

RESOLUTION 24-19 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SATYS AFTERMARKET DELAWARE LLC

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

WHEREAS, Satys Aftermarket Delaware LLC (“Satys”) desires to lease a paint hangar totaling approximately 38,000 sq.ft. in a facility on approximately 2.3 acres commonly referred to as the Dassault paint hangar at 191 North DuPont Hwy. at the Wilmington Airport; and

WHEREAS, the initial term of the Lease (“Lease Agreement”) is for two (2) years; and

WHEREAS, Satys Aftermarket Delaware LLC has agreed to pay the Authority Three Hundred Thousand Dollars 00/100 (\$300,000.00) annually during year 1 and Six Hundred Thousand Dollars- 00/100 (\$600,000.00) annually during year 2 of the initial term; and

WHEREAS, Satys shall have the right to renew this agreement for a first renewal term of Three (3) years and a second renewal term of Ten (10) years; and

WHEREAS, rent during the first renewal term shall increase as follows:

- Year 1 - \$650,00.00 annually
- Year 2 - \$675,000.00 annually
- Year 3 - \$700,000.00 annually

WHEREAS, rent during the second renewal term shall increase annually by a fixed amount of 2.5%; and

WHEREAS, the Authority has agreed to invest up to \$1,000,000 for necessary repairs if needed to ensure the facility is operational and able to be permitted for aircraft painting. If the cost of any necessary repairs should exceed \$1,000,000, the Authority shall have the right to terminate this agreement within the first six (6) months of the lease term; and

WHEREAS, Satys has the right to do additional environmental due diligence on the leased premises, at its sole expense, and shall have certain rights to terminate this agreement within the first six (6) months of the lease term.

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

NOW, THEREFORE, BE IT RESOLVED, that Resolution 24-04 is hereby rescinded.

Resolution 24-19 - Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Satys Aftermarket Delaware LLC, regarding Wilmington Airport.

Committee: Economic Development

Committee Date: May 21, 2024

Board Date: May 21, 2024

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 has acquired the rights to a paint hangar that was previously part of the Dassault leasehold. Satys Aftermarket Delaware LLC desires to lease the facility along with parking spaces for approximately 40 employees. The rental rate is based upon the current FMV.