

12535 . **RESOLUTION 25-61 APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE COUNTY OF CAPE MAY FOR THE CONSTRUCTION OF A PUBLIC USE HANGAR AT CAPE MAY AIRPORT**

WHEREAS, the DRBA was duly created pursuant to the Delaware-New Jersey Compact, 17 Del.C. §1701 and N.J.S.A. 32:11E-1 et seq. Among the purposes of the DRBA is the undertaking of projects which advance the economic growth and development within the counties of Delaware and New Jersey which border the Delaware River and Bay by providing for, planning and engaging in projects which will enhance the further economic growth and development of those areas; and

WHEREAS, the Cape May County Airport and Industrial Park (the “Airport”), located in the Township of Lower, County of Cape May, and State of New Jersey, is owned by the County; and

WHEREAS, pursuant to the terms of a certain Acquisition Agreement dated December 15, 1998 (“Acquisition Agreement”), and a certain Ground Lease dated June 8, 1999, the DRBA agreed to assume operation and control of certain parcels of land and improvements at the Airport and further agreed to operate and manage the Airport and related facilities; and

WHEREAS, in furtherance of its mission and pursuant to the terms of the Ground Lease, the DRBA, as sponsor of the Airport, has expended time, manpower and other resources, including investment into infrastructure, improvements and redevelopment of the Airport; and

WHEREAS, the initial term (“Term”) of the Ground Lease expires on June 8, 2029 (“Termination Date”) and is to automatically renew for two additional periods of thirty (30) years each unless, not later than sixty (60) months prior to the expiration of the then-current Term, either Party issues a Notice of Non-Renewal to the other Party; and

WHEREAS, by letter dated June 6, 2024, the County of Cape May issued a Notice of Non-Renewal to the DRBA, as a result of which the Ground Lease shall terminate on the Termination Date; and

WHEREAS, pursuant to the Ground Lease, upon termination of the Ground Lease, the County shall, on the Termination Date, pay a Termination Payment to the DRBA; and

WHEREAS, the Ground Lease further provides that if the County timely delivers a Notice of Non-Renewal to the DRBA, then the DRBA must obtain the County’s consent to Airport capital improvements to be made by, or debt incurred by, the DRBA during the last sixty (60) months of the Ground Lease, and in the absence of such consent, such improvements or debt shall not be included in the Termination Payment; and

WHEREAS, prior to the issuance by the County of the Notice of Non-Renewal, the DRBA had prepared a 2024-2028 Capital Improvement Program (“Planned Capital Projects”) for

the Airport, which included construction of a public use hangar (“Hangar”) as a capital project (“Hangar Project”); and

WHEREAS, the total costs associated with the Hangar Project are estimated at \$7,095,651 (“Hangar Project Costs”); and

WHEREAS, the Hangar Project is eligible for a HUD community grant, administered by the FAA, in the approximate amount of \$2,000,000 (“Grant”), which would result in the expenditure by the DRBA of non-Grant reimbursed capital funds totaling approximately \$5,095,651; and

WHEREAS, as a result of the issuance by the County of the Notice of Non-Renewal, the DRBA advised the County that it would no longer pursue its Planned Capital Projects, including the Hangar Project; and

WHEREAS, the DRBA and County subsequently held discussions relating to the Hangar Project and the Parties agree that it is in the best interest of the Airport for the DRBA to pursue the Hangar Project at the Airport notwithstanding the issuance of the Notice of Non-Renewal; and

WHEREAS, the Parties wish to enter into this Memorandum of Agreement to reflect their mutual agreement regarding the Hangar Project to be undertaken and managed by the DRBA at the Airport prior to the expiration of the Ground Lease, the County’s acknowledgement of and consent to the pursuit by the DRBA of the Hangar Project, the County’s agreement to reimburse the DRBA for the capital funds expended by the DRBA (non-Grant reimbursed) in connection with the Hangar Project and other conditions agreed to by the Parties; and

WHEREAS, the County has passed Resolution 511-25 authorizing execution of the MOA; and

WHEREAS, the County has passed Bond Ordinance Number 2-2025 to appropriate the funds necessary to make repayment to the DRBA for the Hangar Project; and

WHEREAS, the estoppel period for Bond Ordinance Number 2-2025 will not expire until December 30, 2025 and the DRBA cannot move forward with executing the MOA until the expiration of the estoppel period.

NOW, THEREFORE, BE IT RESOLVED, that subject to the expiration of the County’s estoppel period, the Chairperson, Vice Chairperson and Executive Director, with the advice and consent of counsel are hereby authorized to execute and deliver the Memorandum of Agreement attached hereto as Exhibit A.

Resolution 25-61 was moved by Commissioner Ratchford, seconded by Commissioner Mehaffey, and was approved by a roll call vote of 10-0.

Resolution 25- 61 Executive Summary

Resolution: Approving a Memorandum of Agreement between the Delaware River and Bay Authority and the County of Cape May For the Construction of a Public Use Hangar at Cape May Airport

Committee: Economic Development

**Committee/
Board Date:** December 16, 2025

Purpose and Background for Resolution:

Since late 2022, the DRBA and Cape May County have been collaborating on plans to construct a public use hangar at Cape May Airport. The DRBA was awarded a \$2Million grant for construction of this hangar. Due to the County's notice of non-renewal, the DRBA wanted to ensure prompt reimbursement its share of the Hangar Project costs of approximately \$5,095,651. DRBA will execute the MOA after the County appropriates repayment funds.