

70619

July 10, 2019

TO: 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

SUBJECT: Authorization to terminate the existing lease with One Gateway Plaza, LLC for the term February 1, 2015 through January 31, 2020, effective May 31, 2019, and enter into a five (5) year Lease Agreement with Port Chester Gateway, LLC commencing June 1, 2019 for approximately 1,680 square feet of space located at One Gateway Plaza, Port Chester, New York, for a first year base monthly rent of \$3,500.00. (Lease Agreement No. 19-919)

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Since 2003, the County of Westchester (the "County") has leased space at One Gateway Plaza, Port Chester, New York for the County's Department of Health to operate the Women Infant Children ("WIC") Program. The current lease will expire on January 31, 2020; however, the County has been able to negotiate a forty four (44%) percent rent reduction with the new landlord, Port Chester Gateway, LLC (the "Landlord") that acquired the property in the summer 2018. The Landlord has agreed to reduce the base rent under the new lease for the term June 1, 2019 through May 31, 2024 so that rental payments for the first year under the new lease will be reduced by forty four (44%) percent which amounts to a reduction of \$1,385.00 per month for the first year of the lease beginning June 1, 2019.

The attached resolution authorizes the County to terminate the existing lease with One Gateway Plaza LLC (the prior landlord) for the term February 1, 2015 through January 31, 2020, effective as of May 31, 2019, and enter into a new five (5) year lease with the Landlord commencing June 1, 2019 for approximately 1,680 square feet of space located on the first floor at One Gateway Plaza for a first year base monthly rent of \$3,500.00, subject to \$840.00 annual increases. 2019 will be the new base operating year and tax year, with July 1, 2018 through June 30, 2019 as base year for school taxes, and June 1, 2018 through May 31, 2019 as base year for village taxes. The County will also be responsible for additional rent consisting of: 1) a tax escalation (the County's pro rata share of tax increases based on the County's percentage of the entire space in the building); 2) expense escalation (the County's pro rata share of the Landlord's expense increases related to the operation and maintenance of the building project based on the County's percentage of the entire space in the building); and 3) electric charges at a rate of \$2.74 per square foot, subject to increases based on increases in the Landlord's electric rates. At no additional cost, the County will be provided with two assigned parking spaces and three unassigned parking spaces to be provided by the Landlord under the lease terms in the Metro North Parking facility adjacent to the leased premises. The Landlord has also agreed to paint the leased premises, replace the sink faucet, flush out the plumbing system, repair an exterior door, repair and remove mold around windows and provide wet weather mats during bad weather.

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Space at One Gateway Plaza, Port Chester, New York  
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This lease is necessary to provide for the continuance of the operation of the essential WIC Program and provides taxpayers with vital WIC Program services. This agreement will be monitored by the Department of Public Works and Transportation to insure that the lease responsibilities are met by the owner.

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

Your approval of the attached resolution is respectfully requested.

HJG/GAF/di  
Attachment

APPROVED BOARD OF ACQUISITION & CONTRACT 08/01/2019 - 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 (the “County”) is authorized to terminate the existing lease with One Gateway Plaza LLC for the term February 1, 2015 through January 31, 2020, effective as of May 31, 2019, and to enter into a new five (5) year lease agreement with Port Chester Gateway, LLC (the “Landlord”) commencing June 1, 2019 for approximately 1,680 square feet of space located at One Gateway Plaza, Port Chester, New York, for a first year base monthly rent of \$3,500.00, subject to annual increases of \$840.00. 2019 will be the new base operating year and tax year with July 1, 2018 through June 30, 2019 as base year for school taxes, and June 1, 2018 through May 31, 2019 as base year for village taxes; and be it further

**RESOLVED**, that the County will also be responsible for additional rent consisting of: 1) a tax escalation (the County’s pro rata share of tax increases based on the County’s percentage of the entire space in the building project); 2) expense escalation (the County’s pro rata share of the Landlord’s expense increases related to the operation and maintenance of the building project based on the County’s percentage of the entire space in the building project); and 3) electric charges at a rate of \$2.74 per square foot, subject to increases based on increases in the Landlord’s electric rates; and be it further

**RESOLVED**, that at no additional cost two assigned parking spaces and three unassigned parking spaces will be provided by the Landlord under the lease terms in the Metro North Parking facility adjacent to the leased premises; and be it further

**RESOLVED**, that the Landlord shall paint the leased premises, replace the sink faucet, flush out the plumbing system, repair an exterior door, repair and remove mold around windows and provide wet weather mats during bad weather; and be it further

**RESOLVED**, that this lease agreement is executory only to the extent of monies appropriated and available for the purposes of this lease; and be it further

**RESOLVED**, that the County Executive or his duly authorized designee is hereby authorized and empowered to execute all instruments and to take all actions necessary to effectuate the purposes hereof.

**Lease Agreement No. 19-919**

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	101	46	3300/3343	4320		\$27,185.20 (2019)
	101	46	3300/3343	4320		\$47,093.20 (2020)
	101	46	3300/3343	4320		\$47,933.20 (2021)
	101	46	3300/3343	4320		\$48,773.20 (2022)
	101	46	3300/3343	4320		\$49,613.20 (2023)
	101	46	3300/3343	4320		\$20,818.00 (2024)

Budget Funding Year(s): 2019-2024 Start Date: 06/01/2019 End Date: 05/31/2024  
 (must match resolution)

Funding Source: Tax Dollars 100% County  
 State Aid \_\_\_\_\_  
 Federal Aid \_\_\_\_\_  
 Other \_\_\_\_\_

\$241,416.00  
 (must match resolution)