

9515. RESOLUTION 06-65 AUTHORIZING THE LEASE OF THE DEMA BUILDING IN NEW CASTLE, DELAWARE

WHEREAS, The Delaware River and Bay Authority (the “Authority”) controls 2.94 acres at 12 Penns Way in New Castle, Delaware pursuant to a land lease with New Castle County ; and

WHEREAS, 12 Penns Way contains a 27,500 square foot one and two story building commonly known as the DEMA Building; and

WHEREAS, the New Castle County Chamber of Commerce (the “Chamber”) has submitted a proposal to lease the DEMA Building for office space and to establish a small business incubator; and

WHEREAS, the Chamber proposal would provide 8000 square feet for the Chamber office space and approximately 18,500 square feet for incubator units and shared space; and

WHEREAS, the Chamber would sublease the incubator and shared space portion to the incubator tenants in stages to be determined by the Lease Agreement and will oversee all aspects of administration and rent collection for the subtenants; and

WHEREAS, the rent for the Chamber’s office space will be \$17.00 a square foot per year for a five (5) year term subject to an annual CPI adjustment with one (1) five (5) year option subject to a fair market value appraisal; and

WHEREAS, the Authority and Chamber will share the incubator rent with the conditions that the Authority receives no less than \$13.00 a square foot net annually and the Chamber can retain no more than 15% of the total subtenant rent per incubator unit; and

WHEREAS, the Authority will have the right to terminate the lease upon not less than Two Hundred Seventy (270) days notice for reasons to be determined by the Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized, with the advice and consent of Counsel, to negotiate the terms and conditions of an Agreement with the Chamber that provides for the lease of the DEMA Building located at 12 Penns Way, and, with the advise and consent of Counsel, to have such Agreement executed by the Economic Development Committee Chairperson, Authority Vice Chairperson, and Executive Director.

A motion to approve Resolution 06-65 was made by Commissioner Dorn, seconded by Commissioner Smith and unanimously approved by a roll call vote of 9-0.