


April 22, 2022

TO: Hon. Catherine Borgia, Chair
Hon. Nancy Barr, Vice Chair
Hon. Christopher Johnson, Majority Leader
Hon. Margaret Cunzio, Minority Leader

FROM: George Latimer 
Westchester County Executive

RE: Message Requesting Immediate Consideration: **3-LOCAL LAWS** Re:
New York Medical College.

This will confirm my request that the Board of Legislators allow submission of the referenced communication to be submitted to the Board of Legislators April 25, 2022 Agenda.

Transmitted herewith for your review and approval are three (3) Local Laws concerning the New York Medical College Lease.

Therefore, since this communication is of the utmost importance, it is respectfully submitted that the County Board of Legislators accepts this submission for April 25, 2022 "blue sheet" calendar.

Thank you for your prompt attention to this matter.

George Latimer
County Executive

April 25, 2022

Westchester County Board of Legislators
800 Michaelian Office Building
White Plains, New York 10601

Dear Honorable Members of the Board of Legislators:

Transmitted herewith for your review and approval is a legislative package which contains the following:

- i) a Local Law authorizing the County of Westchester (the "County") to terminate its 1982 lease with the New York Medical College ("NYMC") for the building known as Munger Pavilion and pursuant to the Laws of Westchester County ("LWC") Section 104.11(5)(b) simultaneously enter into a new lease agreement with NYMC for the Munger Pavilion and for approximately 17.46 acres of County-owned property located at the Grasslands Campus (also known as the Grasslands Reservation and the Valhalla Campus at Grasslands) in the Valhalla section of the Town of Mt. Pleasant, New York (the "Property") and authorize NYMC to demolish the building known as Munger Pavilion and thereafter construct a new building in its place (the "Lease Agreement");
- ii) a Local Law amending LWC Section 104.11(5)(f) to provide the County with authority to lease the Property to NYMC for a term of ninety-nine (99) years, which exceeds the thirty (30) year limitation of lease terms set forth therein; and
- iii) a Local Law pursuant to LWC Section 104.11(5)(b) authorizing the County to amend three (3) existing building leases with NYMC for the buildings on the Grasslands Campus known as Sunshine Cottage, Vosburgh Pavilion and the Old Commissioner's House, respectively (collectively the "Lease Amendments"), in order to (a) remove any obligations the County has to maintain the land surrounding those three (3) buildings as all of that land will be part of the Property that NYMC will be required to maintain pursuant to the terms of the Lease Agreement, and (b) add the land located beneath each of the three (3) buildings to their respective leases as they are currently solely building leases.

Copies of the proposed Lease Agreement and the three (3) Lease Amendments are transmitted herewith.

Office of the County Executive

Michaelian Office Building
148 Martine Avenue
White Plains, New York 10601

Email: CE@westchestergov.com
Telephone: (914)995-2900

BACKGROUND:

Pursuant to Local Law No. 6-1981, your Honorable Board authorized the County to amend LWC Section 104.11(5)(f) to provide the County with authority to lease four (4) buildings to NYMC for a period up to sixty (60) years including options. Thereafter, pursuant to Local Law No. 1-1982, your Honorable Board authorized the County to enter into building leases with NYMC for four (4) buildings located on the Grasslands Campus known as: 1) Sunshine Cottage, 2) Vosburgh Pavilion, 3) Munger Pavilion, and 4) the Old Commissioner's House. Each lease was for a term of thirty (30) years with NYMC having the option to renew for an additional thirty (30) year term. Each lease was duly executed and NYMC in 2011 exercised its options to extend each lease for additional term of thirty (30) years, through January 28, 2042.

