

**10823. RESOLUTION 14-17 - LEASE AGREEMENT AND AMENDMENT TO LEASE AGREEMENT 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 (“Cape May Brewing”) wants to grow and expand its business at the airport; and

WHEREAS, Cape May Brewing desires to lease approximately 15,248 square feet of space in Building 97 at the Airport; and

WHEREAS, Cape May Brewing has agreed to pay the Authority annual rent in the amount of Sixty Nine Thousand Four Hundred and Ninety One 55/100 Dollars (\$69,491.55); and

WHEREAS, the initial term of this agreement shall be for three (3) years; and

WHEREAS, Cape May Brewing shall have the option of renewing the Lease Agreement for two (2) additional three (3) year periods; and

WHEREAS, rent during the additional option period shall be negotiated at the time of the renewal; and

WHEREAS, under an existing lease agreement, Cape May Brewing also leases space in Building 96 as well as approximately 2,500 square feet of space in Building 97 at the Airport for the operation of its microbrewery and related purposes; and

WHEREAS, the new Lease Agreement will include the existing 2,500 square feet of space in Building 97, and Cape May Brewing wishes to modify the existing lease for Building 96 to remove that space from the terms of the existing lease.

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 and, with the advice and consent of counsel, to have such Lease Agreement and Amendment to Lease Agreement executed by the Chairperson, Vice Chairperson and the Executive Director.

A motion to approve Resolution 14-17 was made by Commissioner Lathem, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

## **Resolution 14-17 Executive Summary**

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

**Committee:** Economic Development

**Committee Date:** May 18, 2014

**Board Date:** May 18, 2014

**Purpose of Resolution:**

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

**Background for Resolution:**

The Delaware River and Bay Authority operates a warehouse facility located at the Cape May Airport commonly referred to as Building 97. Cape May Brewing currently leases Units 5, 6 & 7 in an adjacent building at the Cape May Airport. Due to increased demand and the growth of their business, Cape May Brewing needs to expand into Building 97. The purpose is to expand brewing capacity, start a bottling operation and expand administrative office space. They do not intend to vacate the existing space in Building 96 and intend to amend the existing lease agreement for Building 96 and Building 97 space to remove the Building 97 space from that existing lease.