


June 28, 2023

TO: Members of the Board of Trustees

FR: Jeffrey P. Geoghegan, CPA 
Executive Vice President for Finance & Chief Financial Officer

RE: Proposed New Lease for 36 North Main Street, Waterbury, CT

RECOMMENDATION

That the Board of Trustees approve the University Administration entering into a lease and any other required or desirable auxiliary agreements with Green Hub Development III, LLC for the lease of approximately 26,300 square feet of space at 36 North Main Street in Waterbury, CT. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION

“Be it resolved that the Board of Trustees authorizes the University Administration to enter into a lease and any other required or desirable auxiliary agreements with Green Hub Development III, LLC for approximately 26,300 square feet at 36 North Main Street in Waterbury, CT on the material terms as set forth in this Memorandum.”

BACKGROUND

36 North Main Street is an existing six-story building totaling approximately 36,300 square feet located immediately adjacent to the UConn Waterbury campus. The building is currently in a state of disrepair and needs considerable rehabilitation. The City of Waterbury, working with a developer (Green Hub Development), solicited and received a \$10 million grant from the State of Connecticut to renovate the building. The developer is investing an additional approximately \$5 million to complete the renovation and make the building ready for occupancy.

Green Hub Development III, LLC, and the University signed a non-binding term sheet on November 21, 2022 to potentially lease a total of approximately 26,300 square feet on the first, second and third floors of the building once the property renovation is complete. The renovation of the building is anticipated to take approximately 1 ½ years.

PURPOSE AND NEED

The University Administration plans to utilize the leased space for academic, research and administrative purposes for UConn Waterbury. Spaces that will be constructed include educational teaching spaces, simulation laboratories, wet and dry research areas, interview rooms, and incubator spaces. The University programs to be located within this space are clinical and research labs and maker spaces for Psychology and Allied Health on the first floor, instructional spaces and learning labs for Nursing and Health on the second floor, and sustainable and dry innovation labs for OVPR/Research on the third floor. The intended use of the space is further shown in Attachment A.

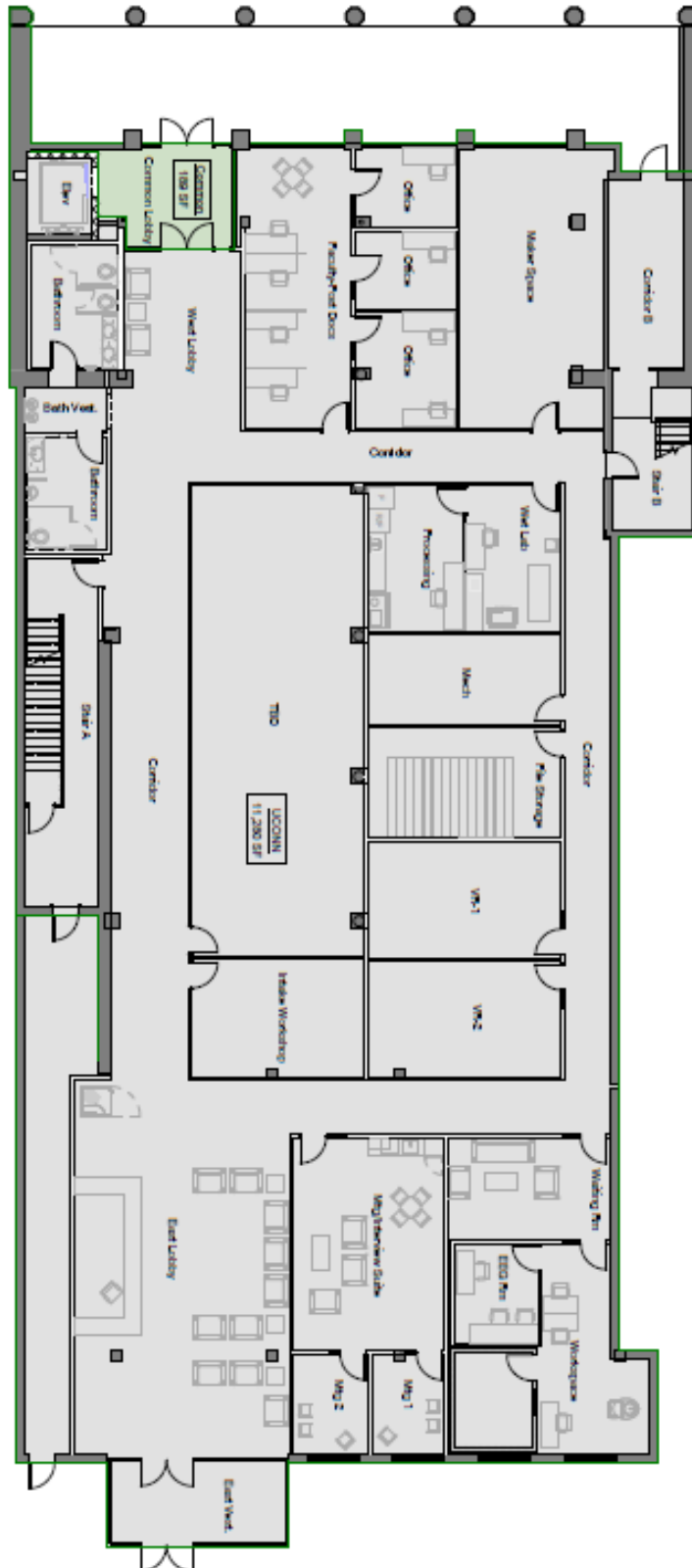
LEASE TERMS

The University Administration proposes to enter into a lease on the following material terms:

