


  
**Howard County**  
*Internal Memorandum*

**Subject:** Testimony & Fiscal Impact Statement  
Council Bill No. 67- 2018, an Act pursuant to Section 612 of the Howard County Charter, approving a Lease Agreement between Howard County, Maryland and AGS Borrower Lakeview, LLC, a Delaware limited liability company, for 9,317 square feet of office space located at 9801 Broken Land Parkway, Columbia, Maryland, to be used by the Department of Public Works, Bureau of Environmental Services, and authorizing the County Executive to take certain actions in connection with the Lease Agreement.

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

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

**Date:** August 30, 2018

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

Howard County needs to raze the existing Dorsey Building, located at Bendix Road, and relocate several agencies to the Gateway Building as part of the construction of the new Circuit Court – Capital Project C0290.

The Department of Public Works, Bureau of Environmental Services is currently located in the Gateway Building, but needs to be moved for the offices of Economic Development Authority.

AGS Borrower Lakeview, LLC, a Delaware limited liability company (the “Landlord”), by the deed dated July 25, 2017 and recorded among the Land Records of Howard County, Maryland at Liber 17713, folio 102, is the owner of approximately 13.933 acres of real property shown as Parcels A3 and A4 on Plat Number 5201 in the Land Records.

Parcel A3 is improved with three office buildings known as (i) 9801 Broken Land Parkway comprising of 9,317 square feet, (ii) 9821 Broken Land Parkway comprising of 12,514 square feet, and (iii) 9841 Broken Land Parkway comprising of 68,649 square feet (collectively the “Lakeview I Buildings”) and Parcel A4 is improved with the office building known as 9861 Broken Land Parkway comprising of 126,944 square feet (the Lakeview II Building). The Lakeview I Buildings and Lakeview II Building collectively comprise of 217,424 rentable square feet.

The County proposes to lease the building located at 9801 Broken Land Parkway, comprising of 9,317 square feet of leasable space, associated parking areas, and other related amenities for use of the Department of Public Works, Bureau of Environmental Services.

The County and Landlord desire to enter into a Lease Agreement, attached, for a term of eleven years, with the option to extend the term for two additional five-year periods. The Lease Agreement requires payment by the County of funds from an appropriation of in later fiscal years and therefore requires County Council approval as a multi-year agreement pursuant to Section 612 of the Howard County Charter. The 11-year schedule starts at a base rental rate of \$19.85/square foot, and then escalates 2.5% yearly and continues every twelve-month period thereafter. The Landlord has agreed that 12 months of rent will be abated as follows: months (i) one through five, (ii) eleven through thirteen, (iii) twenty-five, (iv) thirty-seven, (v) forty-nine, and (vi) sixty-one. See schedule below.

Period	Base Rent per square foot	Monthly Installment of Annual Rent Based on 9,317 square feet	Annual Rent Based on 9,317 square feet (including the months with a rent abatement)
Year 1 (Rent abatement for months 1-5 and months 11-12 abatement)	\$19.85	\$15,411.87	\$77,059.35 (indicates only 5 months of payment because of abatement)
Year 2 (months 13 - 20 with month 13 abatement)	\$19.85	\$15,411.87	\$107,883.09 (indicates only 7 months of payment because of abatement)
Year 2 (months 21 – 24 with escalation)	\$20.35	\$15,800.08	\$63,200.32 (indicates only 4 months of payment with escalation)
Year 3 (Rent abatement for month 25)	\$20.86	\$16,196.05	\$178,156.57 (indicates only 11 months of payment because of abatement)
Year 4 (Rent abatement for month 37)	\$21.38	\$16,600.95	\$182,610.48 (indicates only 11 months of payment because of abatement)
Year 5 (Rent abatement for month 49)	\$21.91	\$17,014.78	\$187,162.61 (indicates only 11 months of payment because of abatement)
Year 6 (Rent abatement for month 61)	\$22.46	\$17,436.57	\$191,802.29 (indicates only 11 months of payment because of abatement)
Year 7	\$23.02	\$17,874.28	\$214,491.32
Year 8	\$23.60	\$18,319.94	\$219,839.27
Year 9	\$24.19	\$18,781.52	\$225,378.23
Year 10	\$24.79	\$19,251.06	\$231,012.69
Year 11	\$25.41	\$19,728.55	\$236,742.64

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  
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