

**10650. RESOLUTION 13-14 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND FLIGHTLEVEL CAPE MAY, LLC AT THE CAPE MAY AIRPORT**

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

WHEREAS, Flightlevel Cape May, LLC (“Flightlevel”) desires to provide services at the Airport as an independent Fixed Based Operator; and

WHEREAS, Flightlevel desires to lease approximately 19,000 square feet of space in Building 110 located at 375 Forrestal Rd. in addition to all associated equipment and vehicles along with operating a ramp management agreement for three (3) acres of associated aircraft ramp at the Cape May Airport; and

WHEREAS, Flightlevel has agreed to pay the Authority annual rent as follows:

- 50% of the initial \$20,000 collected for hangar and aircraft parking of aircraft;
- 40% of the next \$20,000 collected for hangar and aircraft parking;
- 30% of all money collected over \$40,000 for hangar and aircraft parking;
- 25% of all tie-down fees collected;
- \$0.11 per gallon of fuel sold at the airport
- Annual rent will be a minimum of \$9,500; and

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

WHEREAS, Flightlevel Cape May, LLC. with the consent of the Authority, shall have the option of renewing this Agreement for two (2) option periods of five (5) years each; and

WHEREAS, both parties agree to make a business assessment at two (2) years during which, if either Flightlevel or the Authority wishes to terminate this Agreement, they may do so with 90 days’ notice.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreement with Flightlevel, 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 13-14 was made by Commissioner Wilson, seconded by Commissioner Downes, and approved by a roll call vote of 9-0.

## **Resolution 13-14 Executive Summary Sheet**

**Resolution:** Authorizing the Executive Director to execute a Lease Agreement with the Flightlevel Cape May, LLC.

**Committee:** Economic Development

**Committee Date:** March 19, 2013

**Board Date:** March 19, 2013

### **Purpose and Background for Resolution:**

Flightlevel Cape May LLC. would like to lease approximately 19,000 square feet of space in a building commonly referred to as Building 110 located at 375 Forrestal Rd. Flightlevel will be providing the services of an independent Fixed Based Operator (FBO) at the airport. The Authority put the operation of the FBO out for public bid in 2012. After a competitive process, Flightlevel was determined to offer the best opportunity to the Authority for the Cape May Airport.