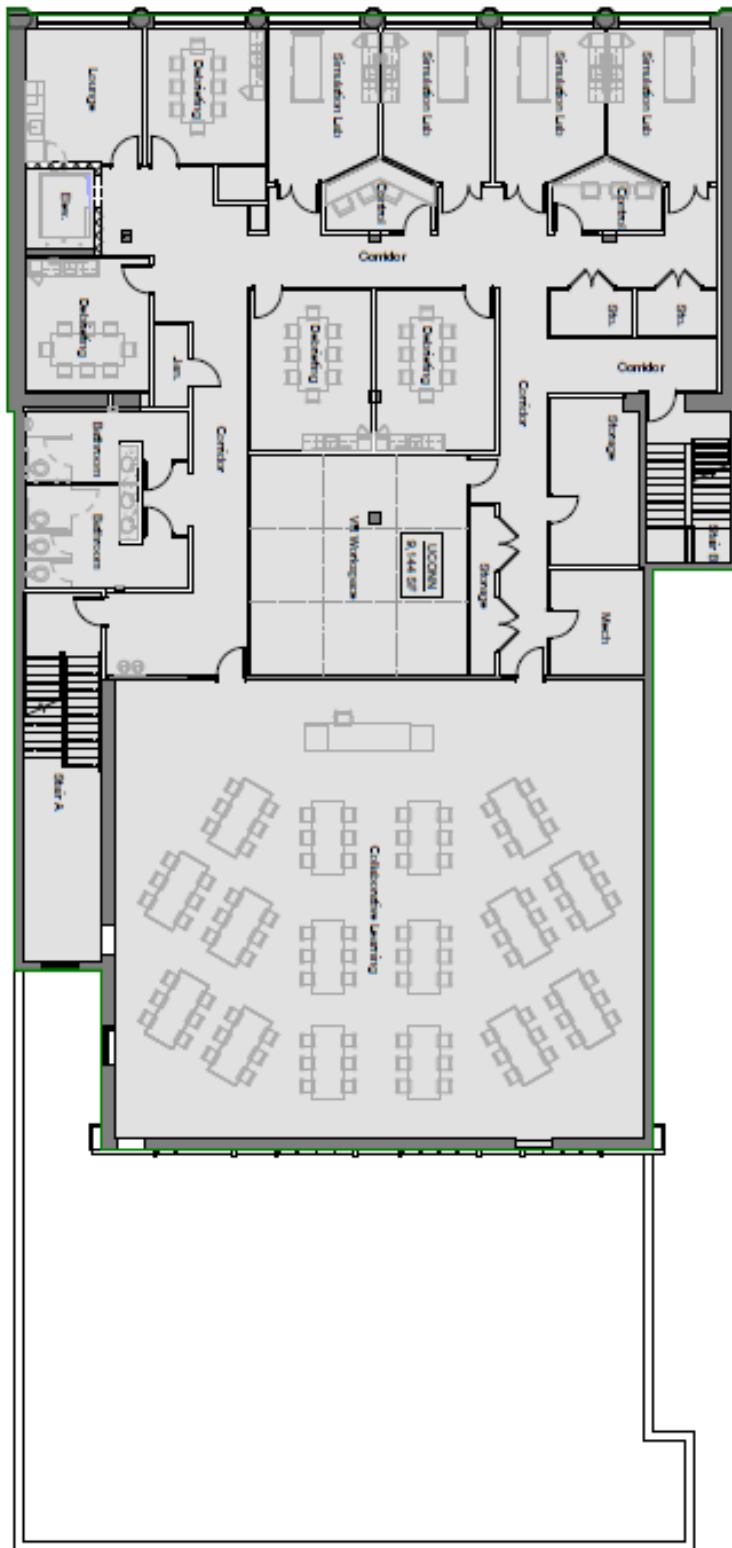
- Lease commencement will be coincident with the start of an academic semester, which is anticipated at this time to be either January 1, 2025 or August 1, 2025
- The initial lease term will be 20 years, with two five-year renewal options at the University's discretion.
- The base rent in the first year of the lease will be \$14.00 per square foot (or approximately \$370,000 annually), with escalation at a rate agreed-to thereafter.
- The University will be responsible for expenses associated with utilities, internet and telecom, custodial services, and maintenance of the demised space. These operating costs during the first year of the lease are estimated at approximately \$10.00 per square foot (or approximately \$265,000 annually).
- All capital costs for the fit-out and construction of the space will be by the Landlord. An allowance of \$250,000 for the purchase of furniture and equipment is included in the development budget. The University is responsible for the purchase and installation of any audio-visual equipment required for the space.
- The Landlord will install security and access control systems as part of the construction of the premises. The University will be responsible for any security personnel for the premises, if necessary, but it is presently anticipated that coverage can be provided with the current security staffing on the regional campus.
- The Landlord is responsible for all real estate taxes and insurance expenses for the premises and building.
- The University will have the right to sublet or assign the space to any other state agency with no consent required from the Landlord. The University can also sublet or assign the space to any private party with Landlord's consent. If the University were to receive higher rent than the base rent when assigning or subletting the space, the profit will be split equally between the Landlord and University.
- The lease includes an alternative to lease the fourth floor and half of the fifth floor in lieu of half of the first floor (i.e., total square footage remains the same) if the Landlord finds another tenant to lease half of the first floor.

-END-

ATTACHMENT A
First Floor
Approximately 11,300 sf



Second Floor
Approximately 9,000 sf



Third Floor
Approximately 6,000 sf

