

10347. RESOLUTION 11-14 - 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 7,500 square feet of hangar space located at 13 Penns Way at the Airport; and

WHEREAS, Lund has agreed to pay the Authority annual rental in the amount of Seventy-Two Thousand Dollars (\$72,000.00); and

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

WHEREAS, Lund shall have the option of renewing the Agreement for one (1) 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 of the Agreement and the option period (other than the year rent is adjusted by FMV) shall be adjusted each year by the CPI.

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.

A motion to approve Resolution 11-14 was made by Commissioner Favre, seconded by Commissioner Smith, and approved by a roll call vote of 11-0.

Resolution 11-14 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: March 1, 2011

Board Date: March 15, 2011

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 13 Penns Way at the New Castle Airport. The hangar totals approximately 7,500 square feet of space. Lund Aviation Services, LLC wishes to lease this hangar space from the Authority to house a corporate aircraft.

This aircraft is being newly acquired. Dassault recently turned these older hangars back to the Authority. The lease price is \$9.60/sq.ft. This price is equal to the rental rate we charged Grindstone Aviation recently for the adjacent unit that exactly mirrors this hangar.