RENT AND TERMS OF THE LEASE:

Pursuant to the proposed ninety-nine (99) year Lease Agreement, the County shall lease the Property to NYMC, NYMC shall demolish the building known as Munger Pavilion and NYMC shall construct a new building in its place (the "New Building"). For consideration of the Lease Agreement, NYMC shall pay the County, as rent, the sum of One Dollar (\$1.00) per year until the issuance of a temporary certificate of occupancy ("TCO") for the New Building. Thereafter, upon the date of issuance of the first TCO for the New Building and continuing for the next thirty (30) years of the Lease Agreement, NYMC shall pay the County, annually as rent, two and a half percent (2.5%) of gross revenue (as defined in Section 2.03 of the Lease Agreement) for the New Building. Commencing in lease year thirty-one (31) until the expiration or termination of the Lease Agreement, NYMC shall pay the County, annually as rent, four and a half percent (4.5%) of the gross revenue for the New Building. The Lease Agreement will be triple net with NYMC being solely responsible for all expenses, utilities and other monetary charges in connection with the Property, including, but not limited to, all maintenance and repairs of the Property, which the County is currently responsible for under the terms of the existing building leases. Pursuant to terms of the Lease Agreement, all plans and specifications for the New Building shall be subject to the joint review and approval by the Commissioners of Public Works & Transportation and Planning, and NYMC must complete construction of the New Building within five (5) years after the date that all approvals for the New Building have become final and unappealable.

NYMC shall also pay the County Thirty Thousand Three Hundred (\$30,300) Dollars annually for the first thirty (30) years of the Lease Agreement for use of approximately 1.81 acres of land located at the corner of Hammond House Road, which is part of the Property and which cannot be developed by NYMC and shall remain as open space. Also, NYMC will reimburse the County for fifty percent (50%) of the cost of the appraisal for the Property and for fifty percent (50%) of any future appraisals that may be required under the Lease Agreement.

Pursuant to the terms of the Lease Agreement, NYMC shall be required to continuously offer a graduate course of study in the health care field and must use the Property exclusively for the administration and operation of a duly licensed and accredited health sciences college or university including, but not limited to, a medical school, and for related educational, research, health, medical, paramedical, biomedical, health science, and/or dental purposes, including parking, room and board for students, administrators, faculty, residents and medical staff and related services. Any proposal by NYMC to use the Property for other purposes or to erect any other structures on the Property other than the New Building, shall be subject to both reasonable approval by the County Executive and approval by your Honorable Board, in its sole discretion.

In addition, the County reserves the right to construct a portion of the Tarrytown-Kensico Trailway within the right-of-way of any County road without the prior approval of NYMC, and further, subject to reasonable approval by NYMC, the County has the right to improve the Property to create a portion of the Trailway. The County may improve other property owned by NYMC to create a portion of the Trailway, subject to NYMC's prior written approval.

Pursuant to the terms of the Lease Agreement, NYMC may assign the Lease in whole or part or sublet all or portion of the New Building without further County approval to: i) any Affiliate; ii) a Developer as that term is defined in Article 16 of the Lease Agreement for construction and operation of the New Building; iii) to students, administrators, faculty, medical residents, or medical staff for housing purposes, iii) to physicians for use as professional offices; iv) to the Westchester Institute of Human Development for office space; and v) any other party for a sublease of up to 5,000 square feet of space in the New Building. All other assignments or sublets shall require approval of the County. The NYMC also has the right to assign the Lease without the County's consent to any domestic duly chartered and accredited college, university or other educational institution or not-for-profit corporation, into or with which Tenant may be merged or consolidated and to any educational institution which shall be an affiliate parent or successor to NYMC.

TERMS OF THE LEASE AMENDMENTS:

The current lease for Munger Pavilion shall be mutually terminated by the County and NYMC upon execution of the Lease Agreement. The leases for Sunshine Cottage, Vosburgh Pavilion, and the Old Commissioner's House shall remain in full force and effect for the duration of their respective terms, but will be amended in in order to: i) remove any obligations the County has to maintain the land surrounding each of those three (3) buildings as all of that land will be part of the Property which NYMC will be required to maintain pursuant to the Lease Agreement; and ii) add the land located beneath each of the three (3) buildings to their respective leases.

