



# Howard County

## *Internal Memorandum*

**Subject:** Testimony & Fiscal Impact Statement  
Council Bill No. 55 - 2017, an Act pursuant to Section 612 of the Howard County Charter, approving a Lease Agreement between Howard County, Maryland and LSOP 3 MD 3, LLC, a Delaware limited liability company, for 8.84 acres of real property improved with two one-story office buildings known as 9820 and 9830 Patuxent Woods Drive, Columbia, to be used by several County agencies, quasi-governmental agencies, and non-profit agencies from time to time; authorizing the County Executive to enter into the Agreement and to make changes to the Agreement before executing it, under certain conditions; and generally relating to a multiyear lease of certain premises by Howard County.

**To:** Lonnie R. Robbins,  
Chief Administrative Officer

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

**Date:** June 29, 2017

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

LSOP 3 MD 3, LLC, a Delaware limited liability company, dba Greenfield Partners (the "Landlord"), by the deed dated January 30, 2014 and recorded among the Land Records of Howard County, Maryland at Liber 15521, folio 216 is the owner of approximately 8.84 acres of real property shown as Parcel A-4 on Plat Number 9509 in the Land Records and improved with two one-story office building known as 9820 and 9830 Patuxent Woods Drive, Columbia Maryland 21046 (referred to separately as "9820" and "9830", and collectively as the "Buildings").

The Buildings have 55,379 combined square feet of space including related amenities and any additional facilities in subsequent years as may be determined by Landlord to be reasonably necessary or desirable for the management, maintenance, or operation of the Buildings (collectively, the "Property").

The County wishes to lease the entirety of 9820 consisting of approximately 24,528 square feet of rentable area and the entirety of 9830 comprising of approximately 31,211 square feet of rentable area, the parking and grassed areas of the Property and the roof of each of the Buildings (the "Leased Premises"), pursuant to a Lease Agreement.

The County wishes to lease the Leased Premises for a term of 20 years to expire on June 30, 2038, with three (3) optional extension terms of three (3) years each.

The County wishes to use the Leased Premises to house certain county agencies, quasi-governmental agencies, and non-profit agencies which are being relocated from the County's Gateway Building on Gateway Drive.

The twenty-year lease schedule includes an eight-month rent abatement. On the ninth month of the term, the County shall pay to Landlord a base rental rate of \$19.00/square foot. The rent will escalate starting after the 3<sup>rd</sup> year, and will escalate 2% annually and continues every twelve-month period thereafter until expiration.

Period	Base Rent (Full Services, except electric)	Monthly Based on 55,739 square feet	Annual Based on 55,739 square feet
Commencement Date to End of Eighth Consecutive month	Rent is waived	Rent is waived	Rent is waived
Ninth month - 20th month-			
Year 1	\$19.00 square foot	\$88,253	\$1,059,041
Year 2	\$19.00 square foot	\$88,253	\$1,059,041
Year 3	\$19.00 square foot	\$88,253	\$1,059,041
Year 4	\$19.38 square foot	\$90,018	\$1,080,222
Year 5	\$19.77 square foot	\$91,819	\$1,101,826
Year 6	\$20.16 square foot	\$93,655	\$1,123,863
Year 7	\$20.57 square foot	\$95,528	\$1,146,340
Year 8	\$20.98 square foot	\$97,439	\$1,169,267
Year 9	\$21.40 square foot	\$99,388	\$1,192,652
Year 10	\$21.83 square foot	\$101,375	\$1,216,505
Year 11	\$22.26 square foot	\$103,403	\$1,240,835
Year 12	\$22.71 square foot	\$105,471	\$1,265,652
Year 13	\$23.16 square foot	\$107,580	\$1,290,965
Year 14	\$23.62 square foot	\$109,732	\$1,316,784
Year 15	\$24.10 square foot	\$111,927	\$1,343,120
Year 16	\$24.58 square foot	\$114,165	\$1,369,982
Year 17	\$25.07 square foot	\$116,449	\$1,397,382
Year 18	\$25.57 square foot	\$118,777	\$1,425,330
Year 19	\$26.08 square foot	\$121,153	\$1,453,836
Year 20	\$26.60 square foot	\$123,576	\$1,482,913

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