

**10661. RESOLUTION 13-17 - AUTHORIZATION OF THE RELOCATION AND EXPANSION OF HANGARCO LLC OR ITS AFFILIATES**

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

WHEREAS, HangarCo LLC (“Hangar Co”) currently leases approximately 49,700 square feet of hangar and shop space located at 17 Penns Way, Hangar 603 at the Airport; and

WHEREAS, HangarCo would like to reduce the length of its initial term to one (1) year from three (3) years in order to expand and grow its operation at the airport; and

WHEREAS, HangarCo or its affiliates would like to lease two cargo bays totaling approximately 10,600 sq.ft. for a lease term of two (2) years; and

WHEREAS, HangarCo or its affiliates shall pay annual rent in the amount of Sixty Six thousand eight hundred and Forty Dollars (\$66,840.00) annually respectively; and

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

WHEREAS, HangarCo or its affiliates shall have the option of renewing the Lease Agreement for one (1) five (5) year period; and

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

WHEREAS, HangarCo II, LLC is purchasing the WL Gore facility and Strong Tower Properties, LLC is purchasing the G & W Development facility at the airport; and

WHEREAS, as part of the acquisition of these hangars, the Authority will consent to the assignment of the associated lease and agree to an Amendment of both leases which do not materially or adversely affect the stream of income from the leases.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreements with HangarCo or its affiliates, 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 13-17 was made by Commissioner Smith, seconded by Commissioner Murphy, and approved by a roll call vote of 9-0.

## **Resolution 13-17 Executive Summary**

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

**Committee:** Economic Development

**Committee Date:** April 16, 2013

**Board Date:** April 16, 2013

**Purpose of Resolution:**

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver lease amendments and two leases 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. HangarCo, LLC currently leases this space in order to house corporate aircraft and operate and aircraft and parts business.

Due to unplanned growth of their business and a desire to consolidate several operations in one location, HangarCo, LLC desired to amend the term of their existing lease to expire at the end of one year. They have also asked for the Authority's consent to the assignment of two ground leases with WL Gore and G & W Development and to lease some additional storage and warehouse space.

The consolidation and expansion will bring additional jobs to the airport as well as a return of a regular cargo operation.