

57776

DATE: June 26, 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

RE: Authority for the County of Westchester to enter into a lease agreement with Tisma, Inc. for the use of a portion of the hangar and surrounding premises known as Hangar D at the Westchester County Airport.
(Lease Agreement No. WCA 17005)

Authority is respectfully requested from your Honorable Board for the County of Westchester (the "County") to enter into a lease agreement (the "Lease") with Tisma, Inc. ("Tisma") for the use of a portion of the hangar and surrounding premises known as Hangar D (the "Leased Premises") at the Westchester County Airport (the "Airport"), for a term commencing on July 1, 2017 and continuing through June 30, 2022 (the "Initial Term"), with Tisma having the option to renew the lease for one (1) additional five (5) year period, from July 1, 2022 through June 30, 2027.

Under the Lease:

- a.) Tisma will pay the County a monthly base rent of \$56,156.53 during the initial year of the Lease, with said monthly base rent being increased effective January 1 of each succeeding year by the greater of three percent (3%) or one hundred percent (100%) of the increase in the consumer price index for urban consumers NY/NJ in January as calculated for the one year period, but with a market evaluation of the rent to be performed at specified intervals such that, based on the evaluation's findings, the rent might not be increased for a period of time;
- b.) Tisma will also, during the Initial Term, monthly pay the County \$166.67, as reimbursement for the anticipated costs and expenses to be incurred by the County in decommissioning and removing the petroleum tanks at Hangar D that have served the Leased Premises;

- c.) Tisma will, in concert with the other tenants of Hangar D, perform various improvements to Hangar D, and the County will provide Tisma, over a period of months, a total aggregate abatement of monthly base rent that shall not exceed \$1,012,445.10, which will be based on Tisma's contributions to said various improvements, and which will represent less than half of the cost of the improvements provided by Tisma; and
- d.) Tisma will pay the County additional rent for various other things, if and as applicable, including, without limitation, its proportionate share of any federal, state or locally mandated security measures reasonably related to the use of the Leased Premises.

The Lease will serve a public purpose by providing the Airport with both revenue and improvements, with such improvements being made at only partial cost to the Airport.

The goal and objective of the Lease is to provide the Airport with both revenue and improvements, with such improvements being made at only partial cost to the Airport.

The goal and objective of the Lease is in the best interests of the County in terms of fiscal responsibility, as it will provide the Airport with revenue for use of an existing Airport asset, as well as provide improvements to that asset at only partial cost to the Airport.

The goal and objective of the Lease will be tracked and monitored by the staff of the Department of Public Works and Transportation and the Airport.

The Lease is exempt from the requirements of the Westchester County Procurement Policy pursuant to Section 3(b) thereof.

I respectfully recommend the adoption of the attached resolution.

RESOLUTION

Lease Agreement No. WCA 17005

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 hereby authorized to enter into a lease agreement (the "Lease") with Tisma, Inc. ("Tisma") for the use of a portion of the hangar and surrounding premises known as Hangar D at the Westchester County Airport (the "Leased Premises"), for a term commencing on July 1, 2017 and continuing through June 30, 2022 (the "Initial Term"), with Tisma having the option to renew the lease for one (1) additional five (5) year period, from July 1, 2022 through June 30, 2027; and be it further

RESOLVED, that, under the Lease:

- a.) Tisma will pay the County a monthly base rent of \$56,156.53 during the initial year of the Lease, with said monthly base rent being increased effective January 1 of each succeeding year by the greater of three percent (3%) or one hundred percent (100%) of the increase in the consumer price index for urban consumers NY/NJ in January as calculated for the one year period, but with a market evaluation of the rent to be performed at specified intervals such that, based on the evaluation's findings, the rent might not be increased for a period of time;
- b.) Tisma will also, during the Initial Term, monthly pay the County \$166.67, as reimbursement for the anticipated costs and expenses to be incurred by the County in decommissioning and removing the petroleum tanks at Hangar D that have served the Leased Premises;
- c.) Tisma will, in concert with the other tenants of Hangar D, perform various improvements to Hangar D, and the County will provide Tisma, over a period of months, a total aggregate abatement of monthly base rent that shall not exceed \$1,012,445.10, which will be based on Tisma's contributions to said various improvements, and which will represent less than half of the cost of the improvements provided by Tisma; and
- d.) Tisma will pay the County additional rent for various other things, if and as applicable, including, without limitation, its proportionate share of any federal, state or locally mandated security measures reasonably related to the use of the Leased Premises.

; and be it further

RESOLUTION

RESOLVED, that the County Executive or his duly authorized designee is hereby authorized to execute any documents and take any actions reasonably necessary and appropriate to effectuate the purposes of this Resolution.

Lease Agreement No. WCA 17005

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
Year 2017	161	44	4110	9096-01		\$337,939.18
Year 2018	161	44	4110	9096-01		\$685,986.56
Year 2019	161	44	4110	9096-01		\$706,506.19
Year 2019	161	44	4110	9096-01		(\$202,488.60)
Year 2020	161	44	4110	9096-01		\$727,641.39
Year 2020	161	44	4110	9096-01		(\$202,488.60)
Year 2021	161	44	4110	9096-01		\$749,410.64
Year 2021	161	44	4110	9096-01		(\$202,488.60)
Year 2022	161	44	4110	9096-01		\$770,832.97
Year 2022	161	44	4110	9096-01		(\$202,488.60)
Year 2023	161	44	4110	9096-01		\$792,927.97
Year 2023	161	44	4110	9096-01		(\$202,488.60)
Year 2024	161	44	4110	9096-01		\$816,715.82
Year 2025	161	44	4110	9096-01		\$841,217.31
Year 2026	161	44	4110	9096-01		\$866,453.84
Year 2027	161	44	4110	9096-01		\$439,629.29

Budget Funding Year(s) 2017-2027 Start Date 07/01/2017 End Date 06/30/2027
 (must match resolution)

Funding Source: Tax Dollars _____
 State Aid _____
\$6,722,818.16 Federal Aid _____
 (must match resolution) Other Airport Special Revenue Fund

APPROVED BOARD OF ACQUISITIONS & CONTRACTS - 07/06/2017 - LISA KRAJ, SECRETARY