

RESOLUTION 23-66 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ARAMARK SPORTS AND ENTERTAINMENT, LLC AT THE CAPE MAY FERRY TERMINAL

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the Cape-May Lewes Ferry (“CMLF”) which includes the terminal building located in Cape May, New Jersey (the “Cape May Terminal Building”); and

WHEREAS, Aramark Sports and Entertainment, LLC (“Aramark”) desires to lease approximately 11,748 rentable square feet of space in the Cape May Terminal Building and 15,547 rentable square feet of contiguous patio space (the “Leased Premises”) and have periodic exclusive access to the contiguous green; and

WHEREAS, the Leased Premises is being leased in its “as-is” condition and Aramark’s initial offer is to undertake at least five hundred thousand dollars (\$500,000) of capital improvements over the term of the lease, subject to re-amortization if the lease terminates early; and

WHEREAS, the proposed initial term of the lease is ten (10) years with both parties having the option to mutually agree to extend the lease; and

WHEREAS, Aramark has offered to pay the Authority seventy-five thousand dollars (\$75,000) annual base rent during each year of the lease; and

WHEREAS, annual base rent is proposed to increase with a CPI adjustment every five years; and

WHEREAS, in addition to base rent, Aramark has offered to pay the Authority percentage rent at a rate of seven and one-half percent (7.5%) of gross revenues above one million five hundred thousand dollars (\$1,500,000), and ten percent (10%) of gross revenues above three million and one dollars (\$3,000,001); and

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

Resolution 23-66 - Executive Summary

Resolution: Authorizing the Negotiation of a Lease Agreement between the Delaware River and Bay Authority and Aramark Sports and Entertainment, LLC.

Committee: Budget and Finance

Committee/Board Date: December 19, 2023

Purpose of Resolution: To authorize negotiation of a lease agreement with Aramark Sports and Entertainment, LLC to operate food and retail establishments in the Cape May Terminal Building of the Cape-May Lewes Ferry.

Background for Resolution: The Authority circulated a Request for Proposals to lease the space in the Cape May Terminal Building in Cape May, New Jersey and received and evaluated proposals submitted by the following firms:

Aramark Sports and Entertainment, LLC
Nobil Food Services, LLC

The Authority carefully reviewed the proposal submission of each firm, interviewed both, and utilized evaluation criteria to establish a ranked list, with Aramark unanimously being ranked highest. The Authority conducted an analysis of the market to analyze the scope of proposal, will negotiate with said firm to provide compensation to the Authority in the form of base rent plus a share of revenues, at a rate determined to be fair and reasonable.