

**RESOLUTION 20-33 - LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND QUAKER CITY 607, LLC AT THE NEW CASTLE AIRPORT**

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

WHEREAS, Quaker City 607, LLC (“Quaker City”) leases approximately 0.4696 acres of land at the New Castle Airport in order to operate a private hangar; and

WHEREAS, Quaker City recently purchased the hangar from the previous tenant Red Eagle Avionics, LLC; and

WHEREAS, the existing lease has one remaining ten (10) year renewal option; and

WHEREAS, Section 35 of the lease provides that any renewal options shall not inure to the benefit of a subtenant or assign; and

WHEREAS, the Authority desires to waive enforcement of this provision solely in connection with the assignment of the lease from Red Eagle Avionics, LLC to Quaker City 607, LLC; and

WHEREAS, in addition to the remaining ten year term in the original lease, Quaker City desires to extend the term of the lease for four (4) additional five (5) year options (“Additional Renewal Options”); and

WHEREAS, the Additional Renewal Options shall only be exercised upon the mutual consent of both the Tenant and the Landlord; and

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

WHEREAS, rent during the additional renewal terms shall be adjusted annually by the CPI; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Amendment with Quaker City 607, LLC, and, with the advice and consent of counsel, to have such Amendment executed by the Chairperson, Vice Chairperson and the Executive Director.

## **Resolution 20-33 - Executive Summary**

Resolution Authorizing the Execution of a Lease Amendment between the Delaware River and Bay Authority and Quaker City 607, LLC, regarding New Castle Airport.

Committee: Economic Development

Committee Date: October 20, 2020

Board Date: October 20, 2020

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 approximately 0.4696 acres of land to Quaker City 607, LLC. Quaker City recently purchased the improvements from a previous tenant and the ground lease was assigned to Quaker City. Quaker City has requested (i) confirmation that the Authority will waive Section 35 of the lease allowing Quaker City to have the benefit of the existing ten year lease renewal option and (ii) additional extensions. In response to the request for additional extensions, the DRBA desires to grant four additional lease extensions of five (5) years each, such renewals to be exercised upon the consent of both the Landlord and Tenant..