

10372. RESOLUTION 11-18 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MARK CHAMBERLAIN AND GLORIA MONAHAN

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

WHEREAS, Mark Chamberlain and Gloria Monaghan d/b/a Airport Fitness (“Airport Fitness”) desires to lease Building 97 totaling approximately 14,844 sq.ft. of warehouse space; and

WHEREAS, Airport Fitness has agreed to pay the Authority Sixty-Six Thousand Seven Hundred and Ninety-Eight Dollars (\$66,798.00) 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, Airport Fitness shall have the option of renewing the Lease Agreement for two periods of five (5) years; and

WHEREAS, rent shall be adjusted at the beginning of the renewal periods to the Fair Market Value; and

WHEREAS, during the initial term and the renewal periods, rent shall be adjusted annually by Two Percent (2%); and

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

A motion to approve Resolution 11-18 was made by Commissioner Smith, seconded by Commissioner Downes, and approved by a roll call vote of 10-0.

Resolution 11-18 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay authority and Mark Chamberlain and Gloria Monaghan

Committee: Economic Development

Committee Date: April 5, 2011

Board Date: April 19, 2011

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the Cape May Airport.

Background for Resolution:

The Delaware River and Bay Authority owns a building commonly referred to as Building 97 at the Cape May Airport. The building totals approximately 14,844 sq.ft.

The Authority acquired the building after a lengthy legal proceeding at no cost. The building has been vacant since being acquired in 2008. Due to a roof leak and a resulting mold condition while the building was under previous ownership, the building is currently a shell requiring complete fit-out that our staff estimates will cost between \$150,000 to \$200,000.

The new tenant will do all fit out of the facility at their own cost and the Authority will allow them a rent abatement of 50% of the cost of the fit out up to \$175,000 over the first 2 years of the lease. (DRBA cost \$87,500) The major fit out projects will include all new plumbing, HVAC systems, new flooring and ceiling, painting the exterior of the building, insulation, new electrical systems and subpanels and a fire protection system.