

**HONORABLE BOARD OF LEGISLATORS
THE COUNTY OF WESTCHESTER**

Your Committee is in receipt of a communication from the County Executive wherein he requests that your Honorable Board adopt a Local Law which, if adopted, would authorize the County of Westchester (the “County”) to amend a lease agreement that the County executed with Reckson Operating Partnership, L.P. (“Reckson”), pursuant to which the County leased from Reckson approximately 17,800 square feet of space on the sixth floor (the “Leased Premises”) at 140 Grand Street in White Plains, New York (the “Building”), for a term from September 1, 2014 through August 31, 2019, for certain ‘Fixed Annual Rent’, less an initial rent abatement; certain ‘Additional Rent’ related to the County’s use of parking spots and the County’s proportionate share of increases in Reckson’s operating expenses and taxes, assessments, rents, levies, and the like concerning the property; and the calculated cost of all electricity consumed by the County in the Leased Premises (the “Lease Agreement”).

Your Committee has been advised that the Leased Premises are leased by the County at the behest of the Office of Court Administration of the State of New York (“OCA”), for use by appellate courts of the Second Judicial Department of the New York State Supreme Court (the “Appellate Courts”). Your Committee has been advised that the OCA and the Appellate Courts desire that the County continue to lease the Leased Premises for their use.

Your Committee has been advised that, accordingly, authority is being requested from your Honorable Board for the County to enter into an amendment (the “Amendment”) to the Lease Agreement, with 140 Grand Street, LLC as successor in interest to Reckson (the “Landlord”), in order to extend the term of the Lease Agreement by ten (10) years, to a new expiration date of August 31, 2029, for the following annual and monthly amounts of ‘Fixed Annual Rent’, less a full abatement of rent for the first eight (8) months of the extension, plus ‘Additional Rent’ and electricity:

Period	Fixed Annual Rent	Monthly Amount
9/1/19 through 8/31/20	\$498,400.00	\$41,533.33
9/1/20 through 8/31/21	\$516,200.00	\$43,016.67

9/1/21 through 8/31/22	\$534,000.00	\$44,500.00
9/1/22 through 8/31/23	\$542,900.00	\$45,241.67
9/1/23 through 8/31/24	\$551,800.00	\$45,983.33
9/1/24 through 8/31/25	\$560,700.00	\$46,725.00
9/1/25 through 8/31/26	\$569,600.00	\$47,466.67
9/1/26 through 8/31/27	\$578,500.00	\$48,208.33
9/1/27 through 8/31/28	\$587,400.00	\$48,950.00
9/1/28 through 8/31/29	\$596,300.00	\$49,691.67

Your Committee has been advised that, under the Amendment, the County will continue to pay ‘Additional Rent’ as specified in the Lease Agreement, except that the ‘Base Year Operating Costs’ will be updated to mean the 2019 actual ‘Operating Expenses’ and the ‘Base Year Taxes’ will be updated to mean the taxes actually due and payable with respect to the 2019/2020 tax year for those imposed on a fiscal year basis and the 2019 tax year for those imposed on a calendar year basis.

Your Committee has been advised that, under the Amendment, the County will pay, as part of the ‘Additional Rent’, a rate of \$105.00 per month per parking space for a total of fifteen (15) reserved parking spaces in the parking garage within the Building.

Your Committee has been advised that, under the Amendment, electrical use at the Leased Premises will, except in the case of a failure of the submeter(s), be determined by submeter(s), which will be installed by the Landlord at its cost. Your Committee has been advised that the Landlord will bill the County for its electrical use at-cost, plus surcharges, energy charges, fuel adjustment charges, rate adjustments and taxes paid by the Landlord, unless the County secures a lower rate for electricity from the New York Power Authority (“NYPA”), in which case the County will pay the lower, NYPA rate, and will not be responsible for surcharges and the like that are not allocable to the County due to its purchase of electricity from NYPA.

Your Committee has been advised that OCA will reimburse the County for all of the costs the County incurs for the ‘Fixed Annual Rent’; the ‘Additional Rent’, including parking; and electricity.

