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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF BUSINESS OPERATIONS
BUREAU OF FACILITIES AND ASSETS MANAGEMENT

Nicholas A. Toumpas
 Commissioner

Sheri L. Rockburn
 Chief Financial Officer

129 PLEASANT STREET, CONCORD, NH 03301-3857
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September 19, 2014

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

*666 General
 428 Rental*

Authorize the Department of Health and Human Services to enter into a **sole source, retroactive** amendment to the existing lease with The Maestro Fund III-Bel Canto, LLC, P.O. Box 468, Portsmouth, New Hampshire 03802 (Vendor #167427) for the Manchester District Office space, by increasing the price limitation in the amount of \$367,506.96 to \$6,825,470.28 from \$6,457,963.32 and by extending the term six months to March 14, 2015, effective retroactive to September 15, 2014 and to end March 14, 2015. Governor and Council approved the original lease on May 5, 2004 item #51B. Funds are available in the following account for SFY 2015.

05-95-95-953010-5685 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFFICE OF ADMINISTRATION, MANAGEMENT SUPPORT

Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
SFY 2005	022-500248	Rents-Leases Other than State	\$469,439.20	\$ 0.00	\$469,439.20
SFY 2006	022-500248	Rents-Leases Other than State	\$577,452.04	\$ 0.00	\$577,452.04
SFY 2007	022-500248	Rents-Leases Other than State	\$594,741.24	\$ 0.00	\$594,741.24
SFY 2008	022-500248	Rents-Leases Other than State	\$612,574.08	\$ 0.00	\$612,574.08
SFY 2009	022-500248	Rents-Leases Other than State	\$630,951.18	\$ 0.00	\$630,951.18
SFY 2010	022-500248	Rents-Leases Other than State	\$649,880.70	\$ 0.00	\$649,880.70
SFY 2011	022-500248	Rents-Leases Other than State	\$669,376.84	\$ 0.00	\$669,376.84
SFY 2012	022-500248	Rents-Leases Other than State	\$689,457.90	\$ 0.00	\$689,457.90
SFY 2013	022-500248	Rents-Leases Other than State	\$710,141.88	\$ 0.00	\$710,141.88
SFY 2014	022-500248	Rents-Leases Other than State	\$731,445.94	\$ 0.00	\$731,445.94
SFY 2015	022-500248	Rents-Leases Other than State	<u>\$122,502.32</u>	<u>\$ 367,506.96</u>	<u>\$490,009.28</u>
Total			\$6,457,963.32	\$ 367,506.96	\$6,825,470.28

EXPLANATION

The Department of Health and Human Services provides health and human services to the clientele in the Manchester area through its Division of Client Services, Division for Children Youth and Families, Office of Child Support Services and Bureau of Elderly and Adult Services. The Department has occupied this Manchester District Office location since 2004, currently housing one-hundred-twenty-five (125) employees. This request is submitted as a sole source amendment because it was determined to be a more cost effective way to secure the

September 19, 2014

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necessary office space for six months. The amendment is retroactive due to stalled negotiations on the short-term lease amendment. The Landlord only wanted to participate in a long term lease agreement; she was reluctant to wait for the finalization of the Request For Proposal process. She has been aggressively marketing the property and with no offers on the table for a new tenant, the Landlord finally opted to go ahead with a short-term holdover amendment and subsequently submit a proposal for a long term lease (part of the Request For Proposal Phase II process).

The amendment reflects an increase of six months in the term of the lease to facilitate the Department's finalization of the Request For Proposal process and subsequent submittal of any replacement lease to all authorizing authorities for receipt of required approvals, the Department will need a minimum of six months to complete such process. Extending the term will allow the Department of Health and Human Services to continue lawful payment of rent while continuing occupancy at the Premises.

The lease amendment provides the same terms and conditions as the original lease. The current lease rate is \$25.16 per square foot gross; the lease amendment rate remains the same for the term. Included in the monthly rental payments are the following costs associated with the leasehold property, including: base rent, heat, electricity, janitorial services, real estate taxes, and common area maintenance (including snow plowing, snow removal, general repairs and maintenance, HVAC repairs and maintenance, electrical repairs and maintenance, water and sewer, and landscaping). The total square footage remains the same at 28,730 square feet.

The original lease as approved by Governor and Council was competitively bid following the publication of the Request For Proposal in the New Hampshire Union Leader in December 2003.

Approval of this lease amendment will allow the Department to continue to provide services to the public in a secure environment while finalizing the Request For Proposal. The area served by the Manchester District Office is the entire Hillsborough County.

Funding for this request is General Funds 60%, Federal Funds 40% by cost allocation across benefiting programs.

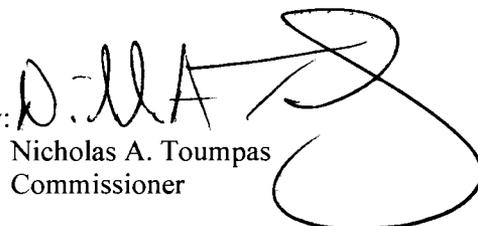
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this agreement.

