

10119. RESOLUTION 10-03 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE BOEING COMPANY

WHEREAS, The Delaware River and Bay Authority (the "Authority"), is the operator of the Millville Airport ("Airport"), Millville, New Jersey; and

WHEREAS, The Boeing Company ("Boeing") desires to lease Hangars located at 1 & 2 Thunderbolt Drive (the "Premises") located within the Airport, said Premises totaling approximately 78,500 sq. ft. of hangar, shop and office space; and

WHEREAS, the Authority and Boeing propose to enter into a lease agreement ("Lease Agreement") for the Premises; and

WHEREAS, the initial term of the Lease Agreement shall be for a term of four (4) years; and

WHEREAS, Boeing has agreed to pay the Authority Five Hundred Forty-Nine Thousand Five Hundred Fifty Dollars (\$549,500) annual base rent during the first year of the term of the Lease Agreement; and

WHEREAS, during each subsequent year of the initial and the renewal term of the Lease Agreement, base rent shall be adjusted/increased annually by two percent (2%); and

WHEREAS, Boeing shall have the right to terminate the Lease Agreement at the end of each twelve (12) month period of the term thereof if the U.S. Department of the Army shall not renew its contract with Boeing; and

WHEREAS, Boeing shall have the option of renewing the Lease Agreement for two (2) consecutive periods of two (2) years each, under the terms and conditions more specifically set forth therein; and

WHEREAS, the Authority has agreed to perform certain landlord work on behalf of Boeing, which will include the installation of an enhanced security system and IT upgrades. The cost of this work, estimated to be approximately \$270,000.00, will be paid by the Authority and reimbursed by Boeing to the Authority in equal monthly installments paid over the initial year of the Lease. In addition, the Authority has agreed to construct seven (7) additional tie-downs on concrete pads located at the Premises. The cost of this additional work is estimated to be approximately \$42,000.00, one-half (1/2) of which will be paid by the Authority and one-half (1/2) of which will be reimbursed by Boeing to the Authority in equal monthly installments paid over the initial year of the Lease. It is contemplated that Boeing may need an additional thirteen (13) tie-downs during the term of the Lease in which event the parties have agreed that one-half (1/2) of the cost of same will be paid by the Authority and one-half (1/2) of the cost of same will be paid by Boeing. The parties shall mutually agree on the cost and timing of the installation for same; and

WHEREAS, the parties have reached agreement on all terms of the Lease Agreement.

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

A motion to approve Resolution 10-03 was made by Commissioner Van Sant, seconded by Commissioner Lowe, and approved by a roll call vote of 9-0.