

**9172. RESOLUTION 05-04 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BIG SKY AVIATION.** The Executive Director presented the following Resolution.

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

WHEREAS, there is presently a need for an experienced and qualified Fixed Based Operator (FBO) at the Cape May Airport; and

WHEREAS, the Authority initiated a public Request for Proposal (RFP) process to identify an experienced and qualified FBO; and

WHEREAS, the RFP process determined that Big Sky Aviation was the most qualified proposer among the respondents to the RFP process; and

WHEREAS, Big Sky Aviation desires to lease approximately 19,000 square feet of hangar and office space in Hangar 110 (the “Facility”) at the Cape May Airport to operate as a FBO; and

WHEREAS, Big Sky Aviation has agreed to pay the Authority an annual Facility Rent in the amount of \$1.00 for the rental of the Facility and pay for the use of all utilities during the initial term of the Lease Agreement; and

WHEREAS, the initial term of the Lease Agreement is for one (1) year; and

WHEREAS, in addition to the above stated Facility Rent, Big Sky Aviation has agreed to pay fair market value (appraised at \$0.18 per square foot) rent (“Land Rent”) for the lease of the land needed to operate as the FBO at Cape May Airport, and

WHEREAS, in addition to any Rent paid, Big Sky Aviation shall be responsible for paying the Authority a fuel flowage fee of \$.06 per gallon; and

WHEREAS, Big Sky Aviation with the consent of the Authority shall have the option of renewing this Lease Agreement for the following four (4) option periods of: one (1) year, three (3) years, five (5) years and five (5) years; and

WHEREAS, rents and other terms and conditions of the Lease Agreement during the option periods shall be determined as follows: (1) Rent for the land for the initial year of each renewal period shall be based upon fair rental value as determined by Authority appraisal and (2) Rent for the Facility for the initial year of each renewal period shall be based on fair rental value as determined by the Authority after a review of Big Sky’s audited financial statements and any other factors that may be deemed relevant at the sole discretion of the Authority; and

WHEREAS, Rental for subsequent years within any renewal period shall be adjusted annually by the Consumer Price Index (CPI).

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

Resolution 05-04 was moved by Commissioner Koebig, seconded by Commissioner Favre and unanimously approved by a roll call vote of 11-0.