

RESOLUTION 22-67 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AVELO AIRLINES, INC. AT THE WILMINGTON AIRPORT (RESCINDING RESOLUTION 22-46)

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

WHEREAS, Avelo Airlines, Inc. (“Avelo”) desires to lease hangar and office space totaling approximately 3,900 sq.ft. in a facility commonly referred to as 153 North DuPont Hwy. at the Wilmington Airport; and

WHEREAS, Avelo has agreed to pay the Authority Twenty-Three Thousand and Four Hundred Dollars (\$23,400) annually; and

WHEREAS, the initial term of the Lease (“Lease Agreement”) is for one (1) year; and

WHEREAS, Avelo shall have the right to renew this agreement for nine (9) additional one (1) year periods; and

WHEREAS, rent shall increase annually by the Consumer Price Index (CPI) with a cap of three percent (3%); and

WHEREAS, rent shall adjust at the beginning of year six (6) to then then Fair Market Value (FMV); and

WHEREAS, Avelo will have the right to terminate this agreement with ninety (90) days advance notice by paying an early termination fee that shall be equal to half of the rent due for the remaining term of the Lease Agreement; and

WHEREAS, in the event the hangar shall require substantial repairs or if there is an enforcement of any applicable requirement by a federal, state, or local governmental agency with a cost in excess of the annual rent, and Avelo should choose to not fund the excess costs, Avelo shall have the right to terminate the Lease with ninety (90) days advance notice.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Avelo, Inc., and, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson and the Executive Director.

BE IT FURTHER RESOLVED, that Resolution 22-46 is hereby rescinded.

Resolution 22-67 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Avelo Airlines, Inc., regarding the Wilmington Airport

Committee: Economic Development

Committee Date: December 20, 2022

Board Date: December 20, 2022

Purpose of Resolution:

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

Background for Resolution:

The Delaware River and Bay Authority owns a hangar located at 153 North DuPont Hwy at the Wilmington Airport. Avelo wishes to lease the hangar in order to support their commercial service operation at the adjacent terminal building. They will be storing ground support equipment and developing some office space in the hangar for their administrative offices.