


**Howard County**
Internal Memorandum

Subject: Testimony & Fiscal Impact Statement
Council Bill No. _____ – 2017, an act pursuant to Section 612 of the Howard County Charter, approving a Second Amendment for the lease of space; and authorizing the County Executive to take certain actions in connection with the Agreement.

To: Lonnie R. Robbins,
Chief Administrative Officer

From: James M. Irvin, Director
Department of Public Works 

Date: December 22, 2016

The Department of Public Works has been designated coordinator for preparation of testimony relative to approval of a Second Amendment for the leased space.

The County is currently leasing property pursuant to a Maryland Multi-Tenant Industrial Lease dated February 27, 2015, as amended by the First Amendment to Maryland Multi-Tenant Industrial Lease dated March 8, 2016 (collectively, the "Lease").

The Lease expires on February 28, 2017, and the County wishes to renew the Lease beginning March 1, 2017 for a term of three years, through February 29, 2020. The County and the landlord desire to enter into a Second Amendment to Maryland Multi-Tenant Industrial Lease (the "Second Amendment"), substantially the form attached as Exhibit A, and such form of the Second Amendment is incorporated herein by reference.

The Second Amendment requires the payment by the County of funds from an appropriation in a later fiscal year and therefore requires County Council approval as a multi-year agreement pursuant to Section 612 of the Howard County Charter.

The County will save approximately \$35,000 by entering in to a multi-year lease rather than an annual lease. In addition, the County will save time and money with the reduction of annual administrative processes and reviews.

The three-year, lease schedule starts at a base rental rate of \$13.50/square foot, and then escalates yearly starting March 1, 2018 and continuing every twelve-month period thereafter.

<u>Time Period</u>	<u>Per Square Foot Rate</u>	<u>Annual Basic Rent</u>	<u>Monthly Basic Rent</u>
3/1/17 – 2/28/18	\$13.50	\$75,654.00	\$6,304.50
3/1/18 – 2/28/19	\$13.91	\$77,951.64	\$6,495.97
3/1/19 – 2/29/20	\$14.33	\$80,305.32	\$6,692.11

Representatives of this department will be present at the public hearing to answer any questions or concerns. If you require any further information concerning this matter or have any additional questions, please do not hesitate to contact me at your convenience.

cc: Jennifer Sager
File