

RESOLUTION 22-35 – AUTHORIZES A COMPREHENSIVE BUSINESS ARRANGEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AVELO AIRLINES, INC. AT THE WILMINGTON AIRPORT ILG

WHEREAS, The Delaware River and Bay Authority (*the “Authority”*), is the operator of the Wilmington Airport ILG (*“the Airport”*); and

WHEREAS Avelo(*“Avelo”*) and the Authority desire to enter into a comprehensive long-term business arrangement governing use of non-exclusive space in the terminal building and aircraft parking apron, and the Airline wishes to provide services in support of commercial air service at the Airport for which it may elect to receive financial incentives to do so, and;

WHEREAS, in pursuit of this arrangement, the Authority and Avelo will enter into the following agreements:

- **An Air Service Incentive Agreement** and
- **An Airline Terminal and Airfield Use Permit**

WHEREAS, the Airport has a public Terminal building (the *“Terminal,”*) containing certain common areas/items to be used by the Airline and/or its passengers, including counters where the Airline may issue tickets and boarding passes to its passengers and also to process passenger baggage, counter support space, security screening checkpoints, doors providing access to parked aircraft, podiums, passenger waiting areas, and areas immediately outside, and;

WHEREAS, certain other areas within the Terminal exist that will also be used by the Airline’s passengers, its employees and others such as common passageways, general waiting areas, bathrooms and areas adjacent to the curbs outside of the Terminal, and;

WHEREAS, other areas exist upon the Airport that are available to aircraft operators to use in common with others, such as runways, taxiways, aircraft hold/run-up areas and apron areas, and;

WHEREAS, the Airline desires to use certain space and facilities in order to facilitate its provision of commercial air service at the Airport;

WHEREAS, the Authority and the Airline have agreed on an initial term of (5) five years, and

WHEREAS, the Airline shall have the option to extend the term of the use permit for an additional (5) five years;, and

WHEREAS, the FAA requires certain contractual provisions be included in all agreements between the Authority and airlines serving the Airport; and

WHEREAS, the Authority has established certain methodologies for establishing rates and charges applicable to air operations at the Airport; and

WHEREAS, the Parties wish to set forth the terms and conditions upon which the Airline and its affiliates will be authorized to use the Airport's property; and

WHEREAS, the Parties wish to set for the financial incentives permitted under an Air Service Incentive Program; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of (i) an Airline Terminal and Airfield Use Permit and (ii) an Air Service Incentive Agreement with Avelo Airlines and, with the advice and consent of counsel, to have such documents executed by the Chairperson, Vice Chairperson, and the Executive Director.

Resolution 22-35 Executive Summary Sheet

Resolution: Authorizes a Comprehensive Business Arrangement between the Delaware River and Bay Authority and Avelo Airlines at the Wilmington Airport ILG

Committee: Economic Development

Committee Date: July 19, 2022

Board Date: July 19, 2022

Purpose of Resolution: Formalize the components of the business arrangement between the Authority and Avelo Airlines governing the multi-year provision of scheduled airline service via a use permit and the options for associated financial incentives for adding new or enhanced service.

Background for Resolution:

Avelo Airlines has approached the Authority about a desire to begin scheduled commercial service operations at the Wilmington Airport ILG. The airport is a certified FAR Part 139 airport by the FAA, which allows for the operation of commercial air carriers. The airline has requested to begin operations at the airport late in 2022. Staff have been working with the airline to place the airport in a position (TSA screening, parking requirements, ground handling services, etc.) to begin these operations at that time. The arrangement consists of several distinct parts which govern the overall arrangement between the parties.