

RESOLUTION 19-37- LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GARDEN RESERVE ENERGY, LLC. 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, the Authority is entrusted with the economic expansion and improvement of the airport; and

WHEREAS, Garden Reserve Energy, LLC. (“Garden Energy”) desires to build a battery energy storage facility on approximately twenty (20) acres at the airport; and

WHEREAS, Garden Energy shall have a one (1) year option with four (4) one year extensions on the property in order to complete due diligence and permitting activities;

WHEREAS, Garden Energy has agreed to pay for these options as follows:

Initial year	\$10,000
1 st Extension	\$11,000
2 nd Extension	\$12,000
3 rd Extension	\$15,000
4 th Extension	\$20,000; and

WHEREAS, the initial lease term shall be for twenty (20) years; and

WHEREAS, Garden Energy shall have the right to renew this Lease Agreement (the “Agreement”) for two (2) periods of five (5) years each; and

WHEREAS, Garden Energy has agreed to pay the Authority One Hundred and Five Thousand 00/100 (\$105,000.00) annually;

WHEREAS, during the initial term, rent shall increase annually by 2%; and

WHEREAS, rent shall be adjusted at the beginning of any renewal term to then then Fair Market Value (FMV); and

WHEREAS, rent shall increase annually by 2% during each renewal term; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Garden Reserve Energy, 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 19-37 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Garden Reserve Energy, LLC, regarding Cape May Airport

Committee: Economic Development

Committee Date: September 17, 2019

Board Date: September 17, 2019

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. Garden Reserve Energy, LLC would like to lease a parcel of land in order to construct a battery energy storage facility in support of the State of NJ goal to have energy storage targets of 600 MW by 2021 and 2,000 MW by 2030. The lease rate is based upon our most recent valuation for airport land at the Cape May Airport.