

RESOLUTION 20-24 – AUTHORIZING THE PURCHASE OF TWO HANGARS AT THE CAPE MAY AIRPORT, CAPE MAY NJ.

WHEREAS, pursuant to a 1998 Ground Lease and Acquisition Agreement between the Delaware River and Bay Authority (the “Authority”) and Cape May County (the “County”), the Authority is the operator of the Cape May Airport (“Airport”), Cape May, New Jersey; and

WHEREAS, the Authority and the County have both independently and collectively expended time, manpower and other resources, including mutual investment into infrastructure, improvements and redevelopment of the Airport; and

WHEREAS, as part of a Master Planning project, it has been determined that the airport is in need of a modern General Aviation Terminal and multi-purpose facility (the “Terminal”) in a more central location at the airport; and

WHEREAS, to construct a new Terminal in the location identified, the Authority will need to terminate a ground lease and acquire the buildings thereon; and

WHEREAS, Michael Peteani desires to sell and the Authority desires to purchase 2 hangars totaling approximately 10,000 sq.ft. of land and building located on the main apron at the Airport; and

WHEREAS, the Authority and Michael Peteani have negotiated an arms’ length transaction in good faith to purchase the hangars and terminate the ground lease for Four Hundred and Sixty Thousand Dollars (\$460,000.00); and

WHEREAS, the County desires to collaborate on the design and construction of the Terminal and has indicated an intent to enter into a Memorandum of Agreement (the “MOA”) with the Authority authorizing a contribution of Two Hundred Fifty Thousand Dollars (\$250,000.00) toward the Terminal’s development and construction; and

WHEREAS, the Authority will not finalize a purchase agreement until the MOA with the County is executed; and

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

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the MOA with the County memorializing the acceptance of the Two-Hundred Fifty Thousand Dollar (\$250,000) contribution and, with the advice and consent of counsel, to have such MOA executed by the Chairperson, the Vice Chairperson and the Executive Director.

Resolution 20- 24 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Purchase Agreement with Michael Peteani

Committee: Economic Development

Committee Date: September 15, 2020

Board Date: September 15, 2020

Purpose and Background for Resolution:

Through a master planning project, it was determined that the current terminal no longer meets the needs of the airport and a new facility should be constructed in a more central location at the airport. Michael Peteani owns two private hangars totaling approximately 10,000 sq.ft. of land and building at the Cape May Airport. Both hangars were constructed at approximately the same time and have approximately 14 years remaining on their land lease. These hangars are located at the head of the newly redeveloped Hornet Road and the area has been designated as the optimal site for a new terminal building. Cape May County will be making a contribution of \$250,000 toward the development and construction of a modern General Aviation Terminal and multi-purpose facility to be built at the Airport.