

70010

DATE: May 29, 2019

TO: 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 for the County of Westchester to amend a lease agreement with Spruce Spires Associates, LP for office space at 420 North Avenue in New Rochelle, New York, to extend the term of the lease by two (2) years, to a new expiration date of June 30, 2021. (Lease Agreement No. 17-901)

By a resolution approved on February 16, 2017 (the "First Resolution"), your Honorable Board authorized the County of Westchester (the "County") to enter into a lease agreement (the "2017 Lease") with Spruce Spires Associates, LP ("Spruce Spires"), pursuant to which the County was to continue leasing from Spruce Spires office space at 420 North Avenue in New Rochelle (the "Building"), consisting of approximately 2,627 square feet on the second floor of the Building and approximately 11,325 square feet on the third floor of the Building (the "Leased Premises"), for the period from January 1, 2017 through March 31, 2018, and otherwise on the terms specified in the 2017 Lease, including the applicable terms of the previous lease between the County and Spruce Spires for the Leased Premises, to which the 2017 Lease would refer, and both of which were attached to the First Resolution and made a part thereof. The 2017 Lease was subsequently executed.

By a resolution approved on December 20, 2018 (the "Second Resolution"), your Honorable Board authorized the County to amend the 2017 Lease by, a.) extending its term by fifteen (15) months, to a new expiration date of June 30, 2019, and b.) modifying the Basic Rent (as defined therein) such that it would be payable at, i.) a monthly rate of \$32,522.11 for the period from April 1, 2018 through March 31, 2019, and ii.) a monthly rate of \$35,232.29 for the period from April 1, 2019 through June 30, 2019 (the "First Amendment"). The First Amendment was subsequently executed.

The County continues to require the use of the Leased Premises for the Westchester County Family Court and such departments, commissions, boards, or offices of the County government as the County may deem appropriate. The County would also benefit from the use of additional space at the Building. Therefore, the County respectfully requests authority from your Honorable Board to amend the 2017 Lease, as amended by the First Amendment, (the "Lease") by, a.) extending its term by two (2) years, to a new expiration date of June 30, 2021; b.) increasing the size of the Leased Premises by an additional approximately 17,175 square feet on the first floor and 9,620 square feet on the second floor of the Building, to a new total of approximately 40,747 square feet; and c.) specifying the rent and costs under the Lease effective July 1, 2019, such that the County will be responsible for payment of all utilities for the Leased Premises and pay a fixed monthly rent as follows: i.) a monthly rent of \$101,867.50 for the period from July 1, 2019 through June 30, 2020, and ii.) a monthly rent of \$104,923.53 for the period from July 1, 2020 through June 30, 2021 (the "Second Amendment").

Under the Second Amendment, should the County continue to occupy the Leased Premises after June 30, 2021 as a hold-over tenant, the County will be required to pay, for use and occupancy of such holding over, for each calendar month, or proportionate part thereof, at a monthly rate of \$209,847.06.

Except as specifically described above, all terms and conditions of the Lease shall remain in full force and effect.

The proposed Second Amendment will serve a public purpose by continuing to provide office space for the Westchester County Family Court and such departments, commissions, boards, or offices of the County government as the County may deem appropriate.

The goal and objective of the proposed Second Amendment is to continue to provide office space for the Westchester County Family Court and such departments, commissions, boards, or offices of the County government as the County may deem appropriate.

The goal and objective of the proposed Second Amendment is in the best interests of the County in terms of public safety, health, and welfare as providing office space for the Westchester County Family Court and such departments, commissions, boards, or offices of the County government as the County may deem appropriate, will facilitate the County operations that, in various different ways, advance public safety, health, and welfare.

The goal and objective of the proposed Second Amendment will be tracked and monitored by the staff of the Department of Public Works and Transportation and the Director of Real Estate.

The proposed Second Amendment is exempt from the Westchester County Procurement Policy pursuant to Section 3(b) thereof.

I respectfully recommend the adoption of the attached resolution.

HJG/GF/bdm/nn

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 hereby authorized to amend a lease agreement with Spruce Spires Associates, LP (“Spruce Spires”), pursuant to which the County was to lease from Spruce Spires office space at 420 North Avenue in New Rochelle (the “Building”), consisting of approximately 2,627 square feet on the second floor of the Building and approximately 11,325 square feet on the third floor of the Building (the “Leased Premises”), for the period from January 1, 2017 through June 30, 2019, (the “Lease”), by, a.) extending its term by two (2) years, to a new expiration date of June 30, 2021; b.) increasing the size of the Leased Premises by an additional approximately 17,175 square feet on first floor and 9,620 square feet on the second floor of the Building, to a new total of approximately 40,747 square feet; and c.) specifying the rent and costs under the Lease effective July 1, 2019, such that the County will be responsible for payment of all utilities for the Leased Premises and pay a fixed monthly rent as follows: i.) a monthly rent of \$101,867.50 for the period from July 1, 2019 through June 30, 2020, and ii.) a monthly rent of \$104,923.53 for the period from July 1, 2020 through June 30, 2021 (the “Second Amendment”); and be it further

RESOLVED, that, under the Second Amendment, should the County continue to occupy the Leased Premises after June 30, 2021 as a hold-over tenant, the County will be required to pay, for use and occupancy of such holding over, for each calendar month, or proportionate part thereof, at a monthly rate of \$209,847.06; and be it further

RESOLVED, that except as specifically hereby authorized to be amended, all terms and conditions of the Lease shall remain in full force and effect; and be it further

RESOLVED, that the County Executive or his duly authorized designee is empowered to execute all documents and take all actions necessary to effect the purpose of this resolution.

Lease Agreement No. 17-901

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	101	46	3325	4320		\$ 611,205.00 (2019)
	101	46	3325	4320		\$1,240,746.18 (2020)
	101	46	3325	4320		\$ 629,541.18 (2021)

Budget Funding Year(s): 2019-2021 Start Date 07/01/2019 End Date 06/30/2021
 (must match resolution)

Funding Source: Tax Dollars 100% County

State Aid _____

\$2,481,492.36 Federal Aid _____

(must match resolution)

Other _____