

62328

March 28, 2018

To: The Honorable Board of Acquisition and Contract

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

Gary A. Friedman, Esq.  
Director of Real Estate

Re: Authority to enter into a lease agreement with North Brook Realty Associates for approximately 20,000 square feet of space at 270 North Avenue, New Rochelle, New York, for a term commencing on April 1, 2018 and expiring on March 31, 2023. (Agreement No. 18-909)

Authority is requested for the County of Westchester ("County") to enter into a lease with North Brook Realty Associates, a general partnership having an office and place of business at 270 North Avenue, New Rochelle, New York (the "Landlord") for approximately 20,000 square feet of office space at 270 North Avenue, New Rochelle, New York, for a term commencing on April 1, 2018 and expiring on March 31, 2023. The space, on the 5<sup>th</sup> and 6<sup>th</sup> floors, will be occupied by the Department of Environmental Facilities.

The County has occupied space in this building since 1993. In the last year of the recently expired lease, the County paid \$477,000.00 in rent. However, the terms have been renegotiated in order to substantially reduce the rent. Under the new lease, the County will pay rent at the following rates:

Period	Annual Fixed Rent	Monthly Fixed Rent
4/1/18 - 3/31/19	\$350,000.00	\$29,166.66
4/1/19 - 3/31/20	\$365,000.00	\$30,416.67
4/1/20 - 3/31/21	\$381,000.00	\$31,750.00
4/1/21 - 3/31/22	\$398,000.00	\$33,166.67
4/1/22 - 3/31/23	\$417,000.00	\$34,750.00

Under the terms of the lease the County will also be responsible to pay as additional rent its proportionate share of any increase in property taxes over and above the base amount of the taxes for the calendar year 2018 as to City and County tax and 2017/2018 as to School tax attributable to the property of which the Leased Premises are a part.

The Landlord will be responsible, at its cost, for the following work: paint the occupied space; replace carpet in 6<sup>th</sup> floor Reception Area, Commissioner's Office, Conference Room and Copy Room; repair carpet on the 5<sup>th</sup> and 6<sup>th</sup> floor hallways, as needed; install a reception desk on the 6<sup>th</sup> floor; and replace existing kitchenettes on the 5<sup>th</sup> and 6<sup>th</sup> floors. The lease also includes, at no additional charge, the use of twenty-four (24) on-site parking spaces and an additional three (3) parking spaces for the County's use off-site. The lease will also contain a mutual indemnification clause whereby the County and the Landlord will indemnify each other for damages caused by the indemnifying party. Either party may cancel the lease at or after 36 months upon six months' written notice to the other party.

Board of Acquisition and Contract  
Lease Agreement No. 18-909  
North Brook Realty Associates  
Space at 270 North Avenue, New Rochelle, New York  
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This lease agreement serves a public purpose because it will continue to provide the Department of Environmental Facilities with sufficient space to provide its programs to the residents of Westchester County. There are no energy or environmental components associated with this agreement. This agreement will be monitored by the Department of Public Works and Transportation to ensure that the lease responsibilities are met by the Landlord.

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

Approval of the attached Resolution is recommended.

HJG/GAF/dlv

APPROVED BOARD OF ACQUISITION & CONTRACT - 04/26/2018 - LISA MARIJAJ, 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 County of Westchester (“County”) is authorized to enter into a lease agreement with North Brook Realty Associates, a general partnership having an office and place of business at 270 North Avenue, New Rochelle, New York (the “Landlord”) for approximately 20,000 square feet of office space encompassing the fifth floor and sixth floors at 270 North Avenue, New Rochelle, New York, for a term commencing on April 1, 2018 and expiring on March 31, 2023, at rental rates as follows:

Period	Annual Fixed Rent	Monthly Fixed Rent
4/1/18 - 3/31/19	\$350,000.00	\$29,166.66
4/1/19 - 3/31/20	\$365,000.00	\$30,416.67
4/1/20 - 3/31/21	\$381,000.00	\$31,750.00
4/1/21 - 3/31/22	\$398,000.00	\$33,166.67
4/1/22 - 3/31/23	\$417,000.00	\$34,750.00

and be it further

**RESOLVED**, that under the terms of the lease the County shall also be responsible to pay as additional rent its proportionate share of any increase in property taxes over and above the base amount of the taxes for the calendar year 2018 as to City and County tax and 2017/2018 as to School tax attributable to the property of which the Leased Premises are a part; and be it further

**RESOLVED**, that the Landlord shall be responsible, at its cost, for the following work: paint the occupied space; replace carpet in 6<sup>th</sup> floor Reception Area, Commissioner’s Office, Conference Room and Copy Room; repair carpet on the 5<sup>th</sup> and 6<sup>th</sup> floor hallways, as needed; install a reception desk on the 6<sup>th</sup> floor; and replace existing kitchenettes on the 5<sup>th</sup> and 6<sup>th</sup> floors. The lease also includes, at no additional charge, the use of twenty-four (24) on-site parking spaces and an additional three (3) parking spaces for the County’s use off-site. The lease will also contain a mutual indemnification clause whereby the County and the Landlord will indemnify each other for damages caused by the indemnifying party; and be it further

**RESOLVED**, that the lease shall provide that either party may cancel it at or after 36 months upon six months’ written notice to the other party; and be it further

**RESOLVED**, that this Agreement shall be subject to County appropriations; and be it further

# RESOLUTION

**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 purposes hereof.

Lease Agreement No. 18-909

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	101	46	3300/3360	4320		\$262,499.94 (2018)
	101	46	3300/3360	4320		\$361,250.00 (2019)
	101	46	3300/3360	4320		\$377,000.01 (2020)
	101	46	3300/3360	4320		\$393,750.03 (2021)
	101	46	3300/3360	4320		\$412,250.01 (2022)
	101	46	3300/3360	4320		\$104,250.01 (2023)

Budget Funding Year(s): 2018-2023      Start Date: 04/01/2018      End Date: 03/31/2023  
 (must match resolution)

Funding Source:      Tax Dollars      100% County  
                                  State Aid      \_\_\_\_\_  
\$1,911,000.00      Federal Aid      \_\_\_\_\_  
 (must match resolution)      Other      \_\_\_\_\_

APPROVED BOARD OF ACQUISITION & CONSTRUCTION - 04/26/2018 - LISA MRIJAJ, SECRETARY