

**RESOLUTION 24-31 - 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 seven (7) acres of land at the Cape May Airport in order to construct an indoor sports facility and associated site improvements. A final lease parcel will be determined based upon as-built plans, which shall be presented to the Authority for its approval; 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 2% of the gross sales proceeds from any sale of the sports facility; and

WHEREAS, the initial term of the Lease Agreement (“Agreement”) is for Ten (10) years; and

WHEREAS, Aviation Sports shall have six (6) renewal options of five (5) years each, with the inclusion of these renewal options in the Agreement subject to the prior approval of the County of Cape May; and

WHEREAS, rent shall increase annually by 2.5% during the initial term and each year of the renewal terms; and

WHEREAS, rent may, at the option of the Authority, adjust at the beginning of each renewal term by the then Fair Market Value (FMV) to be determined by the Authority in its sole discretion; 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.

NOW, THEREFORE BE IT RESOLVED, that Resolution 23-60 is hereby rescinded.

## **Resolution 24-31 - 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:** July, 16, 2024

**Board Date:** July, 16, 2024

**Purpose of Resolution:**

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Agreement for land 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, with appropriate rent adjustments over the term of the Lease, and transaction rent to be charged if the facility is ever sold.