



Howard County

Internal Memorandum

Subject: Testimony & Fiscal Impact Statement
Council Bill No. 52 - 2018, an Act pursuant to Section 612 of the Howard County Charter, approving a Lease Agreement between Howard County, Maryland and Columbia Commercial Developments, Inc. for the lease of space located at 7125 Riverwood Drive, Columbia, Maryland, and authorizing the County Executive to take certain actions in connection with the lease agreements.

To: Lonnie R. Robbins,
Chief Administrative Officer

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

Date: June 29, 2018

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

Howard County needs to raze the existing Dorsey Building, located at Bendix Road, and relocate those agencies, i.e., Department of Inspections, Licenses, and Permits, Bureau of Engineering, Bureau of Highways, and Loan Closet (DCRS), as part of the construction of the new Circuit Court – Capital Project C0290.

Columbia Commercial Developments, Inc. (“Landlord”), by deed dated December 31, 1984 and recorded among the Land Records of Howard County, Maryland (the “Land Records”), at Liber 1314, folio _____ is the owner of approximately 9.019 acres of real property, shown as Parcel 449 on Tax Map 41; and shown as Parcel B on the subdivision plat entitled “Rivers Corporate Park, Section 1, Area 2, Parcels A, B, C, D and Lot 1” recorded as Plat Numbers 6015 through 6020 in the Land Record, and improved with an industrial building comprised of 1000,000 square feet of leasable space known as 7125 Riverwood Drive, Columbia, Maryland (the “Building”).

The County proposes to lease a portion of the Building consisting of 36,584 square feet of rentable space in Pod B and Pod C of the Building, and an additional 22,191 square feet of rentable space in Pod D of the Building, comprising a total of approximately 58,775 square feet of rentable space in the Building, associated parking areas, a fenced outside storage area, and other related amenities (collectively, the “Leased Premises”) for use by the Department of Inspections, Licenses, and Permits, Bureau of Engineering, Bureau of Highways, and Loan Closet.

The County and the Landlord desire to enter into a Lease Agreement, attached, for a term of ten years, with the option to extend the term for two additional five-year periods. The Lease Agreement requires the payment by the County of funds from an appropriation in later fiscal years, and therefore requires County Council approval as a multi-year agreement pursuant to Section 612 of the Howard County Charter.

Period	Base Rent	Monthly Based on 30,192 square feet	Annual Based on 30,192 square feet
Year 1	\$9.85 square foot	\$71,460.60	\$857,527.25
Year 2	\$10.05 square foot	\$72,440.18	\$869,282.25
Year 3	\$10.25 square foot	\$73,419.77	\$881,037.25
Year 4	\$10.45 square foot	\$74,399.35	\$892,792.25
Year 5	\$10.66 square foot	\$75,427.91	\$905,135.00
Year 6	\$10.88 square foot	\$76,505.45	\$918,065.50
Year 7	\$11.09 square foot	\$77,534.02	\$930,408.25
Year 8	\$11.32 square foot	\$78,660.54	\$943,926.50
Year 9	\$11.54 square foot	\$79,738.08	\$956,857.00
Year 10	\$11.77 square foot	\$80,864.60	\$970,375.25

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