Respectfully submitted,



Sheri L. Rockburn
Chief Financial Officer

Approved by:



Nicholas A. Toumpas
Commissioner

LEASE SPECIFICS

Landlord:	Maestro Fund III-Bel Canto, LLC P. O. Box 468 Portsmouth, New Hampshire 03802
Location:	195 McGregor Street Manchester, NH 03101
Monthly Rent:	\$61,251.16
Square Footage (Useable):	28,730
Square Footage (Gross):	29,219
Square Foot Rate:	\$25.16
Janitorial:	Included in rent
Utilities:	Included in rent
Term:	Commencing September 15, 2014 through March 14, 2015
Total Rent:	\$367,506.96

AMENDMENT

This Agreement (the "Amendment") is dated, Sept 15th, 2014 and is by and between the State of New Hampshire acting through the Department of Health and Human Services, (the "Tenant") and The Maestro Fund III-Bel Canto, LLC, (the "Landlord") P.O. Box 468, Portsmouth NH 03802.

Whereas, pursuant to a ten-year Lease agreement (the "Agreement"), for 28,730 square feet of first floor level space located at 195 McGregor Street, in a building known as "Mill West", Manchester NH (the "Premises") which was first entered into on April 13, 2004 by a previous owner of the Premises and approved by the Governor and Executive Council on May 5, 2004 item #56B, it was agreed to lease the Premises upon the terms and conditions specified in the Agreement in consideration of payment by the Tenant of certain sums as specified therein, and;

Whereas, the Landlord acquired ownership of the Premises effective January 9, 2008 from the previous owner which was Brady Sullivan Properties, 670 N. Commercial Street, Suite 303, Manchester, NH 03101, which acquired ownership of the Premises effective March 5, 2007 from the original owner, which was Nyane Associates Limited Partnership, 330 Bedford Street, Manchester, NH 03101, and;

Whereas, the Landlord and Tenant are agreeable to a holdover term to facilitate the Tenant's finalization of their "Request for Proposal" (RFP) process and subsequent submittal of any replacement lease to all authorizing authorities for receipt of required approvals, and;

The Tenant will need up to six (6) months to complete such process, however, the Agreement expires well in advance of this, and;

Amendment of the current Agreement to provide a delay in the expiration of the term is necessary to authorize the Tenant's continued lawful payment of rent and occupancy while processes are concluded;

NOW THEREFORE, in consideration of the foregoing and the covenants and conditions contained in the agreement set forth herein the Landlord and Tenant hereby agree to amend the Agreement as follows:

Amendment of Agreement:

3.1 Term: The expiration date of the current agreement, September 14, 2014 is hereby amended to terminate up to six (6) months thereafter, March 14, 2015. During the amended Term should the Parties hereto decide to enter into a lease replacing the Agreement, and such lease is subsequently authorized by the State of New Hampshire's Governor and Executive Council, the Amendment herein shall terminate upon the same date set for commencement of the "Occupancy Term" in such replacement lease, replaced by the terms and conditions of such lease upon that date.

Initials: TSK
Date: 9.15.14

4.1 Rent: The current annual rent of \$735,013.92 which is approximately \$25.16 per square foot will remain the same during the amended term, prorated to a monthly rent of \$61,251.16 which shall be due on the first day of each month during the term. The first monthly installment shall be due and payable September 1, 2014 or within 30 days of the Governor and Executive Council's approval of this agreement, whichever is later. The total amount of rent to be paid under the terms of this agreement shall not exceed six (6) months which is \$367,506.96

EFFECTIVE DATE OF THE AMENDMENT: This Amendment shall be effective upon its approval by the Governor and Executive Council of the State of New Hampshire. If approval is withheld, this document shall become null and void, with no further obligation or recourse to either party.

CONTINUANCE OF AGREEMENT: Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement and the obligations of the parties there under shall remain in full force and effect in accordance with the terms and conditions set forth therein.

Initials:

Date: 9.15.14

IN WITNESS WHEREOF, the parties have hereunto set their hands;

TENANT: State of New Hampshire Department of Health and Human Services

Date: 9/19/14

By [Signature]
Sheri L. Rockburn, Chief Financial Officer

LANDLORD: The Maestro Fund III-Bel Canto, LLC

Date: 9.15.14

By [Signature]
Katherine Williams Kane, Manager

Acknowledgement: State of New Hampshire County of Rockingham

On (date) 9/15/14, before the undersigned officer, personally appeared Katherine Williams Kane, who satisfactorily proved to be the persons identified above as the owners, and they personally executed this document.

