

United Water Case Study

Challenge

The end unit of 22,000 sf warehouse on DeVoe Place in Hackensack was leased to a tenant who had one year left of their 10 year lease. Senior Vice President Andrew Somple approached the existing tenant about their intentions and they informed Somple they needed to downsize and would not be staying past their lease expiration. That put into motion the design phase of United Water's expansion into the remaining space. The entire area was to be converted to office space, which then prompted site plan approval from the City of Hackensack due to parking and traffic flow issues.

As part of the solution, Somple negotiated with the City of Hackensack to use "public" property to satisfy the need for additional parking.

The property's owners were able to lease the end of DeVoe Place, a dead end road, from the City of Hackensack and use it for parking. After revising the plans several times and attending five Planning Board meetings, the City of Hackensack approved United Water's expansion.

Approach

With all the plans ready to go and approvals in place, United Water's parent, Suez Environment, felt the build-out of \$3,850,000 was too costly and decided against going forward. Somple, with the owner's authority, then arranged a meeting with United Water management and offered them the solution of a higher rent, but no build-out costs. Somple's concept was to have the property's owner finance the building, using the proceeds to pay for the construction and build-out expense for United Water while amortizing the amount back into the rent. After several internal analyses, United Water agreed to the concept.

Results

With the loan finalized and the contingencies of the lease satisfied, United Water committed to the entire building for a new 20 year lease period.

That initial call to United Water provided a lasting ripple effect between Somple and United Water.