

10862. RESOLUTION 14-29 – SETTLEMENT AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY, CMY DISTILLERY, LLC AND LEE PHILLIPS

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

WHEREAS, the Authority entered into lease negotiations with CMY Distillery, LLC (“CMY”) and Lee Phillips as a member of CMY to lease space at the Cape May Airport; and

WHEREAS, during the course of those negotiations, the Authority and CMY entered into a Storage License Agreement to provide CMY with temporary storage space for equipment in connection with CMY’s business; and

WHEREAS, the Storage License Agreement expired and the Authority terminated any communications regarding leasing any other space; and.

WHEREAS, Phillips filed several Complaints in the Superior Court of New Jersey, Law Division, Special Civil against Michelle Griscom and the Authority alleging a breach of contract; and

WHEREAS, the Authority alleged the Complaints were frivolous and demanded that they be withdrawn; and.

WHEREAS, the parties entered into a Settlement Agreement containing nothing but mutual releases in order to dismiss the litigation with prejudice.

NOW, THEREFORE, BE IT RESOLVED, that the Settlement Agreement shall be executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 14-29 was made by Commissioner Wilson, seconded by Commissioner Downes and approved by a roll call vote of 11-0.

Resolution 14-29 Executive Summary Sheet

Resolution: Settlement Agreement between the Delaware River and Bay Authority, CMY Distillery, LLC and Lee Phillips

Committee: Economic Development

Committee Date: September 16, 2014

Board Date: September 16, 2014

Purpose and Background for Resolution:

In July 2013, the Board authorized staff to enter into lease negotiations with the CMY Distillery LLC to lease space at the Cape May Airport. While those negotiations were ongoing, the Authority entered into a 90-day Storage License Agreement for storage of equipment related to the proposed business. When the Storage License Agreement terminated so did the Authority's communications regarding leasing any other space. Complaints were filed against the Authority and Michelle Griscom alleging a breach of contract. The parties entered into a Settlement Agreement containing nothing but mutual releases in order to dismiss the litigation with prejudice.