

27798

June 27, 2012

TO: Honorable Board of Acquisition and Contract

FROM: Jay T. Pisco, P.E.
Commissioner of Public Works and Transportation

Mary J. Mahon
Director of Real Estate

SUBJECT: Authority to enter into a lease agreement with Airport Mart, Inc. for the operation of food and beverage concessions at the Westchester County Airport for the period of July 1, 2012 through June 30, 2017.
(Lease Agreement No. 12-915)

The County of Westchester, acting by and through the Westchester County Department of Public Works and Transportation (the "Department"), issued a Request for Proposals ("RFP") on March 30, 2012 seeking a vendor to operate certain food and beverage concessions at the Westchester County Airport (the "Airport"). The RFP was advertised in the Journal News, Aviation News Today, AAE Airport Report, and on the County's website. A total of six (6) proposals were received by the Department, two (2) of which were substantially the same and submitted by substantially the same owners. Interviews with all proposers were held during the week of June 4, 2012.

Based on the information submitted as part of the initial proposals, responses during the interviews, and supplemental material received by the County from vendors, the selection committee ranked the proposers as follows:

1. Airport Mart, Inc.
2. Skytop
3. 121 Restaurant Group
4. MSE Brand Foods
5. Aero Service Group

The selection committee determined that the proposal submitted by Airport Mart, Inc. ("Airport Mart") will provide the greatest guaranteed rent to the County. Accordingly, we respectfully request authority for the County to enter into a lease agreement with Airport Mart for the operation of food and beverage concessions at the Westchester County Airport for the period of July 1, 2012 through June 30, 2017. The leased space will consist of approximately 5,000 square feet in the main terminal building.

Airport Mart will operate pre- and post-security food and beverage concessions and will pay the County a minimum annual guaranteed rent of \$375,000.00 plus a percentage of its gross revenue as follows:

- 10.5% on sales of \$2,500,000.00 - \$3,000,000.00
- 6.5% on sales of \$3,000,000.00 - \$3,500,000.00
- 5.5% on sales of \$3,500,000.00 - \$4,000,000.00
- 4.0% on sales of \$4,000,000.00 - \$4,500,000.00
- 3.0% on sales of \$4,500,000.00 - \$5,000,000.00
- 2.0% on sales greater than \$5,000,000.00.

Board of Acquisition and Contract
Lease Agreement No. 12-915
Airport Mart, Inc.
Operation of Food and Beverage Concessions at the
Westchester County Airport
Page 2

The objective of this agreement is to provide revenue to the Westchester County Airport, and provide food and beverage services to travelers and employees at the Airport. The agreement will be monitored by the Department and its airport management firm, AFCO Avports, which will ensure the proper operation of the food and beverage concessions, and monitor receipt of vendor payments.

This agreement is in the best interest of the County and the traveling public. Therefore, we recommend approval of the annexed resolution.

JTP/MJM/DLV/dv

APPROVED BOARD OF ACQUISITION & CONTRACT - 07/12/2012 - JONATHAN VIEIRA, SECRETARY

RESOLUTION

Upon a communication from the Commissioner of Public Works and Transportation and the Director of Real Estate, be it hereby

RESOLVED, that the County of Westchester (the "County") is hereby authorized to enter into a lease agreement with Airport Mart, Inc. ("Airport Mart") for the operation of food and beverage concessions at the Westchester County Airport (the "Airport") for the period of July 1, 2012 through June 30, 2017; and be it further

RESOLVED, that the leased space shall consist of approximately 5,000 square feet in the main terminal building at the Airport; and be it further

RESOLVED, that Airport Mart shall pay the County a minimum annual guaranteed rent of \$375,000.00 plus a percentage of its gross revenue as follows:

- 10.5% on sales of \$2,500,000.00 - \$3,000,000.00
- 6.5% on sales of \$3,000,000.00 - \$3,500,000.00
- 5.5% on sales of \$3,500,000.00 - \$4,000,000.00
- 4.0% on sales of \$4,000,000.00 - \$4,500,000.00
- 3.0% on sales of \$4,500,000.00 - \$5,000,000.00
- 2.0% on sales greater than \$5,000,000.00; and be it further

RESOLVED, that the County Executive or his authorized designee is hereby authorized to execute all instruments necessary to implement this resolution.

Lease Agreement No. 12-915

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	161	44	4110	9096-01		\$187,500.00 Year 2012
	161	44	4110	9096-01		\$375,000.00 Year 2013
	161	44	4110	9096-01		\$375,000.00 Year 2014
	161	44	4110	9096-01		\$375,000.00 Year 2015
	161	44	4110	9096-01		\$375,000.00 Year 2016
	161	44	4110	9096-01		\$187,500.00 Year 2017

Budget Funding Year(s) 2012-2017 Start Date 07/01/2012 End Date 06/30/2017
 (must match resolution)

Funding Source Tax Dollars _____
 State Aid _____
 Federal Aid _____
\$1,875,000.00
 (must match resolution) Other Revenue - Airport Special Revenue Fund