

**RESOLUTION 18-03 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE AIR FOODS, 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, Cape Air Foods, LLC desires to lease approximately 1,425 square feet of restaurant space in the Cape May Airport Terminal Building; and

WHEREAS, Cape Air Foods, LLC has agreed to pay the Authority annual rent in the amount of Ten Thousand Six Hundred and Eighty-Seven Dollars 50/100 (\$10,687.50); and

WHEREAS, the initial term of the Lease Agreement is for one (1) year; and

WHEREAS, Cape Air Foods, LLC. with the consent of the Authority, shall have the option of renewing this lease agreement for four (4) option periods of one (1) year each; and

WHEREAS, rent during the options years shall increase annually by the Consumer Price Index (CPI); 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 Air Foods, LLC. and, with the advice and consent of counsel, to have such Lease Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.**

A motion to approve Resolution 18-03 was made by Commissioner Smith, seconded by Commissioner McCann, and approved by a roll call vote of 11-0.

## **Resolution 18-03 Executive Summary**

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

**Committee:** Economic Development

**Committee Date:** January 17, 2018

**Board Date:** January 17, 2018

**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 owns a restaurant facility at the Cape May Airport located in the Terminal Building. Cape Air Foods currently operates out of this facility. During a recent review by the FAA, it was determined that the current rental rate Cape Air Foods Lease Agreement were below the FMV and were in violation of the current FAA regulations. This new Lease Agreement will bring the rental rates to FMV and the lease will be in compliance with the FAA.