

9442. RESOLUTION 06-34 AMENDS THE GROUND LEASE BETWEEN THE STATE OF DELAWARE AND THE DELAWARE RIVER AND BAY AUTHORITY RELATING TO THE DELAWARE AIRPARK. The Executive Director presented the following Resolution.

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is the operator of the Delaware Airpark (“Airport”) pursuant to that certain Ground Lease, dated July 31, 2000, between the State of Delaware (“State”) and the Authority, a Memorandum of which was recorded in the Office of the Recorder of Deeds in and for Kent County to give notice of the existence of the Ground Lease (“Ground Lease”); and

WHEREAS, the Authority has determined that in order to encourage growth and economic development at the Airport, it is necessary to promote investment in the Airport, by private investors and develop relationships with long term tenants and users of the Airport; and

WHEREAS, the Authority has further determined that to promote investment in the Airport by private entities and ensure the economic viability of the Airport during the term of the Ground Lease and thereafter, it is necessary to enter into long term leasing and other arrangements with such private entities in order to provide them with the ability to recoup their investment and realize a reasonable return on that investment; and

WHEREAS, the initial term of the Ground Lease has approximately twenty-four years (“Initial Term”) remaining and the Authority has begun to encounter reluctance on the part of the financial and investment communities to invest in the Airport given the limited number of years remaining in the Initial Term; and

WHEREAS, the Authority has determined that it will become increasingly difficult to attract investment in the Airport by private entities as the length of the Initial Term of the Ground Lease continues to decrease; and

WHEREAS, the Authority has further determined that it is necessary to enter into leases and other arrangements with tenants at the Airport that extend beyond the Initial Term of the Ground Lease and into the renewal terms granted by the Authority, but not yet exercised by the Authority; and

WHEREAS, the State and the Authority are working on an agreement to amend the Ground Lease to allow the Authority to enter into leases and other arrangements with tenants of the Airport that extend beyond the Initial Term and into the renewal terms granted to the Authority, but not yet exercised by the Authority.

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

A motion to approve Resolution 06-34 was made by Commissioner Simmerman, seconded by Commissioner Patterson and approved by a roll call vote of 11-0.