

11009. RESOLUTION 15-33 – LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EXELIS INC.

WHEREAS, the Delaware River and Bay Authority (the “Authority”), is the operator of the New Castle Airport (“Airport”); and

WHEREAS, Exelis, Inc. (“Exelis”) currently leases twenty-five (25%) share of a hangar located at 17 DRBA Way at the New Castle Airport for the operation of a corporate flight department; and

WHEREAS, Exelis was recently acquired through a stock purchase by Harris Corporation; and

WHEREAS, through this acquisition the headquarters of Exelis have been closed and the aircraft that was housed at this location has been relocated to Harris’ headquarters in Florida; and

WHEREAS, Exelis has agreed to pay an early termination fee of Forty Thousand Seven Hundred and Thirty-Two Dollars 60/100 (\$40,732.60); and

WHEREAS, the Authority and Exelis agree that the lease shall expire on September 1, 2015; and

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

A motion to approve Resolution 15-33 was made by Commissioner Wilson, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

Resolution 15-33 Executive Summary

Resolution: Authorizing the Execution of a Lease Termination Agreement between the Delaware River and Bay Authority and Exelis Inc., regarding the New Castle Airport

Committee: Economic Development

Committee Date: September 15, 2105

Board Date: September 15, 2015

Purpose of Resolution: To permit the Executive Director, Chairperson and Vice Chairperson to execute and deliver a lease termination agreement for space at the New Castle Airport.

Background of Resolution: The Delaware River and Bay Authority owns a hangar located at 17 DRBA Way at the New Castle Airport. Exelis leases 25% of this facility in July 2013. Exelis, was recently acquired by Harris Corporation and the Exelis headquarters have been closed and the aircraft previously owned by Exelis has been relocated to the headquarters of Harris in Florida. The hangar lease is set to expire on June 30, 2016. Exelis has requested to terminate the remaining term of the lease. There is market interest for the hangar space at ILG and the opportunity for enhanced operations leading to possible increased landing and fuel fees, makes the termination potentially beneficial. The termination fee represents 5 months of rental payments.