

RESOLUTION 24-08 - LEASE AMENDMENT 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 6,000 square feet of space in Building 96 comprised of Units 5,6,7 & 8 together with an approximately 40’ x 100’ space directly behind their units at the Cape May Airport; and

WHEREAS, due to NJ ABC restrictions Cape May Brewing LLC would like to remove the additional 30,000 sq.ft. parcel for use as outdoor space along with the right to expand the outdoor space by an additional 42,100 sq.ft.; and

WHEREAS, CMB agrees to pay adjusted rent for year one in the amount of Fifty-Four Thousand Six Hundred and Fourteen 46/100 Dollars (\$54,614.46) and adjusted rent for year two of this agreement in the amount of Fifty-Eight Thousand Eight Hundred Dollars (\$58,800.00) annually; and

WHEREAS, rent shall increase on the second anniversary of the commencement date by the Consumer Price Index (CPI) and on each anniversary moving forward during the remaining years of the initial term; and

WHEREAS, rent shall adjust at the beginning of each renewal term by the current Fair Market Value (FMV); 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 Lease Amendment executed by the Chairperson, Vice Chairperson, and the Executive Director.

Resolution 24-08 - Executive Summary

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

Committee: Economic Development

Committee Date: February 21, 2024

Board Date: February 21, 2024

Purpose of Resolution:

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

Background for Resolution:

The Delaware River and Bay Authority operates a retail building at the Cape May Airport commonly referred to as Building 96. Cape May Brewing currently leases Units 5, 6, 7 & 8 in the building in addition to an associated 4,000 sq.ft of space behind the units at the Cape May Airport. Cape May Brewing began operating an outside beer garden during Covid and desired to make improvements for a permanent facility. Cape May Brewery encountered issues related to permitting and approval with NJ ABC and Lower Township that prohibited the development and no longer has a need for the additional space.