Your Committee has been advised that, under the Amendment, the County will have two (2) successive five (5) year renewal options. Your Committee has been advised that each option term would be on the same terms, covenants and conditions as those contained in the Lease Agreement, as amended by the Amendment, except for the amount of the 'Fixed Annual Rent'. Your Committee has been advised that, for each option term, the 'Fixed Annual Rent' would be determined, in accordance with the terms of the Amendment, based upon the fair market rental value as of the commencement date of each extension for space comparable to the Leased Premises in comparable buildings in White Plains, taking into account all then relevant factors applicable to a party renting such space on a renewal basis.

Your Committee has been advised that, under Section 104.11(5)(e) of the Laws of Westchester County, leases of the property of others for County purposes for terms exceeding ten years may be made only by local law adopted by the affirmative vote of a two-thirds majority of all the members of your Honorable Board.

Your Committee has been advised that, under Section 209.141(4) of the Laws of Westchester County, every local law shall be presented in writing and introduced at a meeting of your Honorable Board, and your Honorable Board shall thereupon fix a day for a public hearing thereon before it, not less than five days thereafter, and direct the Clerk of the Board to cause notice of the time and place of such hearing to be published forthwith at least once in one or more newspapers selected by such Clerk of the Board for that purpose and published in the County. Therefore, a resolution for the required public hearing is attached hereto.

The Planning Department has advised that, based on its review, this has been classified as a Type "II" action pursuant to the State Environmental Quality Review Act ("SEQRA") and its implementing regulations, 6 NYCRR Part 617. Therefore, no further environmental review is required. Your Committee concurs with the Planning Department's conclusion.

Your Committee has been advised that the adoption of the proposed Local Law requires an affirmative vote of a majority of the voting members of your Honorable Board.

After due consideration, your Committee recommends adoption of the proposed Local Law.

Dated: July 22, 2019
White Plains, New York

K. J. Scall
Nancy Bar
Dud R
Benjamin ~~Scall~~

Alvin P
Margaret A. Cyio
Nancy Bar
Dud J. Tubish
Benjamin ~~Scall~~

Public Works

Budget & Appropriations

COMMITTEE ON

FISCAL IMPACT STATEMENT

SUBJECT: Appellate Court Lease 140 Grand St NO FISCAL IMPACT PROJECTED

OPERATING BUDGET IMPACT

To Be Completed by Submitting Department and Reviewed by Budget

SECTION A - FUND

GENERAL FUND

AIRPORT FUND

SPECIAL DISTRICTS FUND

SECTION B - EXPENSES AND REVENUES

Total Current Year Expense \$ -

Total Current Year Revenue \$ -

Source of Funds (check one): Current Appropriations Transfer of Existing Appropriations

Additional Appropriations

Other (explain)

Identify Accounts: 101-52-2151-5280

101-52-1000-9753

Potential Related Operating Budget Expenses: Annual Amount

Describe: Annualized base rent ranging from \$500,000 to \$600,000 plus taxes, operating costs, taxes, utilities, parking

Potential Related Operating Budget Revenues: Annual Amount

Describe: Annual New York State Office of Court Administration (NYS OCA) 100% reimbursement

Anticipated Savings to County and/or Impact on Department Operations:

Current Year: Appellate Court costs are paid by County and reimbursed by NYS OCA

Next Four Years: Appellate Court costs are paid by County and reimbursed by NYS OCA

Prepared by: Dianne Vanadia

Title: Budget Analyst

Department: Budget


Date: July 11, 2019

Reviewed By: 

Deputy Budget Director

Date: 7/11/19

TO: Brian Miller, Assistant County Attorney
Department of Law

FROM: David S. Kvinge, AICP, RLA, CFM 
Director of Environmental Planning

DATE: July 12, 2019

SUBJECT: **STATE ENVIRONMENTAL QUALITY REVIEW FOR
LEASE OF 140 GRAND STREET, WHITE PLAINS**

PROJECT/ACTION: Amend lease agreement for approximately 17,800 square feet of office space and parking spaces at 140 Grand Street in White Plains to extend the lease for another 10 years to a new expiration date of August 31, 2029, for ongoing use by appellate courts of the Second Judicial Department of the New York State Supreme Court.

