

64103

To: Honorable Board of Acquisition and Contract

From: Hugh J. Greechan, Jr., P.E.
Commissioner of Public Works and Transportation

Date: July 9, 2018

Re: Authority to consent to the acquisition of AFCO AvPorts Management, LLC by entities controlled by West Street Global Infrastructure Partners III, with no anticipated change to the executive team and employees who provide management and operation services at Westchester County Airport.

On May 30, 1996, your Honorable Board authorized the County to enter into a contract with Johnson Controls World Services, Inc. ("Johnson Controls") to provide management and operation services at Westchester County Airport (the "Airport") for a period of up to twenty-six (26) years. An agreement, dated June 26, 1997 (the "Agreement"), was subsequently executed by the parties.

On June 6, 1997, your Honorable Board authorized the assignment of the Agreement from Johnson Controls to American Port Services, Inc. ("Amports"). The Assignment of Agreement, dated July 25, 1997, was thereafter executed by all parties.

On December 12, 2002, your Honorable Board authorized the assignment of the Agreement from Amports to Macquarie Aviation North America Inc. ("Macquarie"). The Assignment of Agreement, dated December 12, 2002, was executed by all parties.

On November 20, 2008, your Honorable Board authorized the assignment of the Agreement from Macquarie to AFCO AvPorts Management, LLC ("AvPorts"). The Consent and Agreement, dated December 18, 2008, was thereafter executed by all parties. Aviation Facilities Company, Inc. ("AFCO") guaranteed all of Avports' obligations under the Agreement.

The County has been informed that AvPorts and substantially all of the assets of AFCO are being acquired by entities controlled by West Street Global Infrastructure Partners III ("WSIP III") which operates a family of infrastructure investment funds managed by the Merchant Banking Division of The Goldman Sachs Group, Inc. Jackson Parent, LP, which will, via intermediate entities, own substantially all of the assets of AFCO, will replace AFCO as the guarantor of AvPorts' obligations under the Agreement. This transaction will result in a single, supportive long-term capital partner for Avports. The County has been asked to consent to this transaction whereby AvPorts will remain the contractor to the County. Most importantly, as explained in Exhibit "A" to the annexed proposed Resolution, the AvPorts executive team and employees who operate and manage the Airport on a day-to-day basis will not change as a result of this transaction.

Accordingly, authority is requested to consent to the sale of AvPorts and substitution of guarantor as discussed above. Approval of the attached Resolution by your Honorable Board is requested.

HJG/dlv
Encl.

RESOLUTION

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

RESOLVED, that the County of Westchester (the "County") is hereby authorized to consent to the acquisition of AFCO AvPorts Management, LLC ("AvPorts") by an entity controlled by West Street Global Infrastructure Partners III, with no anticipated change to the AvPorts executive team and employees who provide management and operation services at Westchester County Airport under an agreement with the County dated June 26, 1997 (the "Agreement"), as specified in Exhibit "A" annexed hereto; and be it further

RESOLVED, that the County is hereby authorized to agree that Jackson Parent, LP, which will own substantially all of the assets of Aviation Facilities Company, Inc. ("AFCO"), may replace AFCO as the guarantor of AvPorts' obligations under the Agreement; 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.

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

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

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

EXHIBIT "A"

APPROVED BOARD OF ACQUISITION & CONTRACT - 07/12/2018 - LISA MRIJAJ, SECRETARY

June 26, 2018

The Honorable George Latimer
County Executive of Westchester County
Michaelian Office Building
148 Martine Avenue
White Plains, NY 10601

Subject: Sale of AFCO AvPorts Management LLC

Dear Mr. Latimer:

Following up on our recent call with your staff regarding the County's consent to the sale of AFCO AvPorts Management LLC ("AvPorts"), we wanted to provide some additional information for consideration.

On May 24, 2018, we issued a press release announcing a definitive agreement for the sale of AvPorts to an entity controlled by West Street Global Infrastructure Partners III ("WSIP III"), which operates a family of infrastructure investment funds managed by the Merchant Banking Division of Goldman Sachs. The transaction will result in a transfer of ownership from a diversified base of 50+ individual investors to a single, supportive long-term partner.

Despite the change in ownership, AvPorts, the party to the Contract for the Management & Operation of Westchester County Airport will remain unchanged. No changes to that agreement are being sought. Moreover, to ensure continuity in the airport operation, it is our intent that the existing executive management team, and perhaps more importantly, our local team of managers and employees at Westchester County Airport, will remain in place. Please be assured that it is our plan and goal to provide an uninterrupted and premier level of service that the County has enjoyed since we started operations at Westchester County Airport in 1977.

We are excited about our new relationship with WSIP III. We hope this additional information clarifies the nature of our relationship with WSIP III and provides assurance that it will be business as usual at the airport.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,



Chuck Stipancic
Director

cc: Mr. John Nonna
The County Attorney
Westchester County Department of Law
148 Martine Avenue
White Plains, NY 10601