

75340

TO: Honorable Board of Acquisition and Contract

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

DATE: March 17, 2020

SUBJECT: Authority for the County of Westchester to enter into a lease agreement with Airport Mart Inc., for the operation of a food and beverage concession at the Westchester County Airport for the period of July 1, 2019 through June 30, 2022. (Lease Agreement No. WCA 20006)

Authority of your Honorable Board is requested for the County of Westchester (the "County") to enter into a lease agreement with Airport Mart Inc. ("Airport Mart") for the operation of a food and beverage concession in the terminal building at the Westchester County Airport, for the period of July 1, 2019 through June 30, 2022, to include a coffee shop, restaurant and bar on the second floor and a first floor post security concession in the departure lounge area, with a combined square footage of approximately 5,600 square feet.

The agreement will require Airport Mart to pay the County annual rent of \$409,512.00 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.

In addition to the above rent structure, Airport Mart will also be responsible for payment of all utilities including water, gas and electric.

This lease agreement will benefit the public by providing a needed service to the users of the Airport and by generating rental income payable to the County. The main goal of this agreement is to generate revenue for the County.

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

I recommend approval of the attached proposed resolution.

HJG/DLV/dv
Attachment

R E S O L U T I O N

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

RESOLVED, that the County of Westchester (the “County”) is authorized to enter into a lease agreement with Airport Mart Inc. (“Airport Mart”) for the operation of a food and beverage concession in the terminal building at the Westchester County Airport, for the period of July 1, 2019 through June 30, 2022, to include a coffee shop, restaurant and bar on the second floor and a first floor post security concession in the departure lounge area, consisting of approximately 5,600 square feet of combined space; and be it further

RESOLVED, that the agreement shall require Airport Mart to pay the County annual rent of \$409,512.00 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 Airport Mart shall also be responsible for payment of all utilities, including water, gas and electric; 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.

Lease Agreement No. WCA 20006

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	161	44	4110	9096-01		\$204,756.00 (2019)
	161	44	4110	9096-01		\$409,512.00 (2020)
	161	44	4110	9096-01		\$409,512.00 (2021)
	161	44	4110	9096-01		\$204,756.00 (2022)

Budget Funding Year(s): 2019-2022 Start Date: 07/01/2019 End Date: 06/30/2022
 (must match resolution)

Funding Source: Tax Dollars _____
 State Aid _____
\$1,228,536.00 Federal Aid _____
 (must match resolution) Other Revenue – Airport Special Revenue Fund