

Elizabeth-Port Authority Marine Terminal – East Coast Warehouse & Distribution Corp. – New Lease

Committee on Operations

September 22, 2016

Proposed Terms of New Lease

- Term: January 1, 2017 through November 30, 2026
- Aggregate rental: \$29.5 million
- Tenant to assume full maintenance responsibility for the building
- Tenant plans to invest a minimum of \$2.5 million in leasehold improvements. Should those improvements be completed within first five years of agreement, tenant could receive rent credit for a portion of work performed
- Option to include additional area to leasehold

Benefits of Requested Authorization

- Reduce PA operating expenses through the transfer of maintenance responsibilities, and enhance the utility of the building and support PA sustainability initiatives (installation of solar panels) through tenant investment
- Ensure continued operation of an on-Port Customs-operated Centralized Examination Station
- Preserve warehousing jobs in Elizabeth