

O-22-13
3/16/22

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON, NEW JERSEY AUTHORIZING A TEN (10) YEAR LEASE AGREEMENT FOR THE PREMISES LOCATED AT EAST 5TH STREET ACCESS ROAD SE KVK, BAYONNE, NEW JERSEY, AND DESIGNATED AS BLOCK 476.01, LOT 9 ON THE OFFICIAL TAX MAP OF THE CITY OF BAYONNE, TO THE ATLAS YACHT CLUB OF BAYONNE, INC., A NEW JERSEY NON-PROFIT CORPORATION FOR THE PURPOSES OF OPERATING A BOATING FACILITY/PRIVATE YACHT CLUB

WHEREAS, pursuant to a certain Memorandum of Agreement of Lease dated May 23, 1942, the City of Bayonne has leased the premises designated as Block 476.01, Lot 9 on the official tax map of the City of Bayonne (the "Premises") to the Atlas Yacht Club of Bayonne, Inc. (the "Atlas Yacht Club" or "Atlas") for the purposes of operating a boating facility / private yacht club on said Premises; and

WHEREAS, on January 1, 2011, the City entered into a new lease agreement with Atlas Yacht Club for the Premises wherein Atlas Yacht Club was required to pay to the City the total sum of Four Hundred Sixty Thousand (\$460,000) Dollars for the entire ten (10) year term (the "Lease Agreement"); and

WHEREAS, the aforesaid Lease Agreement expired on December 31, 2020; and

WHEREAS, it is in the best interest of the City to terminate said Lease Agreement in favor of a new lease agreement pursuant to terms more beneficial to the City; and

WHEREAS, the City is willing to rent said Premises to Atlas Yacht Club for a term of ten (10) years, retroactive to January 1, 2022, and expiring on December 31, 2031, at a rent of Sixty Thousand (\$60,000.00) Dollars annually for years one (1) through five (5) and Sixty-Five Thousand (\$65,000.00) Dollars annually for years six (6) through ten (10) for a total amount of Six Hundred Twenty-Five Thousand (\$625,000.00) Dollars for the entire ten (10) year term, payable in quarterly installments, plus property taxes; and

WHEREAS, Atlas Yacht Club is agreeable to entering into a new lease agreement pursuant to the terms stated above;

NOW THEREFORE BE IT ORDAINED, by the Municipal Council of the City of Bayonne, in the County of Hudson, New Jersey, as follows:

Section 1. The Municipal Council hereby approves a lease agreement with Atlas Yacht Club for the aforesaid Premises for a term of ten (10) years, retroactive to January 1, 2022, and expiring on December 31, 2031, at rent of Sixty Thousand (\$60,000.00) Dollars annually for years one (1) through five (5) and Sixty-Five Thousand (\$65,000.00) Dollars annually for years six (6) through ten (10) for a total amount of Six Hundred Twenty-Five Thousand (\$625,000.00) Dollars for the entire ten (10) year term, payable in quarterly installments, plus property taxes, provided that said lease contain the following provisions:

a. Atlas Yacht Club will provide all utilities, such as gas, electric, heat, repairing and alterations, and will be responsible for the repair, maintenance and upkeep of the Premises and any improvements, fixtures or equipment located on the Premises at its sole cost and expense; and

b. The City of Bayonne may terminate said lease upon the issuance by the City of a ninety (90) day notice of termination; and

c. Any structural alterations to the Premises shall be made at the sole cost and expense of the Atlas Yacht Club, providing the said alterations are in compliance with all applicable Federal, State and Local statutes, ordinances, codes, rules, regulations and laws. Atlas Yacht Club will not construct any new improvements on the Premises without the prior, written consent of the City; and

e. Atlas Yacht Club will insure said Premises with (i) property insurance, including fire and extended coverage, in the amount of at least \$500,000.00; (ii) commercial general liability insurance coverage of at least \$1,000,000.00 per occurrence, \$3,000,000 annual aggregate, for bodily injury: "BI" and \$1,000,000 per occurrence, \$2,000,000 annual aggregate for property damage; (iii) worker's compensation/employer liability insurance as required by State of New Jersey law; and (iv) automobile liability insurance coverage in the minimum amount of \$1,000,000 per occurrence for bodily injury /property damage. The City will be named as an Additional Insured on the commercial general liability and automobile liability insurance policies as required in the new lease agreement. Evidence of said insurance coverage shall be delivered to the Law Department; and

f. The permitted use of said Premises by the Atlas Yacht Club is to operate a boating facility / private yacht club known as the "Atlas Yacht Club."

This ordinance shall become effective on _____

Mayor

Municipal Clerk