

29836

October 16, 2012

TO: 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: **Authority to terminate a Lease Agreement (DPWT No. 08-949) with 10 County Center Road, LLC, for 9,086 square feet of space at 10 County Center Road, White Plains, New York, effective as of December 31, 2012, and to enter into a new five (5) year Lease Agreement with 10 County Center, LLC, commencing January 1, 2013 for 26,546 square feet of space at 10 County Center Road, White Plains, New York. (Lease Agreement No. 12-926)**

The County currently occupies space in the building at 10 County Center Road in White Plains, New York, under two (2) separate leases as follows:

<u>DPWT Lease No.</u>	<u>Term</u>	<u>Square Feet</u>	<u>Current Rent per Square Foot</u>
07-954	01/01/08 – 12/31/12	17,460 S.F.	\$19.75/S.F.
08-949	01/01/09 – 12/31/13	9,086 S.F.	\$19.75/S.F.

The space under Lease Agreement No. 07-954 is occupied by the Department of Social Services (“DSS”). The space under Lease Agreement No. 08-949 had also been occupied by DSS; however, DSS vacated in August, 2012, and the space is currently utilized by the Department of Health.

In order to provide for more efficient and cost effective operations, it is proposed that both leases be consolidated under one new lease with a lease term commencing January 1, 2013. This will require terminating one of the leases (DPWT Lease Agreement No. 08-949) one year early with no penalty. 10 County Center, LLC (the “Landlord”) has agreed to reduce the rent for the total 26,546 square feet under the new lease to \$18.00 per square foot, with three percent (3%) annual increases.

The County will continue to be responsible for its pro rata share of the increase in real estate taxes utilizing 2008 as the base year and for its pro rata share of the increase in building services utilizing 2013 as the base year. The Landlord shall furnish electrical current and the County shall pay to the Landlord \$79,638.00 per annum (\$3.00 per square foot), payable in monthly installments. Should electrical usage exceed 3 watts of connected load per square foot, additional charges at the same rate would apply based on the increased usage. The lease also includes the use of 118 parking spaces.

The Landlord has further agreed to provide, at its own cost, improvements to the leased space requested by the County and estimated to cost approximately \$45,000.00, which improvements are listed in Schedule “A”.

Board of Acquisition and Contract
Lease Agreement No. 12-926
10 County Center, LLC
Space at 10 County Center Road, White Plains, New York
Department of Social Services and Department of Health
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The goal and objective of this Lease Agreement is to provide space for the operations of the Department of Social Services and the Department of Health. It is in the best interests of the County to enter into this Lease Agreement as it serves a public purpose by benefiting the health, safety and welfare of the residents of Westchester County utilizing the services of these departments. There are no energy or environmental components associated with this lease.

This lease 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) therein.

Accordingly, attached for your consideration is a Resolution which, if approved, would authorize the County to terminate DPWT Lease Agreement No. 08-949 effective as of December 31, 2012, and to enter into a new five (5) year Lease Agreement with 10 County Center, LLC, for space at 10 County Center Road in White Plains, New York.

Approval of the attached Resolution is recommended.

JTP/MJM/DNM/dm
Attachment

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 a Lease Agreement (DPWT Lease Agreement No. 08-949) with 10 County Center Road, LLC, effective as of December 31, 2012; and be it further

RESOLVED, that the County is authorized to enter into a five (5) year Lease Agreement with 10 County Center, LLC (the "Landlord") for 26,546 square feet of space at 10 County Center Road in White Plains, New York, commencing January 1, 2013, at rental rates as follows:

Term	Annual Fixed Rent	Monthly Fixed Rent	Rent per Square Foot
January 1, 2013 through December 31, 2013 <i>(both dates inclusive)</i>	\$477,828.00	\$39,819.00	\$18.00
January 1, 2014 through December 31, 2014 <i>(both dates inclusive)</i>	\$492,162.84	\$41,013.57	\$18.54
January 1, 2015 through December 31, 2015 <i>(both dates inclusive)</i>	\$506,927.72	\$42,243.97	\$19.09
January 1, 2016 through December 31, 2016 <i>(both dates inclusive)</i>	\$522,135.55	\$43,511.29	\$19.66
January 1, 2017 through December 31, 2017 <i>(both dates inclusive)</i>	\$537,799.61	\$44,816.63	\$20.25

The County shall also pay to the Landlord for electric current up to 3 watts of connected load per square foot of ceiling space the sum of \$79,638.00 per annum (\$3.00 per square foot), payable in monthly installments. Should electrical usage exceed 3 watts of connected load per square foot, additional charges at the same rate would apply based on the increased usage.

Additionally, the County shall also pay its pro rata share of the increase in costs of the Landlord providing building services, including but not limited to, maintenance of the building, building HVAC system, the building sprinkler alarm service, building ground maintenance (except interior window glass), cleaning, all utilities, building payroll, and management fees for the building utilizing 2013 as the base year.

Additionally, the County shall also pay its pro rata share of the increase in real estate taxes utilizing 2008 as the base year; and be it further

RESOLVED, that the Lease Agreement shall include the use of 118 parking spaces; and be it further

RESOLVED, that the Landlord shall provide, at its own cost, improvements to the leased space requested by the County and estimated to cost approximately \$45,000.00, which improvements are more particularly described in Schedule "A"; and be it further

RESOLUTION

RESOLVED, that this agreement 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 purposes hereof.

Lease Agreement No. 12-926

Account to be Charged/credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	101	46	3348	4320		\$557,466.00 (2013)
	101	46	3348	4320		\$571,800.84 (2014)
	101	46	3348	4320		\$586,565.72 (2015)
	101	46	3348	4320		\$601,773.55 (2016)
	101	46	3348	4320		\$617,437.61 (2017)

Budget Funding Year(s) 2013-2017 Start Date January 1, 2013 End Date December 31, 2017
 (must match resolution)

Funding Source Tax Dollars 100%
 State Aid _____
 Federal Aid _____
\$2,935,043.72
 (must match resolution) Other _____

APPROVED BOARD OF ACQUISITION CONTRACT - 11/08/2012 - JOMAR VIEIRA, SECRETARY