

28908

August 24, 2012

TO: The Honorable Board of Acquisition and Contract

FROM: Jay T. Pisco, P.E.
Commissioner of Public Works and Transportation

Mary J. Mahon
Director of Real Estate

RE: **Resolution Authorizing the County of Westchester to enter into a five year Lease Agreement with GHP 145 Huguenot Delaware, LLC, for space at 145 Huguenot Street in the City of New Rochelle commencing November 1, 2012. (Agreement No. 12-919)**

Since 1997, the County of Westchester (the "County") has occupied under a lease agreement approximately 56,618 square feet of space on the seventh and eighth floors of the building at 145 Huguenot Street, New Rochelle, New York (the "Building") for use by the Department of Health ("DOH"). Effective November 1, 2012, as a result of efforts to reduce operating costs (i.e. lease payments to third parties), increase efficiency, and consolidate operations of the DOH to the extent possible into County-owned space, the County will surrender the eighth floor and reduce its tenancy to 28,309 square feet.

Retaining the two floors for the next five years would have cost the County approximately \$1,211,625.40 for base rent and parking per year, or \$6,058,127.00 for the five-year term. By leasing only the seventh floor, the average annual rent will be \$700,541.62 or \$3,502,708.10 for the five-year term. Savings for the County on base rent at this location for the DOH will be \$2,555,419.00 over five years. In addition, DOH is vacating space it leases in Mount Kisco at 118 North Bedford Road. This will permit an additional savings in base rent of \$713,000.00 over five years.

DOH offices will be re-stacked as follows: 131 employees will remain in New Rochelle pursuant to a new five year lease agreement with GHP 145 Huguenot Delaware, LLC; 53 employees will be relocated to a County-owned office building, 25 Moore Avenue in Mount Kisco (formerly the offices of Parks); 16 employees will be relocated to a County-owned office building, 750 Washington Street in Peekskill (formerly used by Mental Health); and the remaining 38 employees have been relocated to space currently under lease to the County at 10 County Center in White Plains.

Following completion of the relocations, leased space will be reduced by approximately 24,000 square feet. Savings to DOH on base rent in leased space over five years will total approximately \$2,405,419.00.

The base rent and parking costs for the lease commencing November 1, 2012 and terminating October 31, 2017 are as follows:

Period	Per SF Rental	Annual Office Rent	Annual Parking Rent	Monthly basic Rent
11/1/12 – 10/31/13	\$21.50	\$608,643.50	\$66,420.00	\$56,255.29
11/1/13 – 10/31/15	\$22.25	\$629,875.25	\$66,420.00	\$58,024.61
11/1/15 – 10/31/17	\$23.00	\$651,107.00	\$66,420.00	\$59,793.92

Under the lease, the County will have 150 permits for parking spaces (27 of which will be provided by the Landlord on-site at no additional charge). Off-site parking will be in the New Roc Parking Garage and the County will be charged a monthly rate of \$45.00 for each permit, which reflects a ten percent (10%) discount off the current market rate. The County shall be obligated to pay to the Landlord any increase in the cost of the off-site parking permits in the New Roc Parking Garage.

The County shall be responsible for its pro rata share of increases in operating costs and taxes over the base year of 2012. Additionally, the County will be responsible for electricity costs based on a separate electric meter.

This lease is in the public's best interest as it continues to provide the DOH with office space necessary to offer health services to residents of the County. There are no energy or environmental components associated with this agreement.

This lease is exempt from the Westchester County Procurement Policy and Procedures pursuant to Section 3(b) therein. Approval of the attached Resolution is respectfully requested.

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 is hereby authorized to enter into a five year lease agreement commencing November 1, 2012 with GHP 145 Huguenot Delaware, LLC for approximately 28,309 square feet, with basic rental fees as follows:

Period	Per SF Rental	Annual Office Rent	Annual Parking Rent	Monthly basic Rent
11/1/12 – 10/31/13	\$21.50	\$608,643.50	\$66,420.00	\$56,255.29
11/1/13 – 10/31/15	\$22.25	\$629,875.25	\$66,420.00	\$58,024.61
11/1/15 – 10/31/17	\$23.00	\$651,107.00	\$66,420.00	\$59,793.92

; and be it further

RESOLVED, that the County shall receive the use of 150 parking spaces under the lease (123 of which will be located off-site in the New Roc Parking Garage and the County shall pay at the monthly rate of \$45.00 per space; the County will also receive 27 on-site parking spaces at no additional parking charge). The County shall be obligated to pay to the Landlord 100% of any increase in the cost of the off-site parking permits in the New Roc parking garage; and be it further

RESOLVED, that the base operating year shall be 2012 and the County will be responsible for its pro rata share of increases in operating costs and taxes over the base operating year of 2012; and be it further

RESOLVED, that the County shall be responsible for its electricity costs based on a separate electric meter; and be it further

RESOLVED, that this Lease is subject to County appropriations; 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 and appropriate to effectuate the purpose hereof.

Lease Agreement No. 12-919

Account to be Charged/credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	101	46	3380	4320		\$112,510.48 (2012)
	101	46	3380	4320		\$678,602.12 (2013)
	101	46	3380	4320		\$696,295.32 (2014)
	101	46	3380	4320		\$699,833.94 (2015)
	101	46	3380	4320		\$717,527.04 (2016)
	101	46	3380	4320		\$597,939.20 (2017)

Budget Funding Year(s) 2012-2017 Start Date November 1, 2012 End Date October 31, 2017
 (must match resolution)

Funding Source Tax Dollars 100% County
 State Aid _____
 Federal Aid _____
\$3,502,708.10
 (must match resolution) Other _____