

11317. RESOLUTION 17-50 LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND EYLULBAHAR, LLC.

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

WHEREAS, R. K. Morgan, LLC currently leases approximately 1.275 acres of land at the New Castle Airport commonly referred to as Arners Restaurant; and

WHEREAS, R. K. Morgan, LLC has requested to assign its Lease Agreement to Eylulbahar, LLC; and

WHEREAS, once the Lease Agreement is assigned to Eylulbahar, LLC, the lease shall be amended to add three (3) additional renewal periods of five (5) year each, which would commence if exercised on June 26, 2025; and

WHEREAS, commencing at the beginning of the first additional renewal period Eylulbahar, LLC has agreed to pay the Authority annual rent in the amount of Forty-Eight Thousand Three Hundred and Fifteen Dollars 30/100 (\$48,315.30) and; and

WHEREAS, rent during each renewal year shall adjust annually by the Consumer Price Index (CPI); and

WHEREAS, rent may be adjusted at the beginning of each additional renewal period to the 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 Amendment with Eylulbahar, LLC 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 17-50 was made by Commissioner Ratchford, seconded by Commissioner Van Sant, and approved by a roll call vote of 9-0.

Resolution 17-50 Executive Summary

Resolution: Authorizing the Execution of a Lease Amendment between the Delaware River and Bay Authority and Eylulbahar, LLC regarding the New Castle Airport

Committee: Economic Development

Committee Date: October 17, 2017

Board Date: October 17, 2017

Purpose of Resolution:

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Amendment for space at the New Castle Airport.

Background for Resolution:

The Delaware River and Bay Authority leases land to R. K. Morgan, LLC, commonly known as Arner's Restaurant at the New Castle Airport. R. K. Morgan LLC desires to sell the business to Eylulbahar, LLC. Eylulbahar, LLC will assume the current rent, settle all amounts owed and will be investing a significant amount of capital into the facility to install a new kitchen, new dining room fixtures and finishes, repair three walk-ins and update the basement, paint the exterior, seal and re-stripe the parking lot, etc. The existing lease has approximately 8 years remaining on the term. Eylulbahar, LLC has requested three additional five year renewal terms in order to amortize the expense of the planned upgrades. The Lease Agreement will be assigned to Eylulbahar, LLC before any additional renewal terms shall be granted.