

**RESOLUTION 22-26 – AUTHORIZING A LEASE AMENDMENT WITH
PENTURBO AVIATION, INC. AT THE CAPE MAY AIRPORT**

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

WHEREAS, PenTurbo Aviation, Inc. (“PenTurbo”) currently owns a Hangar and leases land and associated ramp space at the Cape May Airport; and

WHEREAS, PenTurbo has one (1), ten (10) year renewal term remaining on their Lease Agreement; and

WHEREAS, PenTurbo has decided to relocate their aircraft modification program and has requested to reduce the renewal term to two (2) years; and

WHEREAS, rent shall increase annually during the renewal term 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 with Pen Turbo Aviation, Inc. and, with the advice and consent of counsel, to have such Lease Amendment executed by the Chairperson, Vice Chairperson, and the Executive Director.

Resolution 22-26 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Amendment with Pen Turbo Aviation, Inc.

Committee: Economic Development

Committee Date: June 22, 2022

Board Date: June 22, 2022

Background for Resolution:

Pen Turbo Aviation Inc. owns a hangar and office building at the Cape May Airport and has a land lease with the Airport for land that PenTurbo occupies with its hangar, office building and ramp space. They have been tenants at the airport since 1992. The company was sold recently. The new owner is looking to relocate the operation to one of their other facilities out of state and has requested to reduce the remaining renewal term from 10 years to 2 years.

PenTurbo's business is to modify/convert Canadian built Caribou type aircraft from the original piston to turbine engine power and resell them to worldwide commercial cargo operators. Since 1992, they have delivered 3 aircraft. The remaining aircraft awaiting conversion are in various states of deterioration on the ramp. The DRBA is in favor of having these remaining aircraft removed along with the hangar building. PenTurbo occupies prime developable space on the airport with airside access which is desirable for future aviation development.