

**RESOLUTION 23-60 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AVIATION SPORTS COMPLEX, LLC AT THE CAPE MAY AIRPORT**

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

WHEREAS, Aviation Sports Complex, LLC (the “Aviation Sports”) desires to lease approximately three (3) acres of land at the Cape May Airport in order to construct an indoor sports facility. A final lease parcel will be determined based upon as-builts; and

WHEREAS, Aviation Sports has agreed to pay the Authority annual rent in the amount of \$0.25/sq.ft. for the parcel; and

WHEREAS, Aviation Sports has agreed to pay Transaction Rent in the amount of 4% of any sale of the property or refinance; and

WHEREAS, the term of the Lease Agreement (“Agreement”) is for Twenty (20) years; and

WHEREAS, rent shall increase annually by the Consumer Price Index (CPI); and

WHEREAS, rent shall adjust at the beginning of year five (5), ten (10) and year fifteen (15) to the then Fair Market Value (FMV); and

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

## **Resolution 23-60 - Executive Summary**

**Resolution:** Authorizing the Execution of the Lease Agreement between the Delaware River and Bay Authority and Aviation Sports Complex, LLC at the Cape May Airport.

**Committee:** Economic Development

**Committee Date:** December 19, 2023

**Board Date:** December 19, 2023

**Purpose of Resolution:**

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

**Background for Resolution:**

The Delaware River and Bay Authority operates the Cape May Airport. Aviation Sport Complex, LLC is planning on constructing an indoor sports complex that will offer soccer fields, pickleball courts and volleyball year round. We have received letters of support for the project from various entities to include the Greater Wildwood Chamber of Commerce, the Lower Cape May Regional School District Athletic director and former Mayor of Lower Township, Ocean City High School Baseball coach, former US Congressman Patrick Murphy, among many others. The annual rent is based upon the current land rental rate at the airport.