

10443. RESOLUTION 11-45 - LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ITT INDUSTRIES ASSET MANAGEMENT, INC. AT NEW CASTLE AIRPORT

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

WHEREAS, ITT Industries Asset Management, Inc. (ITT) currently leases approximately 23,000 rentable square feet of space in the building commonly referred to as 13 DRBA Way pursuant to that certain Lease dated as of March 6, 2003 between the Authority and ITT (the "Lease"); and

WHEREAS, due to a recent corporate merger, ITT is looking to restructure its business and as such has recently sold its Gulfstream IV; and

WHEREAS, ITT is looking to reduce its share of the existing hangar lease from 100% to 25% to house its remaining aircraft; and

WHEREAS, ITT has agreed to pay an early termination fee of Two Hundred Five Thousand Five Hundred Thirty-Two and 96/100 Dollars (\$205,532.96); and

WHEREAS, the Authority and ITT agree that the Lease shall be amended as of November 1, 2011.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Amendment with ITT 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 of approve Resolution 11-45 was made by Commissioner Van Sant, seconded by Commissioner Murphy, and approved by a roll call vote of 8-0.

Resolution 11-45 Executive Summary

Resolution: Authorizing a Lease Amendment between the Delaware River and Bay Authority and ITT Industries Asset Management, Inc.

Committee: Economic Development

Committee Date: October 18, 2011

Board Date: October 18, 2011

Purpose of Resolution:

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Amendment for ITT Industries Asset Management, Inc. at the New Castle Airport.

Background for Resolution:

ITT Industries Asset Management, Inc. currently leases 100% of a hangar facility at the New Castle Airport. The lease is due to expire on February 28, 2013.

The company has recently gone through a corporate merger where the business as a whole was evaluated and it was decided that they would sell one of their aircraft. Within the past two months the company has sold their Gulfstream IV.

ITT Industries Asset Management, Inc. still owns a smaller aircraft and desires to keep a 25% share of the hangar space. As of November 1, 2011, there are 16 months remaining on the existing lease. The termination payment equals eight months' rent for the amount of space that the Gulfstream would have required.