



CITY OF NEW BEDFORD

JONATHAN F. MITCHELL, MAYOR

March 1, 2018

Council President Linda Morad  
Honorable Members of the City Council  
City Hall  
133 William Street, Room 215  
New Bedford, MA 02740

RE: PENCILVEST, LLP LEASE EXTENSION AND AMENDMENT

Dear Council President Linda Morad & Honorable Members:

We are requesting that you approve a Lease Extension and Amendment for Pencilvest. The property is controlled by the Airport and located on Mt. Pleasant Street. The most recent tenant (pursuant to a sublease) was WB Mason which has vacated the property. The tenant prior to WB Mason was Pencilvest (Steve Mazza).

Because there are only seventeen years remaining on the Lease, Mr. Mazza has been unable to sublet the Leased property (banks are looking for a thirty year Lease to finance improvements to the building). The Airport Commission has recently approved a thirteen year extension so that thirty years would be left on the Lease. The thirteen year extension rate would be at fair market value to be determined at the end of the original Lease. The market value would include not only the value of the land but also the building which was erected on the property by the tenant. The market value would be determined by three appraisers seventeen years from now at the completion of the existing Lease term.

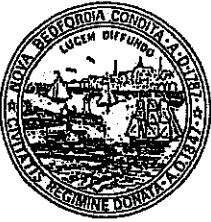
A copy of the *Lease Extension and Amendment* is enclosed.

Very truly yours,

Jonathan F. Mitchell  
Mayor

EJ/bar

Enclosure



# CITY OF NEW BEDFORD

## CITY COUNCIL

March 8, 2018

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**Ordered,** that the Mayor be authorized to execute a thirteen year extension to the existing Lease between the City of New Bedford and Pencilver, LLP for property located on Mt. Pleasant Street in New Bedford.

The thirteen year extension for the Lease will have a fair market value rent. Fair market value will be determined at the end of the original Lease term (17 years from now) by three appraisers. In all other respects, the original Lease will remain the same.

A copy of the Lease Extension and Amendment is attached hereto.

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## LEASE EXTENSION AND AMENDMENT

WHEREAS, the City of New Bedford is the Lessor of certain realty located on Mount Pleasant Street in New Bedford which was originally leased to Briden Realty on September 5, 1985 for a term to expire on July 31, 2035; and

WHEREAS, pursuant to an Assignment and Amendment of said Lease to Pencilver, LLP on July 16, 1998, Pencilver, LLP is the current Lessee of the 39,942 square foot leased parcel on Mount Pleasant Street; and

WHEREAS, the Lessee is desirous of extending said Lease an additional thirteen (13) years; and

WHEREAS, the City of New Bedford Airport Commission, at its September 20, 2017 meeting, voted to approve a thirteen (13) year lease extension, said extension to be at fair market value rent;

NOW THEREFORE, said Lease shall be amended as follows:

### Article II

- the date "July 31, 2035" shall be deleted and "July 31, 2048" shall be inserted in its place.

### Article III

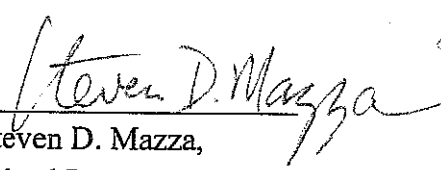
- shall be amended to insert after the number "\$29,621.80 per year" and before the language in the next paragraph beginning with the words "Except as otherwise provided ...." the following additional language: "Lessee shall have a further option to extend this Lease for thirteen (13) additional years at fair market value. Fair market value for the final thirteen (13) years of the Lease as extended shall be set in the fiftieth year of the original Lease. Said fair market value shall be determined by a majority vote of three (3) Appraisers, one Appraiser selected by the Lessee, one Appraiser selected by the Lessor, and a third Appraiser selected by the original two Appraisers appointed by Lessee and Lessor, and shall be based on the fair market value of the land and any improvements thereon. Cost of said Appraisal to determine fair market value rent shall be divided equally between the Lessor and Lessee."

In all other respects, the original Agreement and its subsequent Assignment and Amendment are confirmed and ratified.

IN WITNESS WHEREOF the parties hereto set their hands and seals this \_\_\_\_ day of January, 2018

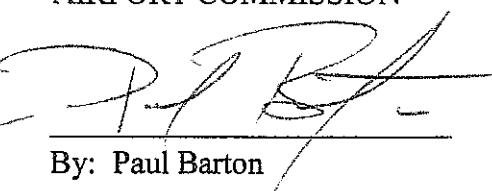
LESSEE:

PENCILVEST, LLP

  
By: Steven D. Mazza,  
Authorized Partner

LESSOR:

CITY OF NEW BEDFORD  
AIRPORT COMMISSION

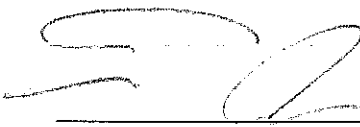
  
By: Paul Barton  
Chairman

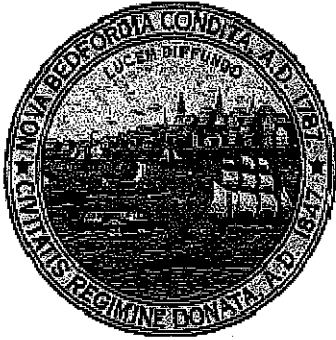
LESSOR:

CITY OF NEW BEDFORD

\_\_\_\_\_  
Jonathan F. Mitchell  
Mayor

APPROVED as to Form and Legality

  
Eric Jaikes  
Assistant City Solicitor



## CITY OF NEW BEDFORD

### OFFICE OF THE CITY SOLICITOR

133 William Street, Room 203  
New Bedford, MA 02740-6163

Tel. (508) 979-1460

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# MEMORANDUM

TO: Mayor's Office/Attn: Christina R. Connelly, Asst. Chief of Staff

FROM: Eric Jaikes, Assistant City Solicitor

CC: Mikaela A. McDermott, City Solicitor

*- ok by me - mmmd*

DATE: February 28, 2018

SUBJECT: PENCILVEST, LLP LEASE EXTENSION  
File #482-2007-48-154

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In accord with our conversation, enclosed please find the following documents:

- Letter from Mayor Mitchell to City Council dated March 1, 2018;
- Order;
- Copy of Lease Extension and Amendment.

Kindly have the Mayor place on the March 8, 2018 City Council Agenda.

If you have any question, please do not hesitate to contact this office.

Thank you.

EJ/bar

Enclosures (3)