



Memorandum
Department of Public Works and Transportation

18613

TO: Board of Acquisition and Contract

FROM: John J. Hsu, P.E.
Commissioner of Public Works and Transportation

DATE: April 14, 2011

SUBJECT: Authority for the County of Westchester to extend a lease agreement with EJM Building Services, LLC for the use of Hangar 26 at the Westchester County Airport for an additional five (5) year term commencing January 1, 2012

Pursuant to a Resolution approved by your Honorable Board on December 28, 2006, the County of Westchester (the "County") entered into a lease agreement with EJM Building Services, LLC ("EJM") for the lease of Hangar 26 at the Westchester County Airport for a period of five (5) years. The agreement was a result of a Request for Proposals ("RFP") issued in July 2006 for the lease of Hangar 26 consisting of approximately 14,000 square feet of hangar space, 5,100 square feet of shop and office space along with adjacent ramp space for parking of aircraft. EJM was selected as being in the best interest of the County and entered into a five (5) year lease agreement commencing on January 1, 2007 with an initial rent of \$450,000.00 and annual increases of the greater of 5% or 100% of Consumer Price Index (CPI - NY, NJ, Urban Consumers). Additionally, as part of the proposal, EJM would renovate the facility to include ADA compliance, asbestos abatement, and repaving of the aircraft ramp area.

Authority is now requested for the County of Westchester to extend the lease agreement with EJM for the use of Hangar 26 at the Westchester County Airport for one (1) additional five (5) year term commencing on January 1, 2012. Under the terms of the proposed amendment, the initial annual rental for EJM would increase to \$552,655.00 with annual increases of the greater of 3% or 100% of the Consumer Price Index (CPI - NY, NJ Urban Consumers) with an annual market evaluation allowing for rent stabilization should it be determined that the market rate on the Airport for new leases of like facilities has fallen below the rate charged to EJM.

The agreement will benefit the public by continuing to provide rental income to the Airport from a corporate aviation hangar owned by the County. The goals and objectives of this agreement are to provide aviation related space to a company in need of such space where the Airport collects monthly rent. This agreement will be overseen by Airport Administration and invoices will be sent to EJM on a monthly basis for payment.

This agreement is exempt from the Westchester County Procurement Policy pursuant to Section 3(b) thereof.

I recommend approval of the attached proposed Resolution.

JJH/DLV/dv
Attachment

RESOLUTION

Upon a communication from the Commissioner of Public Works and Transportation, it is hereby

RESOLVED, that the County of Westchester (the "County") is authorized to extend a lease agreement with EJM Building Services, LLC ("EJM") for the use of Hangar 26 at the Westchester County Airport for a five (5) year period commencing on January 1, 2012 and terminating on December 31, 2016; and be it further

RESOLVED, that the initial annual rental shall be \$552,655.00 with annual increases of the greater of 3% or 100% of the Consumer Price Index (CPI – NY, NJ Urban Consumers); and be it further

RESOLVED, that the County shall perform an annual market evaluation to determine that the rental amount charged to EJM has not exceeded the current market rate for new leases of like facilities at the Airport and if it is determined to be in excess, the rent shall be stabilized at the current market rate; 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
	161	44	4110	9096		\$552,655.00 year 2012
	161	44	4110	9096		\$569,235.00 year 2013
	161	44	4110	9096		\$586,312.00 year 2014
	161	44	4110	9096		\$603,901.00 year 2015
	161	44	4110	9096		\$622,018.00 year 2016

Budget Funding Year(s) 2012 - 2016 Start Date 01/01/2012 End Date 12/31/2016
 (must match resolution)

Revenue Source:

Tax Dollars _____

State Aid _____

Federal Aid _____

\$2,934,121.00
 (must match resolution)

Other Airport Special Revenue Fund