Signature of Notary Public or Justice of the Peace: [Signature]

Commission expires: May 23 2017 Seal:

Name and title of Notary Public or Justice of the Peace (please print):

Deborah Moore



Approval by New Hampshire Attorney General as to form, substance and execution:

By: [Signature], ~~Assistant Attorney General~~, on 9/24/14

Approval by the New Hampshire Governor and Executive Council:

By: _____, on _____

**ATTACHMENT TO EXHIBIT B
TENANT'S FISCAL YEAR SCHEDULE OF RENTAL PAYMENTS**

<i>State Fiscal Year</i>	<i>Month</i>	<i>Square Foot Rate</i>	<i>Total Payment</i>	<i>Yearly Total</i>	<i>Fiscal Year Total</i>
2015	9/15/2014	\$ 25.16	\$ 61,251.16		
	10/15/2014	\$ 25.16	\$ 61,251.16		
	11/15/2014	\$ 25.16	\$ 61,251.16		
	12/15/2014	\$ 25.16	\$ 61,251.16		
	1/15/2015	\$ 25.16	\$ 61,251.16		
	2/15/2015	\$ 25.16	\$ 61,251.16	\$ 367,506.96	\$ 367,506.96

Total Rent

\$ 367,506.96

Initials:
Date: 9.15.14

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that The Maestro Fund III - Bel Canto, LLC is a New Hampshire limited liability company formed on September 13, 2007. I further certify that it is in good standing as far as this office is concerned, having filed the annual report(s) and paid the fees required by law; and that a certificate of cancellation has not been filed.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 15th day of August, A.D. 2014

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

STATE OF NEW HAMPSHIRE

I, Katherine W. Kane, as sole Manager since 2007 of The Maestro Fund III:
Bel Canto, LLC am authorized to enter into a contract with the State of New
Hampshire on behalf of The Maestro Fund III: Bel Canto, LLC..

In witness whereof, I have set my hand as the Manager of Maestro Fund III:
Bel Canto, LLC this 26th day of August 2014.

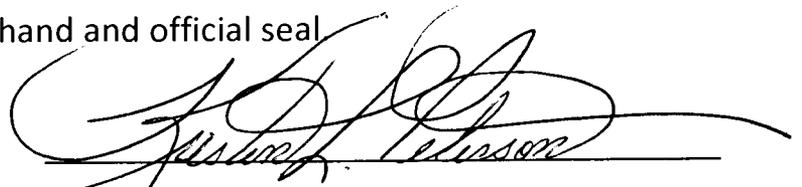


Manager

State of New Hampshire
County of Hillsborough

On August 26^h 2014, before the undersigned officer personally appeared
the person identified in the foregoing certification know to me (or satisfactorily
proven) to be the owner of the business in the foregoing certificate and
acknowledged that he executed the foregoing certificate.

In witness whereof, I set my hand and official seal



Notary Public/Justice of the Peace

56955
MAINE, York County
exp: 2/7/2019

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Search Results

Current Search Terms: The* maestro* Fund* III-Bel Canto* LLC*

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No records found for current search.

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Entity

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By Record Status

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**DEPARTMENT OF ADMINISTRATIVE SERVICES
SYNOPSIS OF ENCLOSED LEASE CONTRACT**

FROM: Mary Belec, Administrator II
Department of Administrative Services
Bureau of Planning and Management

DATE: September 29, 2014

SUBJECT: Attached Lease Amendment;
Approval respectfully requested

TO: Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

LESSEE: Department of Health and Human Services, 129 Pleasant Street, Concord NH

LESSOR: The Maestro Fund III-Bel Canto, LLC, P.O. Box 468, Portsmouth NH, 03802

DESCRIPTION: Retroactive "Hold-Over" Lease Amendment: Approval of the enclosed will retroactively authorize continued occupancy at the Departments' current Manchester District Office comprised of 28,730 square feet of space located in the "Mill West Building" at 195 McGregor Street, Manchester NH. The extended term will allow the Department to continue providing uninterrupted services in the region while finalizing an ongoing RFP process and requesting all required approvals for the intended replacement lease.

TERM: Six (6) months: retroactively commencing September 15, 2014 extending the lease end-date to March 14, 2015

RENT: The current rate of approx. \$25.16 per square foot which is \$735,013.92 annually shall remain unchanged (0% escalation) for the extended term, payable as \$61,251.16 per month

JANITORIAL: included in annual rent

UTILITIES: included in annual rent

TOTAL: \$367,506.96 for the Six (6) month term.

PUBLIC NOTICE: Sole-Source amendment of current lease, however any subsequent replacement lease will conform to all required competitive RFP processes

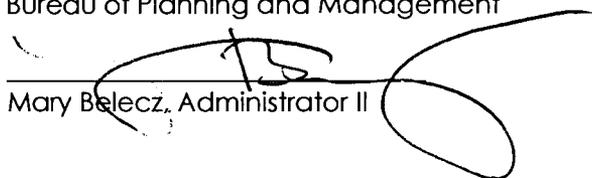
CLEAN AIR PROVISIONS: None applicable to an amended term

BARRIER-FREE DESIGN COMMITTEE: No review required for an amended term

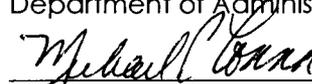
OTHER: Approval of the enclosed is recommended

The enclosed contract complies with the State of NH Division of Plant and Property Rules
And has been reviewed & approved by the Department of Justice.

Reviewed and recommended by:
Bureau of Planning and Management


Mary Belec, Administrator II

Approved by:
Department of Administrative Services


Michael Connor, Deputy Commissioner