

11156. RESOLUTION 16-30 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND RESEDEL CORPORATION AT THE CAPE MAY AIRPORT

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

WHEREAS, Resdel Corporation (“Resdel”) desires to lease approximately 1 acre of land in order to build and industrial manufacturing facility at the intersection of Ranger and Kersarge Rds. at the Cape May Airport; and

WHEREAS, Resdel will obtain all permits, approvals and manage all construction of the hangar; and

WHEREAS, Resdel has agreed to pay the Authority annual rent based upon the current Fair Market Value (FMV) which is approximately \$0.18/sq.ft.; and

WHEREAS, the initial term of the lease shall be for twenty (20) years; and

WHEREAS, Resdel shall have the option of renewing this lease agreement for one (1) period of twenty (20) years; and

WHEREAS, Resdel shall have the right to terminate this agreement after year five (5) of the renewal term; and

WHEREAS, the rental rate shall be adjusted annually by the Consumer Price Index (CPI) during each Lease Term; and

WHEREAS, the Rental Rate at the beginning of each renewal period shall be adjusted to the then current Fair Market Value (FMV); and

WHEREAS, the Authority is contributing \$60,000 toward site preparation and running utilities to the site; and

WHEREAS, Resdel’s current lease agreement for existing space expires March 30, 2017; and

WHEREAS, if the design, permitting and construction of the new building is progressing, the Authority agrees to enter into a new lease agreement for the existing space; and

WHEREAS, Resdel has agreed to pay the Authority annual rent for the existing space in the amount of Eleven Thousand Nine Hundred and Eighty-Seven 80/100 Dollars (\$11,987.80); and

WHEREAS, the initial term of the lease shall be for one (1) year; and

WHEREAS, Resdel shall have the option of renewing this lease agreement for four (4) months; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreements with Resdel Corporation 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 approve Resolution 16-30 was made by Commissioner Lathem, seconded by Commissioner Wilson, and approved by a roll call vote of 10-0.

Resolution 16-30 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreements between the Delaware River and Bay Authority and Resdel Corporation, regarding the Cape May Airport

Committee: Economic Development

Committee Date: September 20, 2016

Board Date: September 20, 2016

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver lease agreements for space at the Cape May Airport.

Background for Resolution:

The Delaware River and Bay Authority the Cape May Airport Industrial Park. The Authority and the County have developed a master plan for the airport which includes new building construction, road improvements, etc. Resdel's lease for their existing space is expiring March 30, 2017 and as part of the airports development plans they plan to construct their own building in the airport industrial park. The land lease rate is reflective of the FMV for the property. The lease for the exiting leasehold is contingent upon Resdel moving forward with the development of the new site.