

36338

TO: Board of Acquisition and Contract

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

Mary J. Mahon  
Director of Real Estate

DATE: October 8, 2013

SUBJECT: Authority for the County of Westchester to terminate an agreement with Skytop Aircraft Catering LLC and to enter into a new license agreement effective February 1, 2014. (License Agreement No. WCA13003)

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On January 18, 2007, your Honorable Board approved a Resolution authorizing the County of Westchester (the "County") to enter into a lease agreement with Skytop Aircraft Catering LLC ("Skytop") for the use of approximately 2,700 square feet of space in Building #1 at the Westchester County Airport for a corporate aircraft catering kitchen. The term of the agreement was February 1, 2007 to January 31, 2012, with an option for a five (5) year renewal term to be exercised by Skytop. The lease provides for initial annual rent of \$1,575.00 per month and 3% of the gross receipts in excess of \$750,000.00 up to \$1,250,000.00 due to the County; if sales exceed \$1,250,000.00, 10% would be due to the County. Additionally, Skytop was given a rental abatement of \$45,000.00 over the initial term for its investment of \$170,000.00 to renovate the building.

Authority of your Honorable Board is now sought to terminate this lease agreement and to enter into a new five (5) year license agreement to commence February 1, 2014, with Skytop's option for an additional renewal period of five (5) years. The monthly license fee will be \$2,216.50 for the first three (3) years, subject to annual increases thereafter of 5% or the increase in the Consumer Price Index, whichever is greater. Additionally, Skytop will also be required to pay 1.5% of all gross receipts with no minimum allowance. Skytop will continue to occupy and maintain the 2,700 square feet of space and will be responsible for all non-structural repairs and utility costs associated with its portion of the building.

The goal of this agreement is to receive continued revenue from a long-time tenant that is occupying a building at the Airport and providing an important service to the aviation community and its users. This agreement will be monitored by Airport Administration with monthly invoices sent to Skytop for payment.

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

We recommend approval of the attached proposed Resolution.

# 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 authorized to terminate a lease agreement with Skytop Aircraft Catering LLC ("Skytop") and to enter into a new five (5) year license agreement effective February 1, 2014 through January 31, 2019, with Skytop's option for an additional renewal period of five (5) years, for use of 2,700 square feet of space in Building #1 at the Westchester County Airport for a corporate aircraft catering kitchen; and be it further

**RESOLVED**, that Skytop shall pay the County a monthly license fee of \$2,216.50 for the first three (3) years, subject to annual increases thereafter of 5% or the increase in the Consumer Price Index, whichever is greater; and be it further

**RESOLVED**, that Skytop shall pay the County 1.5% of all gross receipts; and be it further

**RESOLVED**, that Skytop shall be responsible for all associated utilities and non-structural repairs of its portion of the building; 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.

License Agreement No. WCA13003

Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
161	44	4110	9096		\$24,382.00 Year 2014
161	44	4110	9096		\$26,598.00 Year 2015
161	44	4110	9096		\$26,598.00 Year 2016
161	44	4110	9096		\$27,817.00 Year 2017
161	44	4110	9096		\$29,208.00 Year 2018
161	44	4110	9096		\$ 2,444.00 Year 2019

Account to be charged/credited

Budget Funding Year(s) 2014-2019 Start Date 02/01/2014 End Date 01/31/2019  
 (must match resolution)

Funding Source Tax Dollars \_\_\_\_\_  
 State Aid \_\_\_\_\_  
 Federal Aid \_\_\_\_\_  
\$137,047.00  
 (must match resolution) Other Revenue - Airport Special Revenue Fund