

RESOLUTION 23-31 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC FOR BUILDING 96 AT THE CAPE MAY AIRPORT.

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 lease approximately 6,000 square feet of space located in Building 96 and 34,000 sq.ft. of open land which houses their tasting room and beer garden area at the Cape May Airport; and

WHEREAS, CMB has been in occupancy of this building space since 2011; and

WHEREAS, the initial term of the Lease Agreement shall be for five (5) years; and

WHEREAS, CMB has agreed to pay the Authority annual rent in the amount of Sixty-One Thousand Two Hundred and Fourteen Dollars 46/100 (\$61,214.460) during the first year of initial term and Sixty-Five Thousand Four Hundred Dollars 00/100 (\$65,400.00) during the second year of the initial term; and

WHEREAS, rent shall adjust annually by the Consumer Price Index during the remainder of the initial term; and

WHEREAS, CMB shall have the right to renew this agreement for three (3) additional five (5) year terms; and

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

WHEREAS, rent shall adjust annually during each term 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 May Brewing LLC and, with the advice and consent of counsel, to have such Lease Agreement executed by the Chairperson, Vice Chairperson and the Executive Director.

Resolution 23-31 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Cape May Brewing LLC, regarding Building 96 Cape May Airport

Committee: Economic Development

Committee Date: June 21, 2023

Board Date: June 21, 2023

Purpose of Resolution:

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

Background for Resolution:

The Delaware River and Bay Authority (Authority) operates the Cape May Airport at which the Cape May Brewery (CMB) leases multiple spaces. This facility was their original leasehold and they have been at the airport since 2011. The building houses their tasting room and retail sales as well as their beer garden operations. Brewery is currently occupying approximately a total of 36,000 square feet of building space at the airport.