

**10951. RESOLUTION 15-17 - LEASE AMENDMENT AND NEW LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BROKERAGE AND MANAGEMENT CORPORATION**

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

WHEREAS, Brokerage and Management Corporation (“Brokerage”) leases approximately forty percent (40%) share of Hangar B at the New Castle Airport for a corporate flight operation; and

WHEREAS, Brokerage is purchasing a new, larger aircraft; and

WHEREAS, Brokerage will no longer be able to fit in Hangar B with the larger aircraft. They desire to lease new space in 17 DRBA Way at the New Castle Airport; and

WHEREAS, Brokerage will continue to lease space in Hangar B for the original aircraft until the plane is sold or relocated. At that time Brokerage shall have the right to terminate the lease for Hangar B; and

WHEREAS, Brokerage desires to lease approximately fifty percent (50%) of 17 DRBA Way for the new aircraft; and

WHEREAS, Brokerage agrees to pay the Authority annual rent for the new space in the amount of One Hundred and Ninety-Nine Thousand and Eighty-Nine Dollars 72/100 (\$199,089.72); and

WHEREAS the initial term of the lease for 17 DRBA Way (“Lease Agreement”) is for five (5) years; and

WHEREAS, Brokerage shall have the right to renew the Lease Agreement for two (2) five (5) year options; and

WHEREAS rent shall be adjusted to the Fair Market Value (FMV) at the beginning of each renewal term; and

WHEREAS, rent during the initial and renewal terms shall be adjusted each year by the Consumer Price Index (CPI); and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Amendment and new Lease Agreement with Brokerage and Management Corporation 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 15-17 was made by Commissioner Wilson and seconded by Commissioner Dorn. Resolution 15-17 was approved by a roll call vote of 10-0.

## **Resolution 15-17 Executive Summary**

**Resolution:** Authorizing the Execution of a Lease Amendment and new Lease Agreement between the Delaware River and Bay Authority and Brokerage and Management Corporation, regarding New Castle Airport

**Committee:** Economic Development

**Committee Date:** April 21, 2015

**Board Date:** April 21, 2015

**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 owns Hangar B at the New Castle Airport. The DRBA leases 40% of that facility to Brokerage and Management for the hangaring of a corporate aircraft. Brokerage is acquiring a new, larger aircraft and will no longer be able to stay in Hangar B due to size constraints. Brokerage will be leasing 50% of the hangar at 17 DRBA. Brokerage will need to also retain the space currently leased in Hangar B until such time as the old aircraft is sold or relocated. Brokerages current lease term is due to expire in 2017. They are also adding 2 additional 5 year lease renewals to their agreement.