

RESOLUTION 19-29 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ACE TRANSPORT SERVICES, INC. AT THE NEW CASTLE AIRPORT

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

WHEREAS, Ace Transport Services, Inc. (“Ace”) desires to lease approximately a half acre of land at the New Castle Airport in order to construct an aircraft hangar; and

WHEREAS, Ace has agreed to pay the Authority annual rent in the amount of \$0.85/square foot, approximately Eighteen Thousand Five Hundred and Thirteen Dollars 00/100 (\$18,513) for the parcel; and

WHEREAS, the term of the Lease Agreement (“Agreement”) is for Twenty-Five (25) years; and

WHEREAS, Ace shall have the right to renew this agreement for one (1) period of ten (10) years; and

WHEREAS, rent shall increase annually by the Consumer Price Index (CPI); and

WHEREAS, rent shall adjust at the beginning of year ten (10), year twenty (20) and at the beginning of any renewal to the then Fair Market Value (FMV); and

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

Resolution 19-29 Executive Summary

Resolution: Authorizing the Execution of the Lease Agreement between the Delaware River and Bay Authority and Ace Transport Services, Inc. at the New Castle Airport.

Committee: Economic Development

Committee Date: July 16, 2019

Board Date: July 16, 2019

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 operates the New Castle Airport. Ace Transport Services, Inc. has been a longtime aircraft operator and tenant at the New Castle Airport. They would like to construct and own his own facility at the airport. They are planning on constructing approximately a 10,000 sq. ft. hangar. The annual rent is based upon the current land rental rate at the airport. Final square footage leased will be based upon a survey.