

10940. RESOLUTION 15-09 – LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE BOEING COMPANY

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

WHEREAS, The Boeing Company (“Boeing”) entered into a lease of approximately 78,500 rentable square feet of space in the buildings commonly referred to as 1 and 2 Thunderbolt Drive pursuant to that certain Lease dated as of February 16, 2010 between the Authority and Boeing the term is set to expire February 2, 2016(the “Lease”); and

WHEREAS, due to the loss of additional contracts, Boeing no longer has work for that facility and is looking to restructure their operations and terminate the Lease; and

WHEREAS, Boeing has agreed to pay an early termination fee of Two Hundred and Fifty-Two Thousand Four Hundred and Eight-Four Dollars 95/100 (\$252,484.95); and

WHEREAS, the Authority and Boeing agree that the Lease shall expire on April 1, 2015; and

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

A motion to approve Resolution 15-09 was made by Commissioner Wilson, seconded by Commissioner Dorn, and approved by a roll call vote of 11-0.

Resolution 15-09 Executive Summary

Resolution: Authorizing the Termination of a Lease Agreement between the Delaware River and Bay Authority and The Boeing Company

Committee: Economic Development

Committee Date: March 17, 2015

Board Date: March 17, 2015

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Termination Agreement for The Boeing Company at the Millville Airport.

Background for Resolution: The Boeing Company leased the hangar facilities known as 1 and 2 Thunderbolt Drive in February 2010 by Resolution 10- . The Boeing Company leased the hangar facilities in order to fulfill US Army contracts for modification on Chinook Helicopters. The contract work has been completed. The hangar lease is set to expire on February 2, 2016. Boeing requested to terminate the remaining term of the lease. The termination payment represents approximately 5 months of rental payments which is half of the remaining term.