

11058. RESOLUTION 16-02 - AUTHORIZES A LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC AT THE CAPE MAY AIRPORT

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

WHEREAS, Cape May Brewing LLC (“Cape May Brewing”) entered into a Lease Agreement dated March 1, 2011 pursuant to which the Authority leased Cape May Brewing 1,500 square feet of space known as Unit#5 located within Building 96 at the Cape May Airport; and

WHEREAS, Cape May Brewing and the Authority entered into an Amended Lease effective March 1, 2013 through February 28, 2016 whereby the Original Lease was amended to add Units # 6 & 7 in Building 96 the Leased Premises; and

WHEREAS, Cape May Brewing has requested additional renewal terms in order to provide for two (2) additional renewal terms of one (1) year each, as applicable to the Original Premises and the Expanded Premises, and one renewal period of one (1) year, as applicable to the Additional Premises; and

WHEREAS, Cape May Brewing has requested an additional modification the Lease Agreement to permit an expansion of their business into adjacent Unit #8 and to provide for additional renewal terms for the lease; and

WHEREAS, Cape May Brewing has agreed to pay the Authority annual rental in the amount of Ten Thousand Five Hundred dollars (\$10,500.00) for the expanded space; and

WHEREAS, Cape May Brewing shall have the option of renewing the Lease Agreement for two (2) additional (1) year periods; and

WHEREAS, rent shall adjusted during the renewal periods as follows:

- Original Premises (unit 5) shall be adjusted during each renewal term by the Consumer Price Index (CPI)
- First Expanded Premises (units 6 & 7) shall adjust to \$1,750 a month at the beginning of the first renewal term on March 1, 2016 and shall adjust by the CPI at the beginning of the second renewal term
- Additional Premises (unit 8) shall adjust by the CPI at the beginning of the renewal term; and

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

A motion to approve Resolution 16-02 was made by Commissioner Van Sant, seconded by Commissioner Downes, and approved by a roll call vote of 10-0.

Resolution 16-02 - Executive Summary

- Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Cape May Brewing LLC, regarding the Cape May Airport
- Committee:** Economic Development
- Committee Date:** January 20, 2016
- Board Date:** January 20, 2016
- Purpose of Resolution:** To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease amendment for space at the Cape May Airport.

Background for Resolution:

The Delaware River and Bay Authority operates Building 96 located in the Cape May Airport Industrial Park. Cape May Brewing wishes to lease Unit 8 in Building 96 in order to expand their brewery operation and to add additional renewal terms to their lease agreement. Cape May Brewery currently leases units 5, 6, & 7 in building 96 and Building 97 at the Cape May Airport, but requires more space in order to expand and grow their take out and brewery merchandise business. The lease rate is reflective of the FMV for the property.