

**RESOLUTION 21-28 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC**

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

WHEREAS, Cape May Brewing LLC (“CMB”) desires to continue to lease approximately 9,000 square feet of warehouse/office space located in Units 5-10 at 241 Ranger Rd at the Cape May Airport; and

WHEREAS, CMB has agreed to pay the Authority annual rental in the amount of Ninety Thousand Dollars 00/100(\$90,000); and

WHEREAS, the initial term of the lease (“Lease Agreement”) is for five (5) years; and

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

WHEREAS, CMB shall have the option to renew the Lease Agreement for three (3) additional two (2) year terms; and

WHEREAS, rent shall adjust at the beginning of first renewal term to the current Fair Market Value (FMV); and

WHEREAS, after the initial year of the first renewal term, rent shall adjust by the CPI; and

WHEREAS, CMB requested additional finishes and upgrade to the space totaling \$12,760. CMB has agreed to pay this amount as additional rent over the first year of the lease term; and

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

NOW, THEREFORE, BE IT RESOLVED, that Resolution 21-21 is hereby rescinded.

## **Resolution 21-28 - Executive Summary**

**Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Cape May Brewing LLC, regarding Cape May Airport

**Committee:** Economic Development

**Committee Date:** July 29, 2021

**Board Date:** July 29, 2021

**Purpose of Resolution:**

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

**Background for Resolution:**

The Delaware River and Bay Authority is in the final stages of the construction of a new light industrial building located at 241 Ranger Rd at the Cape May Industrial Park. The building has 10 units, each comprising approximately 1,500 sq.ft of space. Cape May Brewing, LLC currently Leases space in several buildings at the airport and will be expanding to Units 5-10 in the new building. Cape May Brewing will be housing the administrative offices and warehouse space in the building.