

AGENDA ITEM

Meeting Date: 8/17/2022 - 6:00 PM
Category: SCHOOL FACILITIES MANAGEMENT
Type: Action
Subject: 17.5 Authorization to Award a General Fund Lease Agreement with Hampshire Management Company, LLC

District Goals:

Enclosure:

File Attachment:

-  BOCS HAMPSHIRE.xlsx
-  COMPS CASH FLOW 8 12 2022.xlsx.pdf
-  COMPS LEASE 8 12 2021.pdf
-  COY BOE LOI rev 8.5.22GJP.pdf
-  COY LEASE Hampshire Management.pdf

Rationale:

This is to authorize the Superintendent of Schools to enter into a Lease Agreement with Hampshire Management Company, as landlord for 22,638 square feet of warehouse space at 60 Fullerton Avenue, Yonkers NY for use by the School Facilities and Food Services Departments. This space is contiguous with 25,000 square feet already being rented by the City of Yonkers for its record retention center and print shop.

The targeted move in date is January 1, 2023.

The existing warehouse arrangement is unsatisfactory in a number of areas including but not limited to; lighting, HVAC, security, vermin, space on two floors connected by an unreliable (and possibly costly) elevator and the increasing likelihood of failing food service walk-in refrigeration units. At this time roughly \$10,000 in repairs are being made to one unit. The advantage of the existing arrangement is the lower cost.

The initial contract term of the Hampshire Management lease will be 10 years plus two optional 5-year renewals. Rent will start at \$24,993.99 per month or \$299,927.88 per annum increasing annually at 3%.

Additionally, the cost of the Landlord fit-out of the site which will include 4 new walk-in refrigeration units for food services, is expected to be roughly \$400,000 amortized over 5 years and paid as "additional rent". This will add about \$6,700.00 per month to the overall cost for the first 60 months. These fit out cost are estimates pending completion of the design and negotiations with the Hampshire Management.

The total cost of carrying both leases during the transition phase is roughly \$55,000 per month for 4 months or \$220,000.00.

Funding: 450.5150.100000.1620.B2300

Sponsored By: John P. Carr
Executive Director
School Facilities Management

Resolution

Ladies and Gentlemen:

WHEREAS: The Yonkers Board of Education is in need of secure and modern warehouse facilities to optimize Food Services and Building & Grounds operations, and

WHEREAS: Such space has been identified at 60 Fullerton Avenue in Yonkers, a building already housing the City Records Retention Center and the City Print Shop, and

WHEREAS: An acceptable lease has been negotiated with Hampshire Management Company, LLC at \$13.25 per square foot increasing at 3% per annum for 22,638 square feet of space, and

WHEREAS: The term shall be for 10 years with the option of two 5-year renewals, and

WHEREAS: Fit out of the space to include 4 walk-in refrigeration units and 2 offices is to be done by Hampshire Management at a cost to be borne by the District and compensated as "additional rent" paid over the initial 60 months of the lease, and

WHEREAS: These terms are as shown on the letter from Hampshire dated August 5, 2022 delineating key lease provisions, and

WHEREAS: All terms are detailed in the Lease Agreement pending signature and dating.

NOW THEREFORE BE IT RESOLVED: That the Superintendent of Schools is hereby authorized to enter into a lease agreement with Hampshire Management Company, as landlord for 22,638 square feet of warehouse space at 60 Fullerton Avenue, Yonkers NY for use by the School Facilities and Food Services Departments at a cost of \$24,993.99 per month or \$299,927.88 per annum, increasing annually at 3%.

AND BE IT FURTHER RESOLVED: That the fit-out of the space to include 4 walk-in refrigeration units and 2 offices is to be done by Hampshire Management at a cost to be borne by the District and compensated as "additional rent" paid over the initial 60 months of the lease.

Approvals:

Recommended By:

Signed By:



John Carr - Executive Director

Signed By:



Tom Collich - Purchasing Director

Signed By:



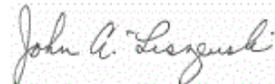
Finance Department - Finance Reviewer

Signed By:



Elizabeth Janocha - Deputy Commissioner

Signed By:



John Liszewski - Commissioner

Signed By:

Matthew Gallagher - Corporation Counsel

Signed By:

Dr. Edwin M. Quezada - Superintendent of Schools

Vote Results:

Original Motion

Member **Kevin Cacace** Moved, Member **Rosemarie Linton** seconded to approve the **Original** motion 'Ladies and Gentlemen:

WHEREAS: The Yonkers Board of Education is in need of secure and modern warehouse facilities to optimize Food Services and Building & Grounds operations, and

WHEREAS: Such space has been identified at 60 Fullerton Avenue in Yonkers, a building already housing the City Records Retention Center and the City Print Shop, and

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AND BE IT FURTHER RESOLVED: That the fit-out of the space to include 4 walk-in refrigeration units and 2 offices is to be done by Hampshire Management at a cost to be borne by the District and compensated as "additional rent" paid over the initial 60 months of the lease.'. Upon a Roll-Call Vote being taken, the vote was: Aye: **8** Nay: **0**.

The motion **Carried 8 - 0**

Rev. Steve Lopez	Yes
Kevin Cacace	Yes
Dr. Rosalba Corrado Del Vecchio	Yes
Dr. John Castanaro	Yes
Gail Burns	Yes
Sheila Greenwald	Yes
Amjed Kuri	Yes
Rosemarie Linton	Yes