

10781. RESOLUTION 14-04 - LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DALLAS AIRMOTIVE, INC.

WHEREAS, The Delaware River and Bay Authority (the "Authority"), is the operator of the Millville Airport ("Airport"); and

WHEREAS, Dallas Airmotive, Inc. ("Dallas") currently leases approximately 17 acres of land at the Airport (the "Property"); and

WHEREAS, Dallas ceased the majority of its operations at the Airport in November, 2004 with the exception of a repair shop; and

WHEREAS, Dallas is at the end of its current lease term; and

WHEREAS, Dallas desires to amend and renew the leasehold to reflect its actual remaining operations at the Airport; and

WHEREAS, Dallas remaining leasehold for operations will be approximately $\frac{3}{4}$ of an acre (32,000sq.ft.); and

WHEREAS, the annual rent payable during the renewal term Nine Thousand, Six Hundred and 00/100 Dollars (\$9,600.00); and

WHEREAS, rent shall increase annually during the renewal term by the Consumer Price Index; and

WHEREAS, Dallas shall have one (1) remaining three (3) year renewal term remaining.

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

A motion to approved Resolution 14-04 was made by Commissioner Murphy, seconded by Commissioner Traynor, and approved by a roll call vote of 9-0.

Resolution 14-04 Executive Summary

Resolution: Authorize the Amendment and Agreement of Renewal with Dallas Airmotive, Inc. (“Dallas”) at the Millville Airport

Committee: Economic Development

Committee Date: February 11, 2014

Board Date: February 11, 2014

Purpose of Resolution:

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Amendment and Agreement of Renewal with Dallas at the Millville Airport (“Airport”)

Background for Resolution:

Dallas (previously Airwork) has been a tenant at the Airport since the 1970’s. It leases approximately 17 acres of land with over 250,000 square feet of tenant constructed and maintained improvements. Dallas currently has two (2), three (3) year renewal options on its existing agreement.

Since November, 2004, Dallas has only operated a mobile repair shop at the airport, which currently employees approximately 12 people. Dallas’ current lease is set to expire. It has expressed an interest in keeping the mobile repair shop in Millville, but it would only do so if the Authority agreed to reduce their existing leasehold to the space the repair shop occupies. The reduced rental rate is reflective of the current Fair Market Value for the land Dallas occupies.