



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 multi-year Amendment to Full Service Office Building Lease Agreements between Howard County, Maryland and PR FPR North Ridge, LLC, a Delaware limited liability company, for the lease of Suite 204 and Suite 209, both in the building located at 2850 North Ridge Road, Ellicott City; authorizing the County Executive to make changes to the Amendment, under certain conditions; authorizing the County Executive to execute the Amendment; and generally relating to the Amendment.

To: Lonnie R. Robbins,
Chief Administrative Officer

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

Date: April 20, 2017

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

2850 North Ridge Road Associates, LLC, was the owner of approximately 5.3 acres of real property located at 2850 North Ridge Road in Ellicott City, which is improved by a three-story building (the "Office Building"). 2850 North Ridge Road Associates LLC assigned its interests, including leases in 2850 North Ridge Road, to PR FPR North Ridge, LLC.

Howard County, Maryland leases a portion of the second floor of the Office Building containing approximately 7,067 square feet of rentable area commonly known as Suite 204 pursuant to a Full Service Office Building Lease Agreement.

Suite 204 is used as the Child Advocacy Center and the initial term of the Full Service Office Building Lease Agreement was for one year and expired on June 30, 2012. The initial Lease for Suite 204 has been renewed five times for one-year terms, and the latest renewal term pursuant to the Fifth Renewal is set to expire on June 30, 2017.

Howard County, Maryland leases a portion of the second floor of the Office Building containing approximately 1,570 square feet of rentable area commonly known as Suite 209 pursuant to a Full Service Office Building Lease Agreement. Suite 209 is used as the Domestic Violence Center and the initial term of the Full Service Office Building Lease Agreement was for one-year and expired on June 30, 2013.

The initial Lease for Suite 209 has been renewed for one-year terms, and the latest renewal term pursuant to a Fourth Renewal is set to expire June 30, 2017.

The County wishes to enter into an Amendment to Full Service Office Building Lease Agreements in order to combine the leases for Suites 204 and 209 into one lease, for a total of 8,637 square feet, and to extend the term through June 30, 2022.

Such a renewal term 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 five-year lease schedule starts at a base rental rate of \$23.00/square foot, and then escalates 3% yearly starting July 1, 2018 and continues every twelve-month period thereafter until expiration.

<u>Time Period</u>	<u>Per Square Foot Rate</u>	<u>Monthly Basic Rent</u>	<u>Annual Basic Rent</u>
7/1/17 – 6/30/18	\$23.00	\$16,544.25	\$198,651.00
7/1/18 – 6/30/19	\$23.57	\$16,964.51	\$203,574.09
7/1/19 – 6/30/20	\$24.16	\$17,389.16	\$208,669.92
7/1/20 – 6/30/21	\$24.77	\$17,828.21	\$213,938.49
7/1/21 – 6/30/22	\$25.39	\$18,274.45	\$219,293.43

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