

56696

April 24, 2017

TO: Honorable Board of Acquisition and Contract

FROM: Vincent F. Kopicki, P.E.
Commissioner of Public Works and Transportation

Adam Rodriguez
Director of Real Estate

SUBJECT: Authority to amend a lease agreement with Flexjet, LLC for Hangar "F" at Westchester County Airport. (Lease Agreement No. WCA 16001)

Authority of your Honorable Board is requested for the County of Westchester to amend a lease agreement entered into on January 1, 2016 with Flexjet, LLC ("Flexjet") for Hangar "F" at Westchester County Airport.

Hangar "F" consists of approximately 30,000 square feet of hangar space and approximately 14,214 square feet of office space, as well as aircraft ramps and automobile parking areas. Pursuant to Local Law 16-2015 adopted by your Honorable Board on December 7, 2015, the County was authorized to enter into a lease agreement with Flexjet for the use of Hangar "F" for a term of ten (10) years, with Flexjet having the option to renew for two (2) additional ten (10) year terms (the "Lease Agreement"). The rent is \$96,666.66 per month for the initial year of the Lease Agreement and is subject to increases thereafter.

The Lease Agreement also requires the County to replace a sidewalk, parking lot paving, asphalt curb, catch basins, and fencing, remove a flagpole and install a natural gas line to the meter serving Hangar "F" ("Additional Improvements").

The proposed amendment will require Flexjet to perform the Additional Improvements in a manner required by Article 5 of the Lease Agreement, and shall be subject to acceptance and approval of the County. After the Additional Improvements are complete, and proof of actual cost is submitted to the County, Flexjet will receive an abatement of the cost of the work. The abatement will be applied in reduction of the monthly installments of base rent over a period of eighteen (18) months, up to a maximum abatement of \$500,000.00.

On April 24, 2017, the Board of Legislators adopted a Local Law authorizing the County to amend the Lease Agreement with Flexjet.

This agreement will benefit the County by providing needed improvements to a facility in a timely manner while maintaining rental income to the Airport. All improvements will be reviewed by the Department of Public Works and Transportation for completion and workmanship prior to any abatement being issued to the tenant.

This amendment is in the best interest of the County. Therefore, we recommend approval of the annexed 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 amend a lease agreement entered into on January 1, 2016 with Flexjet, LLC ("Flexjet") for Hangar "F" at Westchester County Airport (the "Lease Agreement"); and be it further

RESOLVED, that pursuant to the terms of the amendment, Flexjet shall replace a sidewalk, parking lot paving, asphalt curb, catch basins, and fencing, remove a flagpole and install a natural gas line to the meter serving Hangar "F" ("Additional Improvements"). The Additional Improvements shall be performed in a manner required by Article 5 of the Lease Agreement, and shall be subject to acceptance and approval of the County. After the Additional Improvements are complete, and proof of actual cost is submitted to the County, Flexjet shall receive an abatement of the cost of the work. The abatement shall be applied in reduction of the monthly installments of base rent over a period of eighteen (18) months, up to a maximum abatement of \$500,000.00; and be it further

RESOLVED, that all remaining terms and conditions of the Lease Agreement shall remain unchanged; 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.

Lease Agreement No. WCA 16001

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	161	44	4110	9096		(\$166,667.00) Year 2017
	161	44	4110	9096		(\$333,333.00) Year 2018

Budget Funding Year(s) **2017-2018** Start Date **07/01/2017** End Date **12/31/2018**
(must match resolution)

Funding Source Tax Dollars _____
 State Aid _____
 Federal Aid _____
(\$500,000.00) Other **Airport Special Revenue Fund**
(must match resolution)