

AREOLUTION 21-39 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND VELOCITY MAINTENANCE SOLUTIONS, LLC.

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

WHEREAS, Velocity Maintenance Solutions, LLC. (“Velocity”) desires to lease hangar and shop space in a facility commonly referred to as 6 DRBA Way at the New Castle Airport on the following schedule; and

-) Initially lease 25%
-) At 9 months increase to 50%
-) At 14 months increase to 100%

WHEREAS, Velocity has agreed to pay the Authority rental rate based upon our annual rate of Three Hundred and Eighty-Four Thousand Dollars (\$384,000.00) and the percentage of the hangar they will be leasing; and

WHEREAS, the initial term of the Lease (“Lease Agreement”) is for three (3) years; and

WHEREAS, Velocity shall have the right to renew this agreement for two (2) additional five (5) year periods; and

WHEREAS, rent during the initial term and after the first year of any renewal term shall increase annually by the Consumer Price Index (CPI); and

WHEREAS, rent shall increase at the beginning of each renewal term by the current 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 Agreement with Velocity Maintenance Solutions, LLC., and, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson and the Executive Director.

Resolution 21-39 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Velocity Maintenance Solutions, LLC., regarding New Castle Airport

Committee: Economic Development

Committee Date: September 20, 2021

Board Date: September 20, 2021

Purpose of Resolution:

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

Background for Resolution:

The Delaware River and Bay Authority owns a hangar located at 6 DRBA Way at the New Castle Airport. Velocity wishes to lease space in the hangar in order to start and operate a new 145 maintenance operation. They will be drawing down space on a graduated basis while they are starting up the business to eventually lease 100% of the hangar.