

VILLAGE OF PORT CHESTER
BOARD OF TRUSTEES
Meeting, Tuesday, December 17, 2013
Regular Meeting: 6:00 P.M.
PROPOSED EXECUTIVE/CLOSED SESSION 6:00P.M.
VILLAGE CONFERENCE ROOM
222 Grace Church Street
 Port Chester, New York
AGENDA

TIME: 6:00 P.M.

	PROPOSED MOTION FOR EXECUTIVE SESSION	ACTION
1	Negotiations for lease of space to the Town of Rye.	

FOLLOWING THE EXECUTIVE/CLOSED SESSION

I	WORK SESSION	ACTION
1	Sewer Rent Project.	
II	RESOLUTIONS	ACTION
	Administration	
1	Authorize the Village Manager to enter into an agreement with the Town of Rye for lease of space.	

TIME: _____

**PROPOSED MOTION
FOR
EXECUTIVE SESSION**

WORK SESSION

RESOLUTIONS

AGREEMENT WITH THE TOWN OF RYE TO OCCUPY VILLAGE
OFFICE SPACE AT 222 GRACE CHURCH STREET AND SHARE JUSTICE COURT
FACILITIES AT 350 NORTH MAIN STREET

On motion of TRUSTEE _____, seconded by TRUSTEE _____, the following resolution was adopted by the Board of Trustees of the Village of Port Chester, New York:

WHEREAS, the Town of Rye is selling property at 10 Pearl Street used as a Town Hall; and

WHEREAS, the Village of Port Chester has office space available at Village Hall at 222 Grace Church Street and can share the Justice Court facilities at 350 North Main Street; and

WHEREAS, the addition of the Town of Rye would further the Board's desire that 222 Grace Church Street be a governmental center with offices at the state, town and village level; and

WHEREAS, after extensive negotiations, the parties have come to an understanding which is reflected in a term sheet that form the basis for a lease agreement. Now, therefore, be it

RESOLVED that the Village Manager be and is hereby authorized to enter into the annexed agreement with the Town of Rye to occupy office space at 222 Grace Church Street and share Justice Court facilities at 350 North Main Street, said agreement having been reviewed and approved by the Manager and Village Attorney.

APPROVED AS TO FORM:

Anthony M. Cerreto, Village Attorney

ROLL CALL

AYES:

NOES:

ABSENT:

Date:

VILLAGE OF PORT CHESTER
222 Grace Church Street
Port Chester, NY 10573

Mayor and Members of the Board of Trustees
Village of Port Chester, NY

December 13, 2013

**Re: Letter of Intent to occupy office space at
222 Grace Church Street, Port Chester, NY, and
Court Facilities at 350 North Main Street, Port Chester, NY**

Please find below the general terms and conditions under which **THE TOWN OF RYE** is willing to proceed towards executing a lease for the above referenced property. I am hopeful that this letter will represent an acceptable format upon which we can promptly proceed toward lease documentation.

It is understood that his letter is a Non Binding Memorandum of Terms. It is intended solely to be a guide to the preparation of a mutually satisfactory Lease Agreement between the Tenant and Landlord for the space described below. No legal obligation is intended to exist until a definitive Agreement, prepared and reviewed by the appropriate attorneys, is executed and delivered. Nothing herein shall be construed to preclude other provisions consistent with the contemplated transaction from being inserted in said Agreement at the request of any party hereto.

The general terms and conditions under which THE TOWN OF RYE is prepared to execute a lease are as follows:

1.	TYPE OF TRANSACTION:	Municipal Office and Court Facilities Lease
2.	TENANT:	Town of Rye
3.	LANDLORD:	Village of Port Chester
4.	TENANT'S TRADE NAME:	Town of Rye
5.	PREMISES ADDRESS:	Loc #1- 222 Grace Church Street, Port Chester, NY 10573 and Loc #2 - 350 North Main Street, Port Chester, NY 10573
6.	PREMISES SQ FT	Approx 4,287sf more or less
7.	USE COVENANT :	Municipal offices and Court Room facilities of the Town of Rye
8.	PRIMARY TERM:	10 Years
9.	ANTICIPATED DELIVERY OF PREMISES:	1/2/2014
10.	LEASE COMMENCEMENT DATE:	1/2/2014
11.	RENT COMMENCEMENT DATE:	5/1/2014 or 10 days after receipt of C of O whichever is sooner

