

RESOLUTION 21-27 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND LUND AIR SERVICES, LLC

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

WHEREAS, Lund Air Services, LLC (“Lund”) desires to lease approximately 10,500 square feet of hangar space located at 5 DRBA Way at the Airport; and

WHEREAS, Lund has agreed to pay the Authority annual rental in the amount of Two Hundred and Sixty-Eight Thousand Dollars (\$268,000.00); and

WHEREAS, the initial term of the lease (“Lease Agreement”) is for ten (10) years; and

WHEREAS, Lund shall have the option of renewing the Lease Agreement for one five (5) year period; and

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

WHEREAS, rent during the initial term and the option period (other than the year rent is adjusted by FMV) shall adjusted each year by the CPI; and

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

Resolution 21-27 - Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Lund Air Services, LLC, regarding New Castle Airport

Committee: Economic Development

Committee Date: July 29, 2021

Board Date: July 29, 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 5 DRBA Penns Way. The hangar totals approximately 15,000 square feet of space. Lund Aviation Services, LLC wishes to lease 70% this hangar space from the Authority to house a corporate aircraft. Lund has been a tenant at the airport since 2011. The rate is based upon our current FMV.