



# Howard County

## Internal Memorandum

**Subject:** Testimony for FY25 TAO #1 from various capital projects to C0360

**To:** Brandee Ganz  
Chief Administrative Officer

**From:** Yosef Kebede, Director  
Department of Public Works

Signed by:  
  
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**Date:** December 23, 2024

The Department of Public Works supports the Transfer of Appropriation Ordinance to allow the transfer of \$5,345,000.00 in funding to C0360 Real Estate Planning and Design from the following Capital Projects:

- |  |                |          |
|--|----------------|----------|
| 1. C0376 Troy Park Indoor Track Facility | \$2,200,000.00 | (Pay go) |
| 2. C0377 Public Ice Rink Facility        | \$700,000.00   | (Pay go) |
| 3. C0378 Data Center                     | \$1,910,000.00 | (Bonds)  |
| 4. C0365 Systemic Renovations            | \$ 535,000.00  | (Bonds)  |

The purpose of this transfer is to provide the funding needed for the County to purchase a 3-story, 98,281 square foot office building located at 9755 Patuxent Woods Drive (the "Building") in the Patuxent Woods development, which is centrally located near buildings currently leased by the County. This building is located at the County's human services campus, which is currently home to the Department of Community Resources and Services and the Department of Housing and Community Development. This location is also in close proximity to the office of the Community Action Council of Howard County, the Nonprofit Collaborative, and the Department of Social Services. The added office space will help alleviate existing space shortages within the County and provide an opportunity to move County agencies from leased space to County-owned space in the future.

***Fiscal Impact:***

This transfer of appropriations will allow the County to purchase the Building in the Patuxent Woods development. The purchase price of the Building is \$5,600,000.00. As part of the Purchase and Sale Agreement, the County will deposit a down payment of 5% of the purchase price, amounting to \$280,000.00, utilizing funding currently available in C0360. The remainder of funding for the purchase will be transferred from the four Capital Projects highlighted in this testimony.

The Building purchase includes the continuity of leases for three existing tenants totaling 46,559 square feet whose lease payments will cover anticipated operating expenses in the short term. The acquisition would provide a significant cost savings to the County when compared to the continued

cost of renting facilities for County agencies for the long term (Approximately \$56.98 per square foot to purchase compared to \$25.00 to \$30.00 per square foot per year for a lease).

The County will retain funding in C0376, C0377 and C0378 that is sufficient to advance the necessary market and feasibility studies for these projects. The funding reduction in C0365 is possible due to a delay in the planned relocation of the Board of Elections into new leased space.

The fiscal impact of this purchase to the County will be approximately \$900,000.00 per year in estimated operating costs. The current rental income from the three tenants is approximately \$1,092,000.00 per year. Additional funding may be needed in the FY2026 Capital Budget for the creation of a space plan to effectively utilize the Building and renovate the structure to fit the needs of future County tenants. The estimated cost of this work is unknown at this time and will be developed in anticipation of the FY2026 Capital Budget process.

Representatives of the Department of Public Works will be present at the public hearing to answer any questions and provide further details as needed. If you require any further information concerning this matter or have any additional questions, please do not hesitate to contact me at your convenience.