

38021

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: January 21, 2014

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

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 from 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.

On October 31, 2013, your Honorable Board approved a Resolution authorizing the County to terminate the Skytop lease and enter into a new license agreement for the use of the same space effective February 1, 2014 through January 31, 2019, with Skytop's option for an additional renewal period of five (5) years. After subsequent discussions, the parties agreed that the new agreement should be a lease agreement rather than a license agreement.

Therefore, it is requested that your Honorable Board rescind the October 31, 2013 Resolution and approve a new Resolution authorizing the County to terminate the current lease agreement and enter into a new five (5) year lease agreement to commence on February 1, 2014, with Skytop's option for an additional renewal period of five (5) years. The monthly rent 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.

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Skytop Aircraft Catering LLC
Space in Building #1, Westchester County Airport
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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 lease 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.

JTP/MJM/DLV/dv
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT 02/20/2014 JOHANNY 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 Resolution approved by this Honorable Board on October 31, 2013 authorizing the County of Westchester (the "County") to terminate a lease agreement with Skytop Aircraft Catering LLC ("Skytop") and enter into a new license agreement effective February 1, 2014 through January 31, 2019, for a corporate aircraft catering kitchen, is hereby rescinded; and be it further

RESOLVED, that the County is authorized to terminate a lease agreement with Skytop and enter into a new lease agreement effective February 1, 2014 through January 31, 2019, with Skytop's option for an additional renewal period of five (5) years, for the 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 rent 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 as additional rent; 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.

Lease Agreement No. WCA13003

Account to be Charged/credited	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		\$27,817.00 Year 2015
	161	44	4110	9096		\$29,208.00 Year 2016
	161	44	4110	9096		\$30,668.00 Year 2017
	161	44	4110	9096		\$32,202.00 Year 2018
	161	44	4110	9096		\$ 2,694.00 Year 2019

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	
<u>\$146,971.00</u> (must match resolution)	Other	Revenue - Airport Special Revenue Fund