



Howard County

Internal Memorandum

Subject: Testimony & Fiscal Impact Statement
Council Bill No. 50- 2017, an Act pursuant to Section 612 of the Howard County Charter, approving a Sixth Renewal of Agreement between Howard County, Maryland and Oakwood Columbia, LLC, a Maryland limited liability company, for 8,122 square feet of office space located at 7060 Oakwood Mills Road, Columbia, Maryland, to be used by the Department of Recreation and Parks; authorizing the County Executive to enter into the Renewal and to make changes to the Renewal before executing it, under certain conditions; and generally relating to a multiyear lease of certain premises by Howard County from Oakwood Columbia, LLC.

To: Lonnie R. Robbins,
Chief Administrative Officer

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

Date: June 1, 2017

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

Howard County, Maryland (the “County”) is a party to an existing Agreement of Lease (“the Current Lease”) under which it leases 5,474 square feet of office space for the Department of Recreation and Parks, which space consists of Units M, N, and P at the Oakwood Business Center, 7060 Oakland Mills Road, Columbia, Maryland.

The initial lease for this space commenced on March 6, 2007, for a term of five years, and was renewed for five, one-year terms. The Current Lease expires on June 30, 2017, and the parties wish to amend the Current Lease by extending it for five years, and increasing the amount of space rented and the amount of rent.

The County wishes to enter into the Sixth Renewal of Agreement of Lease to extend the term through June 30, 2022 – see Exhibit 1.

The Sixth Renewal of Agreement of Lease 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 \$18.00/square foot, and then escalates 2.5% yearly starting July 1, 2018 and continues every twelve-month period thereafter – see chart below.

<u>Time Period</u>	<u>Per Square Foot Rate</u>	<u>Annual Basic Rent</u>	<u>Monthly Basic Rent</u>
7/1/17 – 6/30/18	\$18.00	\$146,196.00	\$12,183.00
7/1/18 – 6/30/19	\$18.45	\$149,850.90	\$12,487.58
7/1/19 – 6/30/20	\$18.91	\$153,597.17	\$12,799.77
7/1/20 – 6/30/21	\$19.38	\$157,437.10	\$13,119.76
7/1/21 – 6/30/22	\$19.87	\$161,373.03	\$13,447.75

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