

64908

To: Honorable Board of Acquisition and Contract

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

Gary A. Friedman, Esq.
Director of Real Estate

DATE: August 29, 2018

SUBJECT: Authority to amend a lease agreement with Coco News of Westchester County Airport, Inc. for the operation of the pre-security newsstand and coffee shop concession at Westchester County Airport for the period of July 1, 2015 through June 30, 2020, to revise the rent formula. (Lease Agreement No. WCA 15006)

On July 22, 2015, the County of Westchester entered into a lease agreement with Coco News of Westchester County Airport, Inc. ("Coco") for the operation of the newsstand and coffee shop concession at Westchester County Airport (the "Airport") for the period of July 1, 2015 through June 30, 2020 (the "Agreement"). Under the Agreement, Coco is required to pay the County a minimum annual guaranteed rent of \$72,000.00 plus 5% of its gross revenue from airport concessions.

The parties have proposed to revise the rent formula, effective July 1, 2018, Coco will pay minimum annual guaranteed rent of \$45,000.00 (\$3,750.00 monthly), which will be subject to a 5% increase effective July 1, 2019. Additionally, Coco will pay 2.5% of year-to-date Gross Receipts, as defined in the Agreement. In the event Coco's year-to-date Gross Receipts exceed \$1,000,000.00, it will pay the County 5% of Gross Receipts, retroactive to dollar one of that lease year. Any overdue rent owed by Coco will be paid as of execution of the amendment. Coco will also begin selling fresh-baked goods every day. All other terms and conditions of the Agreement will remain in full force and effect.

The objective of this agreement is to provide revenue to Westchester County Airport, and provide newsstand and coffee shop 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 concessions, and monitor receipt of vendor payments.

We recommend the adoption of the annexed Resolution.

HJG/GAF/dlv

RESOLUTION

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

RESOLVED, that the County of Westchester (“County”) is authorized to amend a lease agreement with Coco News of Westchester County Airport, Inc. for the operation of the pre-security newsstand and coffee shop concession at Westchester County Airport, for the period of July 1, 2015 through June 30, 2020 (the “Agreement”), to revise the rent formula; and be it further

RESOLVED, that effective July 1, 2018, Coco shall pay minimum annual guaranteed rent of \$45,000.00 (\$3,750.00 monthly), which shall be subject to a 5% increase effective July 1, 2019. Additionally, Coco shall pay 2.5% of year-to-date Gross Receipts, as defined in the Agreement. In the event Coco’s year-to-date Gross Receipts exceed \$1,000,000.00, it shall pay the County 5% of Gross Receipts, retroactive to dollar one of that lease year. Any overdue rent owed by Coco shall be paid as of execution of the amendment. Coco shall also begin selling fresh-baked goods every day; and be it further

RESOLVED, that all other terms and conditions of the Agreement shall remain in full force and effect; and be it further

RESOLVED, that the County Executive or his duly authorized designee is hereby authorized and empowered to execute any and all documents necessary or appropriate to effectuate the purposes hereof.

Lease Agreement No. WCA 15006

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	161	44	4110	9096-01		(\$13,500.00) 2018
	161	44	4110	9096-01		(\$27,000.00) 2019
	161	44	4110	9096-01		(\$13,500.00) 2020

Budget Funding Year(s): 2018-2020 Start Date: 07/01/2018 End Date: 06/30/2020
 (must match resolution)

Funding Source: Tax Dollars _____
 State Aid _____
 Federal Aid _____
 Other Airport Special Revenue Fund

(\$54,000.00)
 (must match resolution)