

**11058. RESOLUTION 16-04 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ENERGI AT THE SALEM BUSINESS CENTRE**

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

WHEREAS, Energi currently leases from the Authority 3,916 square feet of space in a building located at 1 Collins Drive, commonly referred to as the Salem Business Centre; and

WHEREAS, Energi desires to lease an additional approximately 3,987 square feet of adjacent space in the building, which is currently in unfinished condition; and

WHEREAS, Energi has agreed to lease the combined space from the Authority at an annual rent of \$18.50 per square foot; and

WHEREAS, Energi shall extend the existing lease to be coterminous with a five (5) year initial lease term for the expansion space; and

WHEREAS, Energi shall receive a Tenant Improvement Allowance (TIA) for suitable refreshing and fit out of its leasehold, calculated at \$51.00 per square foot of the additional rented space, with any TIA overage to be the responsibility of Energi; and

WHEREAS, Energi shall receive a lease inducement in the form of a three (3) month rent abatement during the initial year of the lease; and

WHEREAS, rent shall increase each year during the initial term by \$0.50 per square foot; and

WHEREAS, with the consent of the Authority, Energi shall have the option of renewing this lease agreement for one (1) option period of five (5) years, upon the same terms as the initial term, subject to a rent adjustment at the beginning of the renewal term to reflect a minimum 95% of the leasehold’s fair market rental value;

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

A motion to approve Resolution 16-04 was made by Commissioner Smith, seconded by Commissioner Wilson, and approved by a roll call vote of 10-0.

## **Resolution 16-04 - Executive Summary Sheet**

**Resolution:** Authorizing the Executive Director to execute a Lease Amendment with Energi

**Committee:** Economic Development

**Committee Date:** January 20, 2016

**Board Date:** January 20, 2016

### **Purpose and Background for Resolution:**

Energi would like to lease approximately 3,987 square feet of space at 1 Collins Drive in a building commonly referred to as the Salem Business Centre. This space is adjacent to their existing leasehold in the building and will double the size of their leasehold in the building. This space has never been occupied and is currently one of the last remaining unfinished spaces in the building. The initial rental rate will be of \$18.50 per square foot. Rent will be adjusted each renewal year by \$0.50 per square foot.