12.	PRIMARY/INITIAL LEASE TERM	10 years																																																																														
13	OPTION TERM (YEARS)	2 options terms of 5 years each																																																																														
14	RENT DURING THE PRIMARY TERM	<p>PRIMARY TERM - RENT SCHEDULE (Increases at the rate of 3% per year)</p> <table border="1"> <thead> <tr> <th colspan="5">TN OF RYE RENT SCHED - W/IMPVMT AMORTIZATION</th> <th></th> </tr> <tr> <th><u>YR</u></th> <th><u>ANN RENT</u></th> <th><u>Amort Amt</u></th> <th><u>Net Ann Rent</u></th> <th><u>Net Mo Rent</u></th> <th>Cumulative Rent</th> </tr> </thead> <tbody> <tr><td>1</td><td>\$67,500.00</td><td>-\$19,000.00</td><td>\$48,500.00</td><td>\$4,041.67</td><td>\$48,500.00</td></tr> <tr><td>2</td><td>\$69,525.00</td><td>-\$19,000.00</td><td>\$50,525.00</td><td>\$4,210.42</td><td>\$99,025.00</td></tr> <tr><td>3</td><td>\$71,610.75</td><td>-\$19,000.00</td><td>\$52,610.75</td><td>\$4,384.23</td><td>\$151,635.75</td></tr> <tr><td>4</td><td>\$73,759.07</td><td>-\$19,000.00</td><td>\$54,759.07</td><td>\$4,563.26</td><td>\$206,394.82</td></tr> <tr><td>5</td><td>\$75,971.84</td><td>-\$19,000.00</td><td>\$56,971.84</td><td>\$4,747.65</td><td>\$263,366.67</td></tr> <tr><td>6</td><td>\$78,251.00</td><td>\$0.00</td><td>\$78,251.00</td><td>\$6,520.92</td><td>\$341,617.67</td></tr> <tr><td>7</td><td>\$80,598.53</td><td>\$0.00</td><td>\$80,598.53</td><td>\$6,716.54</td><td>\$422,216.20</td></tr> <tr><td>8</td><td>\$83,016.49</td><td>\$0.00</td><td>\$83,016.49</td><td>\$6,918.04</td><td>\$505,232.68</td></tr> <tr><td>9</td><td>\$85,506.98</td><td>\$0.00</td><td>\$85,506.98</td><td>\$7,125.58</td><td>\$590,739.66</td></tr> <tr><td>10</td><td>\$88,072.19</td><td>\$0.00</td><td>\$88,072.19</td><td>\$7,339.35</td><td>\$678,811.85</td></tr> <tr> <td></td> <td>\$773,811.85</td> <td>-\$95,000.00</td> <td>\$678,811.85</td> <td></td> <td></td> </tr> </tbody> </table>	TN OF RYE RENT SCHED - W/IMPVMT AMORTIZATION						<u>YR</u>	<u>ANN RENT</u>	<u>Amort Amt</u>	<u>Net Ann Rent</u>	<u>Net Mo Rent</u>	Cumulative Rent	1	\$67,500.00	-\$19,000.00	\$48,500.00	\$4,041.67	\$48,500.00	2	\$69,525.00	-\$19,000.00	\$50,525.00	\$4,210.42	\$99,025.00	3	\$71,610.75	-\$19,000.00	\$52,610.75	\$4,384.23	\$151,635.75	4	\$73,759.07	-\$19,000.00	\$54,759.07	\$4,563.26	\$206,394.82	5	\$75,971.84	-\$19,000.00	\$56,971.84	\$4,747.65	\$263,366.67	6	\$78,251.00	\$0.00	\$78,251.00	\$6,520.92	\$341,617.67	7	\$80,598.53	\$0.00	\$80,598.53	\$6,716.54	\$422,216.20	8	\$83,016.49	\$0.00	\$83,016.49	\$6,918.04	\$505,232.68	9	\$85,506.98	\$0.00	\$85,506.98	\$7,125.58	\$590,739.66	10	\$88,072.19	\$0.00	\$88,072.19	\$7,339.35	\$678,811.85		\$773,811.85	-\$95,000.00	\$678,811.85		
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16.	REAL ESTATE TAXES & BUILDING INSURANCE:	Not applicable																																																																														
17.	UTILITY EXPENSE	With regard to 222 Grace Church Street Premises : Tenant will pay for its own consumption of utilities and will place the appropriate gas and electric meters in its own name. With regard to the Court facilities at 350 North Main Street, cost of utilities are included in the rent																																																																														

