

31792

DATE: January 18, 2013

TO: Honorable Members of the Board of Acquisition & Contract

FROM: Robert P. Astorino
County Executive

RE: Authorization to enter into an agreement with Cushman & Wakefield of Connecticut, Inc. to conduct an appraisal to establish the appropriate rental valuation for County property located in Valhalla, NY, which is commonly known as the "North 60".

On or about March 1 2012 the County of Westchester ("County") issued an Request for Qualifications and Expressions of Interest ("RFQ") to undertake the development of certain county-owned land comprised of the north portion of the Grasslands Reservation in the Valhalla section of the Town of Mt. Pleasant, a/k/a the "North 60". The ultimate goal of the RFQ was to select an entity that will create a research and development complex that will support the County's growing medical and biotech industry, as well as address community goals by providing a development that reinforces the positive character of the adjacent facilities and neighborhoods, provides public access linked to surrounding amenities; and generates quality jobs and other economic benefits for the local community and other parts of Westchester County.

In an effort to evaluate the appropriate value and ensure that a proposed rental structure is consistent with current market conditions and other factors, the County is hereby requesting your Honorable Board authorize an agreement (the "Agreement") with Cushman & Wakefield of Connecticut, Inc. ("Cushman & Wakefield"), pursuant to which Cushman & Wakefield will conduct an appraisal and advise as to the appropriate rental valuation of the "North 60" property. Specifically, Cushman & Wakefield will determine (i) the land value of the "North 60" using a sales comparison approach;(ii) the annual net operating income that the property would generate based on a development proposal that the County has received for that property using an income capitalization approach; and (iii) establish the most appropriate method for determining market rent valuation.

For the services Cushman & Wakefield is to provide under the Agreement, the County shall pay Cushman & Wakefield an amount not-to-exceed \$74,500, pursuant to an approved fee proposal. The term of the Agreement shall be one year, from February 1, 2013 through January 31, 2014.

The County, acting by and through the County Executive's Office, solicited quotations from three vendors customarily providing the required services, pursuant to Section 5(b) of the Westchester County Procurement Policy. The following quotations were obtained.

<u>Vendor</u>	<u>Price</u>	<u>State of Quotation</u>
Cushman & Wakefield of Connecticut, Inc.	\$74,500	Complete
CBRE, Inc.	N/A	Incomplete
McGrath & Company Inc.	N/A	Incomplete

In the course of evaluating the quotations offered, the County found the quotation from CBRE, Inc. to be incomplete as it included only an offer to work on an initial appraisal. In addition, in course of evaluating the quotations offered, the County found the quotation from McGrath & Company Inc. to be incomplete, as it included only an offer to work as a consultant to the firm ultimately hired by the County on an hourly basis, rather than a quotation for the services being procured by the County.

Subsequently, after evaluating the quotations offered, Cushman & Wakefield was selected as the most advantageous, pursuant to Section 5(c) of the Westchester County Procurement Policy. This selection was based upon the fact Cushman & Wakefield's quotation was the lowest complete quotation offered and that the services as described and provided will best assist the County in determining the value of the land, the best valuation technique and assist the County in negotiations to accomplish the goals as set forth in the County's RFQ.

The proposed Agreement will serve a public purpose by providing the County with an appraisal to establish the appropriate rental valuation of the "North 60", and thereby ensure that the County receives proper compensation for any related development of that property.

It is anticipated that the costs incurred for these services will be reimbursed to the County by the successful proposer of the RFQ.

The goal and objective of the proposed Agreement is to provide the County with an appraisal to establish the appropriate rental valuation of the "North 60".

The goal and objective of the proposed Agreement is in the best interests of the County in terms of fiscal responsibility, as an appraisal to establish the appropriate rental valuation of the "North 60" will ensure that the County receives proper compensation for any related development of that property.

The goal and objective of the proposed Agreement will be tracked and monitored by the Office of the Westchester County Executive.

Accordingly, I recommend adoption of the proposed resolution.

RPA/WMM/TSA

RESOLUTION

Upon a communication from the County Executive, be it hereby:

RESOLVED, that the County of Westchester (the "County") is hereby authorized to enter into an agreement (the "Agreement") with Cushman & Wakefield of Connecticut, Inc. ("Cushman & Wakefield"), pursuant to which Cushman & Wakefield will conduct an appraisal to establish (i) the land value of the "North 60" using a sales comparison approach; (ii) the annual net operating income that the property would generate based on a development proposal that the County has received for that property using an income capitalization approach; and (iii) establish the most appropriate method for determining market rent valuation; and be it further

RESOLVED, that services Cushman & Wakefield is to provide under the Agreement, the County shall pay Cushman & Wakefield an amount not-to-exceed \$74,500, pursuant to an approved fee proposal, and be it further

RESOLVED, the term of the Agreement shall be one year period, from February 1, 2013 through January 31, 2014; and be it further

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

RESOLVED, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Consultant, then the Consultant shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his duly authorized designee be, and hereby is, authorized to take such actions and execute such documents as may be necessary and appropriate to effectuate the purposes hereof.

Account to be Charged/Credited

Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
101	46	2000	4420		\$74,500

Budget Funding Years 2013-2014 Start Date 2/1/13 End Date 1/31/14
(must match resolution)

Funding Source \$74,500 Tax Dollars: \$74,500
(must match resolution) State Aid: _____
Federal Aid: _____
Other: _____