



Howard County

Internal Memorandum

Subject: Testimony & Fiscal Impact Statement
Council Bill No. 54 - 2019, an Act pursuant to Section 612 of the Howard County Charter, approving a Lease Agreement between Howard County, Maryland and Delta-Greenwood, LLC, a Maryland limited liability company, for 28,511 square feet of space at 8869 Greenwood Place, Savage, Maryland, to be used by the Department of Public Works, Bureau of Utilities, and authorizing the County Executive to take certain actions in connection with the Lease Agreement.

To: Lonnie R. Robbins,
Chief Administrative Officer

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

Date: September 27, 2019

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

The Department of Public Works, Bureau of Utilities, is in need of warehouse space to accommodate planned improvements at the Little Patuxent Water Reclamation Plant located at 8900 Greenwood Place, Savage, Maryland (the "Plant").

Delta-Greenwood, LLC, a Maryland limited liability company (the "Landlord"), is the owner of a building known as 8869 Greenwood Place, Savage, Maryland 20863 (the "Building") containing approximately 89,468 square feet of leasable space and is located near the Plant.

The County proposes to lease 28,511 square feet of the Building from the Landlord for the use of the Department of Public Works, Bureau of Utilities.

The County and Landlord desire to enter into a Lease Agreement, attached, for a term of ten (10) years, with the option to extend the term for one (1) additional period of five (5) years. The Lease Agreement requires 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 per square foot	Monthly Installment of Annual Rent Based on 28,511 square feet	Annual Rent Based on 28,511 square feet
Commencement Date to End Year 1	\$6.45 per square foot	\$15,324.66	\$183,895.95
Year 2	\$6.61 per square foot	\$15,707.78	\$188,493.35
Year 3	\$6.78 per square foot	\$16,100.47	\$193,205.68
Year 4	\$6.95 per square foot	\$16,502.99	\$198,035.82
Year 5	\$7.12 per square foot	\$16,915.56	\$202,986.72
Year 6	\$7.30 per square foot	\$17,338.45	\$208,061.39
Year 7	\$7.48 per square foot	\$17,771.91	\$213,262.92
Year 8	\$7.67 per square foot	\$18,216.21	\$218,594.50
Year 9	\$7.86 per square foot	\$18,671.61	\$224,059.36
Year 10	\$8.06 per square foot	\$19,138.40	\$229,660.84

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