18.	LANDLORD AND TENANT'S WORK:	<p><u>222 Grace Church Street – Town of Rye Offices</u> Tenant will build-out its own offices based on the floor plans and budget estimate attached. In addition, Landlord will make the demised premises “Code Compliant”. Funding for the cost of the Landlord’s Code Compliance requirements will be as follows: A.)Tenant will fund the cost of Village Code Compliance items up to an amount of \$95,000 – the “Compliance Cap” B.)Those costs will be treated as a credit to the base rent charged by the Landlord at the rate of \$19,000 per year for a period of 5 years (See Rent Schedule above in item #15) C.)At the end of construction (receipt of C of O), both parties will conduct a “true up” to finalize and memorialize the actual amount to be amortized. D.)Tenant will manage all aspects of the above work including but not limited to securing contractors, permitting, supervision, etc.</p> <p><u>350 North Main Street – Court Rooms</u> A.)Landlord will undertake a build-out to accommodate the Court officers at an estimated total cost of \$50,000. B.)Tenant will underwrite/fund up to one-half of the estimated cost not to exceed \$25,000 (The Courts Cap) C.)This cost will not be amortized. It will be paid in full by Tenant on receipt of invoice(s) from Landlord. D.)Landlord will underwrite the additional \$25,000. E.)At the end of construction (at receipt of C of O), both parties will conduct a “true up” to finalize and memorialize the actual amounts expended. If the cost is less than \$50,000 appropriate adjustments will be made so that each party shares equally in the cost. If actual costs exceed \$50,000, Landlord will absorb the difference between \$50,000 and the actual cost. F.)The Landlord will manage all aspects of its work including but not limited to securing contractors, permitting, supervision, etc.</p>
19.	SECURITY DEPOSIT:	None
20.	SIGNAGE:	Subject to approval by the Landlord.
21.	TENANT'S INSURANCE:	\$1million/\$2million plus 5 million umbrella
22.	ASSIGNMENT AND SUBLETTING	Prior written consent of Landlord required
23	GOVERNMENT CLAUSE	Either party may cancel this lease at any time by one party delivering to the other a notice of its intent to cancel within eighteen (18) months prior to the effective date of cancellation.
24.	GUARANTY:	N/A
25.	BROKERAGE:	Tn of Rye to indemnify and hold the Village of Port Chester harmless against any claims for commissions, finders fees, etc., from any real estate broker or similar entity that may arise.

Town of Rye							
222 Grace Church Street Offices							
Construction Budget			Code Compliance Budget				
Descriptions		Amounts			Descriptions	Amounts	
Demolitions	Carpet, Ceilings, Lighting, Walls, rubbish removal	\$10,000			Tenant Separation	Sheetrock for fire sep.	\$26,500
New Partitions Construction		\$10,000	\$10,000			Rated Ceiling Tiles	
Doors, Frames and Hardware		\$6,500	\$6,500			Close openings at ceiling and lofts	
Ceilings	2x2 fire rated tile & Grid	\$5,000	\$5,000			Fire caulk tenant breeches	
HVAC	Reconfigure ducts, dampers, 3 zones in tenant space	\$5,000	\$5,000		200 AMP Electrical Service		\$17,500
Electrical	Exit signs, emergency lighting	\$3,500		\$26,500	Disconnect and Remove existing wiring		\$5,000
	Lighting	\$7,500			HVAC		\$15,000
	Outlets, circuits	\$5,000				Reconfigure existing branches serving	
Phone and Data Wiring		\$7,500				other tenants, configure 3-4 tenant zones	
Smoke & Fire appliances	In tenant space	\$3,000				Assume current HVAC equip is adequate	
Millwork	Entrance Counters, Base Cabinets, Mail Center, Misc,	\$10,000			Dedicated Smoke and Fire Alarm	Tie into existing Base Building system	\$7,500
Glass and Glazing	Entrance Vestibule	\$4,500			Remove Stairs and Platform to loft		\$3,500
Paint		\$9,500					
Carpet - Installed		\$17,750			Total Code Compliant work		\$75,000
New Tenant Entrance Door and Side Light		\$10,000					
Signage		\$2,500			Proposed additional build out cost		\$20,000
					Total proposed 5 yr build out to be amort		\$95,000
Sub-total		\$117,250	\$117,250				
					Scheduled 1st Yr rent		\$67,500
Additional Scope of Work					Annual 5 yr Credit against rent		-\$19,000
Engineer	HVAC, Electrical, Smoke & Fire, Field Survey existing	\$8,000	\$10,000		Net 1st yr rent (see atchd rent sched)		\$48,500
Architect	Construction Documents, Coordination of engineering	\$6,500	\$7,500				
				\$17,500			
Sub-total		\$131,750	\$134,750				
Contingency		\$13,175	\$13,475				
Total Budget		\$144,925	\$148,225				
		\$26,500	\$26,500				
		\$14,500	\$17,500				
Possible Landlord Work		\$41,000		\$44,000		z	
Proposed Amortization		\$20,000	\$20,000				
Rent Pre-paid		\$95,000	\$95,000				
Rent Deduction		\$19,000	\$19,000				
Rent Total		\$67,500	\$67,500				
Rent Paid		\$48,500	\$48,500				
Town Investment		\$219,925	\$223,225				
Amount Amortized		\$95,000	\$95,000				
Net Benefit to the Village		\$124,925	\$128,225				