

RESOLUTION 21-17 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ATLANTIC AVIATION

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

WHEREAS, ILG AvCenter, Inc., d/b/a Atlantic Aviation Corporation (“Atlantic”) desires to lease the hangar located at 176 Old Churchman’s Rd., commonly referred to as the Hercules Hangar, totaling approximately 33,000 square feet of hangar, office and shop; and

WHEREAS, Atlantic has agreed to pay the Authority annual rent in the amount of One Hundred and Eighty-Nine Thousand One Hundred and Seventy-Three Dollars 52/100 (\$198,173.52); and

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

WHEREAS, rent during the term shall adjusted each year by the CPI; and

WHEREAS, in the event the hangar shall require substantial repairs and the Authority’s proposed repairs are not in Atlantic’s discretion, sufficient to alleviate or eliminate the conditions requiring the repair which prevents Atlantic’s access to or use of the hangar, Atlantic shall have the right to terminate the Lease with Sixty (60) days advance notice.

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

Resolution 21-17 Executive Summary

Resolution Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Atlantic Aviation regarding New Castle Airport.

Committee: Economic Development

Committee Date: May 18, 2021

Board Date: May 18, 2021

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 176 Old Churchman's Rd. The hangar totals approximately 33,000 square feet of hangar, office and shop space. Atlantic Aviation wishes to lease this hangar facility from the Delaware River and Bay Authority to house corporate aircraft in support of their Fixed Based Operation (FBO) business. Atlantic has occupied the hangar since 2011.