.
6. Once established, the Panel shall create its own processes and timelines.

B. FACILITIES CATEGORIES

(1.) Factors that **may** qualify the User for City payment of utilities:

Factor 1. City-owned and City-occupied: Does the City own and occupy the facility completely?

Factor 2. City-owned; and private user of the facility:

- 1) provides a public service (defined below)* that the City would otherwise have to provide and

2) does not use the facility to generate revenue.

(2.) Factors that **may not** qualify the User for City payment of utilities:

Factor 1. City-owned property, but occupied by a private User for the provision of private and/or for profit services.

Factor 2. The User is a for profit business.

Factor 3. The User is running a business or programming that is only for its members and charges a fee for use of service.

Factor 4. The User utilizes the facility to generate revenue.

Note:

-- *A **public service*** is a service that the City would otherwise provide and is available to ALL Philadelphia residents as follows:

a. The service is non-discriminatory and available to all Philadelphia residents through a transparent, consistent process; and

b. The service is offered at the same level and price as a City-operated facility with no membership fees/requirements.

-- If User does not provide a "public service" as defined above, its facility is a non-qualifying facility for which the City does not pay utility charges.

-- Users who generate revenue from use of the facilities, including but not limited to private events, food concessions, and other activities held at the facility must pay the full utility charges for those facilities. The City will not pay utility charges for facilities whose users generate revenue from use of the facilities.

PROCEDURE FOR APPEAL

Users who wish to appeal the Panel's decision must provide to the Commissioner the following information and answers set forth below. The Commissioner will transmit the information to the Panel within two business days so that the Panel may determine whether the User provides a public service and does not use the facility to generate revenue from private events:

1. Description of the formal structure of the organization, when it started, and if it has a membership.
2. Governing documents of the User, including bylaws and/or articles of incorporation.
3. Explanation of membership fees or required dues for joining or participating in organization and/or its activities.

4. Number of members/participants in the organization, and how many months and which months of the year they are served.
5. Number of children/seniors/citizens who are served by the services you provided.
6. Lease, if one exists.
7. Documentation of User's non-profit status
8. Description of programming that takes place at the City-owned facility and the frequency of the programming
9. Proof of insurance
10. Financial records showing receipts and expenses for previous three years.
11. Explanation of how use of the facility furthers the mission of your organization and benefits the City at large.
12. Documentation of User's expenses for maintenance or improvements to the facility, including receipts and photographs.
13. Information related to User's operation or maintenance of the facility towards increasing the facility's energy efficiency.
14. Additional documentation may be requested on an as needed basis.

C. THE UTILITY PAYMENT PANEL

The Utility Payment Panel shall make the final determination to approve or deny the payment of the utility charges of a City-owned facility, or a portion of those utility charges. Users have the burden to show why they should NOT have to pay utility charges based on the services their organizations provide on City-owned land, and in City-owned facilities.

Appointees shall serve a 3 year term, and shall be subject to City and State ethics provisions. They shall meet within the first 3 months of appointment and as needed thereafter, but within 10 business days of an appeal request, and at least once per year to review City utility processes if there are no appeals. Panel meetings shall be open to the public.

Appointment shall be made by the following individuals:

1. City Council President (1)
2. Public Property Commissioner (1)
3. Mayor (3) Private Sector Appointees – all of whom must live or work in the City:
 - a. Real estate professional with operational experience
 - b. Real estate attorney
 - c. Leader of a civic organization or parks and recreation-related organization

Each panel member, with approval of the appointing authority, shall select a similarly skilled back up panel member to meet in case of his/her unavailability.