

**RESOLUTION 24-37 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND LAUGHING GIRAFFE AVIATION, LLC AT THE MILLVILLE AIRPORT**

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

WHEREAS, Laughing Giraffe Aviation, LLC (“Laughing Giraffe”) desires to lease approximately 21,750 square feet of land in order to construct a corporate hangar at the Millville Airport; and

WHEREAS, Laughing Giraffe has agreed to pay the Authority annual rental in the amount of Six Thousand Five Hundred Twenty-Five Dollars 00/100 (\$6,525.00); and

WHEREAS, Laughing Giraffe has agreed to pay Transaction Rent in the amount of 4% of the Sale Proceeds and Net Refinancing Proceeds on any sale or refinancing of the hangar; and

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

WHEREAS, rent shall adjust annually by the Consumer Price Index (CPI) and have a Fair Market Adjustment every five (5) years; and

WHEREAS, the Authority shall have a right of first refusal to purchase the Hangar if the Tenant elects to sell the hangar during the term of the Lease.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Laughing Giraffe Aviation, 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NOW, THEREFORE, BE IT RESOLVED, that Resolution 24-25 is hereby rescinded.

## **Resolution 24-37 - Executive Summary**

**Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Laughing Giraffe Aviation, LLC regarding Millville Airport.

**Committee:** Economic Development

**Committee Date:** September 17, 2024

**Board Date:** September 17, 2024

**Purpose of Resolution:** To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Agreement for space at the Millville Airport.

**Background for Resolution:** The owner of Laughing Giraffe Aviation has been a user of the Millville Airport for some time. They recently purchased a corporate aircraft, and they desire to build a hangar on the airfield to house the aircraft. The rent is based upon the current appraised rental rate for land at the airport with appropriate rent adjustments over the term of the Lease and transaction rent to be charged upon the sale or refinance of the hangar. The Authority shall have the right to purchase the hangar if the Tenant elects to sell it during the term.