

**RESOLUTION 21-04 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND JET EAST CORPORATE AVIATION.**

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

WHEREAS, Jet East Corporate Aviation, LLC (“Jet East”) desires to lease Hangar 1 & portions of 2 Thunderbolt Dr. totaling approximately 70,000 sq.ft. of hangar, shop and office space; and

WHEREAS, Jet East has agreed to pay the Authority Five Hundred Forty-Two Thousand Five Hundred Fifty Dollars (\$542,500) annual rent during the initial year of the Lease Agreement; and

WHEREAS, the initial term of the Lease Agreement is for Ten (10) years; and

WHEREAS, Jet East shall have the option of renewing the Lease Agreement for Two (2) periods of Five (5) years; and

WHEREAS, during the initial and the renewal term, rent shall be adjusted annually by the Consumer Price Index (CPI); and

WHEREAS, rent at the beginning of the renewal period shall be adjusted to the current Fair Market Value (FMV); and

WHEREAS, Jet East shall be provided a fit out allowance for 8,500 sq.ft. of office space at \$12.00 per sq.ft.; and

WHEREAS, Jet East shall be granted a 1 month rent credit for each year of the initial term to be taken at the end of each year of the lease; and

WHEREAS, Jet East shall be granted a Right of First Refusal (ROFR) for a hangar facility commonly referred to as the Dallas Hangar at the Millville Airport for a term of 6 months at a rate of \$6.00 per sq.ft. at the same terms and conditions as the main lease agreement; and

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

## **Resolution 21-04 Executive Summary**

**Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Jet East Corporate Aviation, LLC regarding Millville Airport

**Committee:** Economic Development

**Committee Date:** February 17, 2021

**Board Date:** February 17, 2021

**Purpose of Resolution:**

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for existing lease space at the Millville Airport.

**Background for Resolution:**

The Delaware River and Bay Authority owns several hangar facilities at the Millville Airport. Jet East is a maintenance and repair operation (MRO) that currently is operating from the Trenton Airport. They recently merged with Gama Aviation and are looking to create a full service maintenance facility at the Millville Airport. Jet East fully intends to exercise the ROFR on the Dallas facility but would like to set up the base hangars before leasing the Dallas facility.