ADDITIONAL CONDITIONS:

As your Honorable Board will recall, on December 30, 1998, the County and the Westchester County Health Care Corporation ("WCHCC") entered into a Restated and Amended Lease Agreement ("Restated Lease"), affecting, among other things, the Grasslands Campus. Pursuant to Article XX, Section 20.2(a) of the Restated Lease, the WCHCC is vested with a right of first refusal in connection with the sale, lease, license or commercial arrangement of all or any portion of the Grasslands Campus which is not included within the premises leased to WCHCC, for which the County receives a bona fide written offer that the County desires to accept. The Property is subject to this provision. In accordance with Article XX of the Restated Lease, the proposed Lease Agreement shall be transmitted to WCHCC for its consideration.

SEQRA:

The Planning Department has advised that based on its review, the proposed lease is classified as an "Unlisted" action under the State Environmental Quality Review Act ("SEQRA"). A Resolution, along with a short Environmental Assessment Form prepared by the Planning Department, is attached to assist your Honorable Board in complying with SEQRA. Should your Honorable Board conclude that the proposed action will not have any significant impact on the environment; it must approve the Resolution adopting a Negative Declaration prior to enacting the proposed Local Laws. As you know, your Honorable Board may use such expert advice to reach its own conclusion.

PERMISSIVE REFERENDUM:

I have been advised that because the term of the proposed Lease Agreement exceeds the thirty (30) year limitation of terms contained in the LWC Section 104.11(5)(f), a Local Law amending Section 104.11(5)(f) is required. I have been further advised that pursuant the LWC Section 209.171(7), the attached Local Law amending LWC Section 104.11(5)(f) is subject to permissive referendum, because it changes a provision of law relating to the sale, exchange or leasing of County property. Consequently, the proposed Local Law amending LWC Section 104.11(5)(f) may not take effect until sixty (60) days after its adoption, assuming that within that time a petition protesting its adoption is not filed by the number of qualified electors required by law. Because the proposed Lease Agreement has a term longer than thirty (30) years, the Local Law approving the Lease Agreement cannot take effect until the effective date of the amendment to LWC Section 104.11(5)(f).

ACTION REQUIRED:

To summarize, three (3) Local Laws are being transmitted for your Honorable Board's consideration: (1) a Local Law amending Section 104.11(5)(f) because the proposed lease term exceeds the thirty (30) year limitation; (2) a Local Law authorizing the County to terminate its 1982 lease with NYMC for Munger Pavilion and pursuant to Section 104.11(5)(b) authorizing the County to enter into a new ninety-nine (99) year Lease Agreement with NYMC, and (3) a Local Law pursuant to Section 104.11(5)(b) authorizing the County to amend the 1982 lease agreements for a) Sunshine Cottage, b) Vosburgh Pavilion, and c) the Old Commissioner's House.

As noted above, if your Honorable Board agrees with this proposed transaction, then it should pass the SEQRA resolution first, the local law amending Section 104.11(5)(f) second, the Local Law approving the Lease Agreement pursuant to Section 104.11(5)(b) third, and the Local Law authorizing amendments to the three (3) lease agreements pursuant to Section 104.11(5)(b) fourth.

Also attached are four (4) Resolutions, one in connection with SEQRA, and one for each Local Law authorizing a Public Hearing as required by §209.141(4) of the Westchester County Administrative Code.

I believe that the leasing of the Property to NYMC for the creation of a campus and construction of a new building to replace Munger Pavilion will be of great benefit to the County of Westchester. Therefore, I recommend the favorable action of your Honorable Board on the annexed proposed legislation.

