

RESOLUTION 23-43 - PURCHASE/BUY-OUT OF REMAINDER OF LEASEHOLD INTEREST BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SKYWAYS MOTOR LODGE CORP. FOR PROPERTY LOCATED AT THE WILMINGTON AIRPORT

WHEREAS, the Delaware River and Bay Authority (the “Authority”), is the operator of the New Castle Airport (the “Airport”) pursuant to an Airport Acquisition Agreement and Ground Lease (collectively the “Airport Ground Lease”) between the Authority and New Castle County (the “County”) dated June 30, 1995; and

WHEREAS, Skyways Motor Lodge Corp. (“Skyways”) leases approximately seven (7) acres (the “Skyways Parcel”) at the Airport pursuant to an Airport Motor Inn Land Lease (the “Skyways Lease”) dated February 10, 1987 between the County and Skyways; and

WHEREAS, the Skyways Lease was amended on October 27, 1997 by an agreement between the Authority, as successor in interest to the County and Skyways; and

WHEREAS, pursuant to a lease agreement dated August 17, 2012, Skyways leased approximately 1.3 acres known as the “MedExpress pad site” to Irvstone (the “Irvstone Sublease”), which Irvstone in turn subleases to MedExpress (the “MedExpress Sublease”); and

WHEREAS, the Skyways Lease will terminate on December 31, 2031 as a result of the County’s notice to the Authority of its termination of the Airport Ground Lease; and

WHEREAS, the Authority has an interest in acquiring the Skyways parcel for the additional development, improvement, operation and/or maintenance of the Airport; and

WHEREAS, Skyways desires to sell its leasehold interest to the Authority (via lease assignment and/or termination); and

WHEREAS, the Authority agrees to purchase the remainder of Skyways’ leasehold interest in the Skyways Parcel for a price not to exceed Four Million One Hundred Fifty Thousand and NO/100 Dollars (\$4,150,000.00) plus the present value of the remaining term of the existing Irvstone Sublease subject to the following conditions;

- (i) The Seventh Amendment to the Airport Ground Lease between the County and the Authority is fully executed; and
- (ii) Title to all improvements owned by Skyways on the Skyways Parcel shall be transferred to the DRBA; and
- (iii) Skyways pays off all existing mortgage(s) on the Skyways Parcel; and
- (iv) The parties agree to execute such additional instruments, certificates, documents, or agreements that may be reasonably requested to complete the purchase and sale of the leasehold interest for the Skyways Parcel;

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

Resolution 23-43 - Executive Summary

Resolution: Purchase of Leasehold Interest Between the Delaware River and Bay Authority and Skyways Motor Lodge Corp. at the Wilmington Airport.

Committee: Economic Development

Committee Date: July 18, 2023

Board Date: July 18, 2023

Purpose of Resolution: To permit the Executive Director, Chairperson and Vice Chairperson to execute and deliver a purchase agreement for a leasehold interest in property at the Wilmington Airport.

Background of Resolution: Skyways holds a leasehold interest in 7 acres at the Wilmington Airport and has expressed interest in selling same to the Authority. The Authority desires to acquire this parcel for the development, improvement, operation and/or maintenance of the Airport. The Authority will purchase this property subject to the County's full execution of the Seventh Amendment to the Ground Lease between the Authority and the County to ensure an appropriate funding source.