With respect to the State Environmental Quality Review Act and its implementing regulations 6 NYCRR Part 617, the Planning Department recommends that no further environmental review is required because the project/action:

- DOES NOT MEET THE DEFINITION OF AN "ACTION" AS DEFINED UNDER SECTION 617.2(b)**
- MAY BE CLASSIFIED AS TYPE II PURSUANT TO SECTION 617.5(c)(32):**
license, lease and permit renewals, or transfers of ownership thereof, where there will be no material change in permit conditions or the scope of permitted activities.
-

COMMENTS: None

DSK/cnm

cc: Andrew Ferris, Chief of Staff
Paula Friedman, Assistant to the County Executive
Gary Friedman, Director of Real Estate
Tami Altschiller, Assistant Chief Deputy County Attorney
Norma Drummond, Commissioner
Claudia Maxwell, Associate Environmental Planner

LOCAL LAW NO. _____ - 2019

A LOCAL LAW authorizing the County of Westchester to enter into an amendment to a lease for 17,800 square feet of space on the sixth floor at 140 Grand Street in White Plains, New York, which will extend the term of the lease by ten (10) years, to a new expiration date of August 31, 2029.

BE IT ENACTED by the County Board of the County of Westchester as follows:

Section 1. The County of Westchester (the “County”) is hereby authorized to amend a lease agreement that the County executed with Reckson Operating Partnership, L.P. (“Reckson”), pursuant to which the County leased from Reckson approximately 17,800 square feet of space on the sixth floor (the “Leased Premises”) at 140 Grand Street in White Plains, New York (the “Building”), for a term from September 1, 2014 through August 31, 2019, for certain ‘Fixed Annual Rent’, less an initial rent abatement; certain ‘Additional Rent’ related to the County’s use of parking spots and the County’s proportionate share of increases in Reckson’s operating expenses and taxes, assessments, rents, levies, and the like concerning the property; and the calculated cost of all electricity consumed by the County in the Leased Premises (the “Lease Agreement”), by executing an amendment with 140 Grand Street, LLC as successor in interest to Reckson (the “Landlord”) in order to extend the term of the Lease Agreement by ten (10) years, to a new expiration date of August 31, 2029, for the following annual and monthly amounts of ‘Fixed Annual Rent’, less a full abatement of rent for the first eight (8) months of the extension, plus ‘Additional Rent’ and electricity:

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9/1/27 through 8/31/28	\$587,400.00	\$48,950.00
9/1/28 through 8/31/29	\$596,300.00	\$49,691.67

(the “Amendment”).

§ 2. Under the Amendment, the County shall continue to pay ‘Additional Rent’ as specified in the Lease Agreement, except that the ‘Base Year Operating Costs’ shall be updated to mean the 2019 actual ‘Operating Expenses’ and the ‘Base Year Taxes’ shall be updated to mean the taxes actually due and payable with respect to the 2019/2020 tax year for those imposed on a fiscal year basis and the 2019 tax year for those imposed on a calendar year basis.

§ 3. Under the Amendment, the County shall pay, as part of the 'Additional Rent', a rate of \$105.00 per month per parking space for a total of fifteen (15) reserved parking spaces in the parking garage within the Building.

§ 4. Under the Amendment, electrical use at the Leased Premises shall, except in the case of a failure of the submeter(s), be determined by submeter(s), which shall be installed by the Landlord at its cost. The Landlord shall bill the County for its electrical use at-cost, plus surcharges, energy charges, fuel adjustment charges, rate adjustments and taxes paid by the Landlord, unless the County secures a lower rate for electricity from the New York Power Authority ("NYPA"), in which case the County shall pay the lower, NYPA rate, and shall not be responsible for surcharges and the like that are not allocable to the County due to its purchase of electricity from NYPA.

§ 5. Under the Amendment, the County shall have two (2) successive five (5) year renewal options. Each option term would be on the same terms, covenants and conditions as those contained in the Lease Agreement, as amended by the Amendment, except for the amount of the 'Fixed Annual Rent'. For each option term, the 'Fixed Annual Rent' would be determined, in accordance with the terms of the Amendment, based upon the fair market rental value as of the commencement date of each extension for space comparable to the Leased Premises in comparable buildings in White Plains, taking into account all then relevant factors applicable to a party renting such space on a renewal basis.

§ 6. The County Executive, or his duly authorized designee, is hereby authorized and empowered to take such actions and to execute and deliver such documents as may be necessary and appropriate to accomplish the purposes hereof.

§ 7. This Local Law shall take effect immediately.