

Aramark moving Schuylkill-side as downtown office district shifts west

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Jacob Adelman, STAFF WRITER



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Aramark Corp. is moving its headquarters from its namesake high-rise at 11th and Market Streets to the banks of the Schuylkill, continuing Center City's westward tilt toward burgeoning University City.

The food- and facilities-services giant will be the anchor tenant at the nine-story office project to be built on the bones of a former industrial structure at 2400 Market St., chief executive Eric Foss said at a news conference Monday.

With the move, Aramark is staking out a presence in a section of central Philadelphia that's expected to see some of the city's most aggressive new development in coming years. Adjacent blocks to the east have been acquired by big developers including Brandywine Realty Trust, while some of the largest master-planned projects in decades have been proposed just over the river around 30th Street Station.

"This is a location that's going to allow us as a company to continue to live up to our mission, which is all about enriching and nourishing lives for our consumers, for our clients, for our associates, and for our communities," Foss said.

Aramark's announcement capped months of speculation touched off in April, when the company said it was working to choose a future home after electing to remain in Philadelphia once its lease at the 1101 Market St. tower lapsed in 2018.

Under consideration were 2400 Market St. and the Navy Yard, spokesman Tod MacKenzie said at the time, adding that Aramark also was thinking about renovating its current offices and remaining there.

Monday's event took place at Cira Green, the park that tops a 95-foot-high parking structure almost directly across the Schuylkill from the future Aramark headquarters site, now occupied by a former automobile warehouse that long served as home to the Marketplace Design Center.

A billboard atop the four-story building that read, "Aramark. Home sweet home," was unveiled to the sound of air horns blasted by Gov. Wolf and Mayor Kenney, who joined Foss at the podium for the announcement.

Plans call for the building to be gutted and its facade to be scrubbed and fitted with new windows, and for it to be topped with five new glass-clad stories, according to Jonathan Stavin, an executive vice president with PMC Property Group, which is developing the structure in a venture with the Lubert-Adler Real Estate Funds.

Aramark said in a release that it will fill the top section, encompassing nearly 300,000 square feet, with the restored lower floors accommodating a mix of commercial and retail tenants. The project also will include a promenade overlooking the Schuylkill River Walk that links Chestnut and Walnut Streets, the release said.

PMC, which is among Philadelphia's biggest residential landlords, and Lubert-Adler previously planned the project as a 19-story structure with a large residential component. The revised plan makes it PMC's first project that includes no housing.

The Aramark headquarters project is being aided by as much as \$20.6 million in state development, infrastructure, and employment-training grants, including a \$10 million award from the Redevelopment Assistance Capital Program, according to Wolf spokesman Jeffrey Sheridan.

The Wolf administration has only recently resumed awarding RACP grants, after a hiatus brought on by the Pennsylvania budget impasse that lasted until March. PMC and Lubert-Adler did not submit a proposal for a RACP grant during its most recent application period, but the project was selected for one because of its importance, Sheridan said.

"The Governor's Action Team led this project to ensure Aramark, one of the commonwealth's biggest employers, maintained its world headquarters in Philadelphia," he said. "The grantee still has to submit a proposal to outline the scope of the project relating to this funding."

Aramark also was offered city assistance, including a forgivable loan through the Philadelphia Industrial Development Corp. and a real estate tax abatement, that assumes "specific performance metrics," Kenney spokeswoman Ajeenah Amir said. She declined to discuss details of the incentives, which are being finalized.

Aramark plans to complete its move into the new building by the end of 2018, with its lease there running through September 2034, according to the Monday release.

Jay Joyce, managing director in Philadelphia for commercial brokerage Savills Studley, said Aramark's relocation plans are the latest suggestion that the city's center of gravity is moving toward an urban agglomeration that flanks the Schuylkill.

Aramark's future home sits at the western tip of a three-block strip of properties that were largely acquired last year by developers Brandywine Realty Trust and Parkway Corp., though neither has discussed its plans for the parcels. PMC, meanwhile, has purchased a four-block strip of nearby land along John F. Kennedy Boulevard, where Stavin has said it plans residential units.

Right across the river, Brandywine is working with Drexel University on 14 acres of mixed-use development known as Schuylkill Yards, while a team of stakeholders involving Amtrak and others is mapping out a plan for the area around 30th Street Station that could include building more than 88 acres of rail yards.

"I think Aramark is taking a long-term view," Joyce said. "They're really positioning themselves at what they think will be the future of Center City."

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