

11194. RESOLUTION 16-43 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND USRC PENNS GROVE, LLC AT THE SALEM BUSINESS CENTRE

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the owner-operator of an 80,000 square foot building in the Salem Business Centre (“SBC”), Carney’s Point, New Jersey; and

WHEREAS, USRC Penns Grove, LLC (“USRC”) desires to lease approximately 8,460 square feet of space in a building located at 1 Collins Drive, commonly referred to as the Salem Business Centre; and

WHEREAS, USRC has agreed to pay the Authority annual rent in the amount of One Hundred Sixty Thousand Seven Hundred Forty Dollars (\$160,740.00) for the first five (5) years of the initial term; and

WHEREAS, USRC has agreed to pay the Authority annual rent in the amount of One Hundred Seventy-Seven Thousand Six Hundred and Sixty Dollars (\$177,660.00) for the second five (5) years of the initial term; and

WHEREAS, USRC will receive a Tenant Improvement Allowance of Thirty-Five dollars (\$35.00) per square foot of space with any overage in Tenant Improvements to be the responsibility of USRC; and

WHEREAS, the Lease Agreement shall provide a lease inducement in the form of a four (4) month rent abatement during the initial year of the lease; and

WHEREAS, the initial term of the Lease Agreement is for ten (10) years; and

WHEREAS, USRC shall have the option of renewing this lease agreement for two (2) option periods of five (5) years each; and

WHEREAS, if the renewal terms are exercised, rent shall be adjusted at the beginning of each renewal term to the Fair Market Value (FMV); and

WHEREAS, rent shall increase each year of the renewal terms by the Consumer Price Index (CPI); and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreements with USRC Penns Grove, LLC and, with the advice and consent of counsel, to have such Agreements executed by the Chairperson, Vice Chairperson, and the Executive Director.

NOW, THEREFORE, BE IT RESOLVED, that Resolution 16-34 is hereby rescinded.

A motion to approve Resolution 16-43 was made by Commissioner Murphy, seconded by Commissioner Downes, and approved by a roll call vote of 11-0.

Resolution 16-43 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with USRC Penns Grove, LLC

Committee: Economic Development

Committee Date: December 20, 2016

Board Date: December 20, 2016

Purpose and Background for Resolution:

USRC Penns Grove, LLC would like to lease approximately 8,460 square feet of space at 1 Collins Drive in a building commonly referred to as the Salem Business Centre. The initial rental rate is \$19.00/sq.ft. This space was previously occupied by NJ DYFS but has not been occupied since 2008. Tenant is a dialysis center and has an affiliation with a local medical practice. This agreement was originally approved under Resolution 16-34 as USRC Alliance, LLC.