

14363

TO: Honorable Board of Acquisition and Contract

FROM: John J. Hsu, P.E.
Acting Commissioner, Department of Transportation

DATE: September 30, 2010

SUBJECT: Authority for the County of Westchester to execute an agreement to consent to the assignment of a lease agreement with JPMorgan Chase Bank, National Association, for Hangar D-1 at Westchester County Airport to TISMA, Inc. effective October 1, 2010, and amend that lease agreement

Pursuant to a Resolution approved by your Honorable Board on February 24, 2005, the County of Westchester entered into a lease agreement with J.P. Morgan Chase & Co. for Hanger D-1 at Westchester County Airport for a term from April 1, 2005 through March 31, 2010, with the tenant's option to renew the agreement from April 1, 2010 through March 31, 2015. The tenant subsequently exercised its renewal option and also notified the County that its name had been changed to JPMorgan Chase Bank, National Association ("JPMorgan").

JPMorgan has requested the County's consent to assign the lease agreement to TISMA, Inc. ("TISMA") effective October 1, 2010. The assignment will also release JPMorgan from further obligations under the lease. TISMA, headquartered in Washington DC, is a corporate aircraft management and charter company with facilities at Dulles Airport in Virginia and Portsmouth, New Hampshire.

TISMA has requested that the County also amend the lease agreement to eliminate the requirement that the tenant maintain a minimum net worth of \$100,000,000. This figure was appropriate for a firm the size of JPMorgan, but not TISMA. In lieu of that requirement and the required two (2) months' security deposit, TISMA will provide the County with a mutually acceptable letter of credit, certificate of deposit or other financial instrument, equivalent to six (6) months' rent in advance as security for TISMA's faithful performance of lease obligations. All other terms and conditions of the lease will remain unchanged.

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The main goal of this lease assignment is to generate uninterrupted revenue from a County structure located on the airport and to have that structure maintained by the tenant. Airport administration and the Finance Department will invoice the tenant on a monthly basis and oversee tenant compliance.

This lease is exempt from application of the Westchester County Procurement Policy and Procedures pursuant to Section 3(b) thereof.

Accordingly, I recommend approval of the attached proposed Resolution.

JJH/DLV/dv

APPROVED BOARD OF ACQUISITION & CONTRACT - 10-14-2010 - JOMARY VEIRA, SECRETARY

RESOLUTION

Upon a communication from the Acting Commissioner, Department of Transportation, it is hereby

RESOLVED, that the County of Westchester is authorized to execute an agreement to consent to the assignment of a lease agreement with JPMorgan Chase Bank, National Association (“JPMorgan”), for Hangar D-1 at Westchester County Airport to TISMA, Inc. (“TISMA”) effective October 1, 2010; and be it further

RESOLVED, that the assignment shall also release JPMorgan from further obligations under the lease; and be it further

RESOLVED, that the County is also authorized to amend the lease agreement to eliminate the requirement that the tenant maintain a minimum net worth of \$100,000,000; and be it further

RESOLVED, that the County is further authorized to amend the lease agreement to provide that in lieu of the net worth requirement and the required two (2) months’ security deposit, TISMA shall provide the County with a mutually acceptable letter of credit, certificate of deposit or other financial instrument, equivalent to six (6) months’ rent in advance as security for TISMA’s faithful performance of lease obligations; and be it further

RESOLVED, that all other terms and conditions of the lease agreement shall remain unchanged; and be it further

RESOLVED, that the County Executive, or his duly appointed designee be, and hereby is, authorized to execute such documents and take such actions as may be necessary and appropriate to effect the purposes hereof.

Account to be Charged/credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
		N/A	N/A	N/A	N/A	N/A

Budget Funding Year(s) _____ Start Date _____ End Date _____
 (must match resolution)

Funding Source Tax Dollars _____
 State Aid _____
 \$ _____ Federal Aid _____
 (must match resolution)
 Other _____