Sincerely,



George Latimer
County Executive

GL/JPI/
Attachments

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

Your Committee is in receipt of a communication from the County Executive recommending approval of a legislative package which contains the following:

- i) a Local Law authorizing the County of Westchester (the "County") to terminate its 1982 lease with the New York Medical College ("NYMC") for the building known as Munger Pavilion and pursuant to the Laws of Westchester County ("LWC") Section 104.11(5)(b) simultaneously enter into a new lease agreement with NYMC for the Munger Pavilion and for approximately 17.46 acres of County-owned property located at the Grasslands Campus (also known as the Grasslands Reservation and the Valhalla Campus at Grasslands) in the Valhalla section of the Town of Mt. Pleasant, New York (the "Property") and authorize NYMC to demolish the building known as Munger Pavilion and thereafter construct a new building in its place (the "Lease Agreement");
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to NYMC for a period up to sixty (60) years including options. Thereafter, pursuant to Local Law No. 1-1982, your Honorable Board authorized the County to enter into building leases with NYMC for four (4) buildings located on the Grasslands Campus known as: 1) Sunshine Cottage, 2) Vosburgh Pavilion, 3) Munger Pavilion, and 4) the Old Commissioner's House. Each lease was for a term of thirty (30) years with NYMC having the option to renew for an additional thirty (30) year term. Each lease was duly executed and NYMC in 2011 exercised its options to extend each lease for additional term of thirty (30) years, through January 28, 2042.

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of land located at the corner of Hammond House Road, which is part of the Property and which cannot be developed by NYMC and shall remain as open space. Also, NYMC will reimburse the County for fifty percent (50%) of the cost of the appraisal for the Property and for fifty percent (50%) of any future appraisals that may be required under the Lease Agreement.

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SEQRA:

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PERMISSIVE REFERENDUM:

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Your Committee has been advised that passage of the Local Law amending Section 104.11(5)(f) requires an affirmative vote of not less than a majority of the voting strength of your Honorable Board, that the Local Law authorizing the lease of the Premises pursuant to Section 104.11(5)(b) requires an affirmative vote of not less than two-thirds of the voting strength of your Honorable Board, and that the Local Law authorizing amendments to the three (3) lease agreements pursuant to Section 104.11(5)(b) requires an affirmative vote of not less than two-thirds of the voting strength of your Honorable Board.

As noted above, your Committee has been advised that if your Honorable Board agrees with this proposed transaction, then it should pass the SEQRA resolution first, the local law amending Section 104.11(5)(f) second, the Local Law approving the Lease Agreement pursuant

to Section 104.11(5)(b) third, and the Local Law authorizing amendments to the three (3) lease agreements pursuant to Section 104.11(5)(b) fourth.

Also attached are four (4) Resolutions, one in connection with SEQRA, and one for each Local Law authorizing a Public Hearing as required by §209.141(4) of the Westchester County Administrative Code.

Your Committee believes that the leasing of this Property to NYMC for the creation of a campus and construction of a new building to replace Munger Pavilion will be of great benefit to the County of Westchester. Therefore, your Committee recommends the favorable action of your Honorable Board on the annexed proposed legislation.

Dated: _____, 2022
White Plains, New York

COMMITTEE ON

C: jpi 4.22.2022

RESOLUTION NO. - 2022

RESOLVED, that this Board hold a public hearing pursuant to Section 209.141(4) of the Laws of Westchester County on Local Law Intro. No. -2022 entitled "A Local Law authorizing the County of Westchester to terminate the lease with New York Medical College for the building known as Munger Pavilion and to enter into a lease agreement for approximately 17.46 acres of County-owned property located in the Grasslands Campus in the Valhalla section of the Town of Mt. Pleasant, New York, with New York Medical College, its successors or assigns to create a campus and to authorize New York Medical College to demolish the building known as Munger Pavilion and to construct a new building in its place." The public hearing will be held at ____ . m. on the ____ day of _____, 2022 in the Chambers of the Board of Legislators, 8th Floor, Michaelian Office Building, White Plains, New York. The Clerk of the Board shall cause notice of the time and date of such hearing to be published at least once in one or more newspapers published in the County of Westchester and selected by the Clerk of the Board for that purpose in the manner and time required by law.