

Sayers, Margery

From: joel hurewitz <joelhurewitz@gmail.com>
Sent: Thursday, May 21, 2020 1:40 PM
To: CouncilMail; Ball, Calvin
Cc: RealEstate; Kuc, Gary
Subject: CB33-2020 Lease Increase Prohibition Appears to Apply to Howard County

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Dear County Executive Ball and the Members of the County Council,

In his letter regarding CB33-2020 Stuart Sagal wrote: "The Bill also fails to distinguish between previously negotiated Lease provisions and between "small" and "large" landlords and tenants. An individual landlord could have an existing Lease with Walmart, which, by its terms, provides for a rental increase during the applicable period of time encompassed by the Bill. Was it really your tenant to prevent that Lease provision from taking effect?"

To the extent that the bill does apply to lease increases in multi-year leases, it would appear that this provision would be applicable to the many leases involving Howard County, either as a landlord as with the Long Reach Village Center, or as a tenant. This includes three of the most recent leases approved by the Council including CB54-2019, CB56-2019, and CB4-2020. The yearly lease schedules are shown below.

It seems that an amendment is needed to clarify this issue and limit its applicability to commercial leases in general and those of Howard County in particular.

Sincerely,

Joel Hurewitz

CB54-2019 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

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

CB56-2019 Third Amendment for the lease of space

3. **Basic Rent:** For the Extension Term, Basic Rent payable by Tenant under the Lease, as amended, shall be as follows:

PERIOD	RATE/R.S.F.	MONTHLY BASIC RENT	ANNUAL BASIC RENT
03/01/2020 - 02/28/2021	\$14.33	\$6,692.11	\$80,305.32
03/01/2021 - 02/28/2022	\$14.76	\$6,892.87	\$82,714.44

CB4-2020 Micros Systems, Inc. 32,028 square feet of space at 7031 Columbia Gateway Drive

Period	Base Rent per square foot	Monthly Installment of Annual Rent Based on 32,028 square feet	Annual Rent Based on 32,028 square feet
Year 1 (subject to abatement per Section 3(b))	\$24.00 per square foot	\$64,056.00	\$384,336.00 (indicates only 6 months of payment because of abatement)
Year 2	\$24.60 per square foot	\$65,657.40	\$787,888.80
Year 3	\$25.22 per square foot	\$67,298.84	\$807,586.02
Year 4	\$25.85 per square foot	\$68,981.31	\$827,775.67
Year 5	\$26.49 per square foot	\$70,705.84	\$848,470.06
Year 6	\$27.15 per square foot	\$72,473.48	\$869,681.81
Year 7	\$27.83 per square foot	\$74,285.32	\$891,423.86
Year 8	\$28.53 per square foot	\$76,142.45	\$913,709.46
Year 9	\$29.24 per square foot	\$78,046.02	\$936,552.19
Year 10	\$29.97 per square foot	\$79,997.17	\$959,966.00