

**10511. RESOLUTION 12-08 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND HANGARCO, LLC. AT NEW CASTLE AIRPORT**

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

WHEREAS, HangarCo, LLC. (“HangarCo”) desires to lease approximately 49,700 square feet of hangar and shop space located at 17 Penns Way, Hangar 6-03, at the Airport; and

WHEREAS, HangarCo has agreed to pay the Authority annual rental in the amount of One Hundred Seventy-Six Thousand Four Hundred Thirty-Five Dollars (\$176,435.00); and

WHEREAS, the initial term of the lease agreement (“Agreement”) is for five (5) years; and

WHEREAS, HangarCo shall have the option of renewing the Agreement for five (5) one (1) year periods; and

WHEREAS, rent at the beginning of the initial option period shall be adjusted to the Fair Market Value (FMV); and

WHEREAS, rent during the initial term and the option periods (other than the year rent is adjusted by FMV) shall be adjusted each year by the CPI.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with HangarCo 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 12-08 was made by Commissioner Dorn, seconded by Commissioner Favre, and approved by a roll call vote of 10-0.

## **Resolution 12-08 Executive Summary**

**Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and HangarCo, LLC, regarding New Castle Airport

**Committee:** Economic Development

**Committee Date:** March 20, 2012

**Board Date:** March 20, 2012

**Purpose of Resolution:**

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the New Castle Airport.

**Background for Resolution:**

The Delaware River and Bay Authority owns a hangar facility located at 17 Penns Way. The hangar totals approximately 61,000 square feet of space. HangarCo, LLC wishes to lease approximately 82% this hangar space from the Authority to house corporate aircraft and to operate an aircraft and parts business.

The hangar was recently turned over to the Authority from Boeing at the end of 2011. The lease price is \$3.55/sq.ft. This price is based upon an appraisal of the facility that was completed when Boeing was determining whether or not to renew their lease.