

RESOLUTION 23-36 - LEASE AMENDMENT TO THE GROUND LEASE BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND NEW CASTLE COUNTY

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

WHEREAS, New Castle County (“NCC”) and the Authority sold a 16.34 acre parcel of land located at 1 Penns Way to Citibank on September 30, 2021; and

WHEREAS, on that same date, NCC and the Authority entered into a Sixth Amendment to Ground Lease pursuant to which the parcel of land was released from the Authority’s interest and the purchase price for the Citibank Parcel (the “Purchase Price”) was designated to be used for the operation and maintenance (i.e., not capital expenditures) of the Airport; and

WHEREAS, the parties now desire to amend Section 2 of the Sixth Amendment to the Ground Lease to allow the Purchase Price to be used by the Authority for the development, improvement, operation or maintenance of the Airport; and

WHEREAS, the Authority and NCC desire to modify the terms of the Ground Lease by deleting Section 2 of the Sixth Amendment to the Ground Lease in its entirety and replacing it with the following:

(a) “2. Use of Purchase Price; Termination Payment Lessee agrees to use the purchase price received from Citibank, N.A. for the approximately 16.34-acre parcel of land referred to herein as the “Citibank Parcel” for the development, improvement, operation, or maintenance of the Airport.

(b) In the event Lessee uses such purchase price for any capital improvement project at the Airport, the undepreciated amount of such capital project (to the extent such project is funded by the purchase price) shall be excluded from the calculation of the “Unamortized Costs” of the capital improvements referenced in Section 3 of the Original Ground Lease.”

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of an amendment to the Ground Lease Amendment with New Castle County and a memorandum of such amendment, with the advice and consent of counsel, to have such agreements executed by the Chairperson, Vice Chairperson, and the Executive Director.

Resolution 23-36 -Executive Summary

Resolution: Authorizing the Execution of a Ground Lease Amendment and memorandum of such amendment between the Delaware River and Bay Authority and New Castle County, regarding the Wilmington Airport, New Castle, DE.

Committee: Economic Development

Committee Date: June 21, 2023

Board Date: June 21, 2023

Purpose of Resolution: To permit the Executive Director, Chairperson and Vice Chairperson to execute and deliver a Ground Lease Amendment, and memorandum of such amendment, at the Wilmington Airport.

Background of Resolution: The Delaware River and Bay Authority operates the Wilmington Airport. NCC and the Authority sold a 16.34-acre parcel of land to Citibank in 2021. NCC required that the proceeds from the sale only be used for the operation and maintenance of the airport at the time of the sale. NCC and the Authority wish to modify the permissible uses of the proceeds to include the development and improvement of the airport. It is also agreed that if the Authority should use the Purchase Price funds from Citibank for a capital improvement project at the airport, that they shall be excluded from the calculation of the "Unamortized Costs" of the capital improvements which is utilized to determine the termination payment.