

Date: December 17, 2015

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: Lease Extension – Warehouse Space – Bartnick Garage

SUMMARY

The Trustees are requested to authorize the execution of a lease extension with the Bartnick Irrevocable Trust dated January 26, 2005, and the Bartnick Irrevocable Trust dated March 10, 2005, (“Landlords”) for warehouse space located at 5642 Horatio Street, Utica, NY (“Bartnick Garage”). The proposed lease extension would be for a term of three years, commencing January 1, 2016 and terminating December 31, 2019, for leased space of approximately 6,000 square feet. The annual rental is \$26,450 per annum for the first year and \$27,300 for the second and third years, inclusive of utilities, to be paid in equal monthly installments.

BACKGROUND

The Authority’s Expenditure Authorization Procedures governing real estate require the Trustees’ approval for the acquisition of lease interests in real property where the total term, including all renewal options, exceeds ten years.

Pursuant to The New York State Public Authorities Law and the Authority’s Real Estate Procurement Guidelines, staff periodically reviews NYPA leases to insure that any leased space is still required and that the rent paid represents fair market value for the type of space and its location.

DISCUSSION

The Authority has leased warehouse space at the Bartnick Garage since March, 2001. The original lease has been extended seven times, with the current term expiring December 31, 2015.

The Bartnick Garage is used for the storage of an oil tanker used to vacuum oil from transformers, boats and buoys used at the Hinckley Reservoir, hot stick trailers, a compressor and other vehicles and equipment for which there is insufficient inside space at the Clark Energy Center (“CEC”). The warehouse is generally completely filled with equipment, and Transmission staff has confirmed that it requires the external warehouse space for at least the next three years. Among the criteria specified for location of the warehouse was proximity to CEC and the existence of a dedicated ramp and bay suitable to allow thru access for tractor trailers. Given these requirements, staff

reviewed available options in the Utica area and reaffirmed that the Bartnick Warehouse was the most suitable site.

The rental rates and other charges set out above are competitive with similar space in the Utica area.

FISCAL INFORMATION

Funds required for the lease extension will come from the Authority's Capital Fund.

RECOMMENDATION

The Vice President – Enterprise Shared Services and the Vice President - Transmission recommend that the Trustees approve the execution of a lease extension with the Bartnick Irrevocable Trust for warehouse space located in Utica, New York.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, that the President and Chief Executive Officer, the Vice President – Enterprise Shared Services and the Vice President -Transmission be, and hereby are, authorized to enter into a three-year lease extension with the Bartnick Irrevocable Trust dated January 26, 2005, and the Bartnick Irrevocable Trust dated March 10, 2005, on substantially the terms set forth set forth herein, subject to approval of lease documents by the Executive Vice President and General Counsel or his designee; and be it further

RESOLVED, That the Vice President – Enterprise Shared Services and the Vice President -Transmission are hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, that the Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution subject to the approval of the form thereof by the Executive Vice President and General Counsel.