

Council Bill 41-2026 Fiscal Analysis

Introduced: June 1, 2026

Fiscal Manager: Yusef Ibrahim

Legislative Intent: Council Bill 41-2026 approves a Fourth Amendment to Lease between Howard County and Merritt-CPTF Lyndwood, LLC for approximately 12,477 square feet of leased office space located at 6095 Marshalee Drive, Elkrigde, Maryland. The lease is utilized by the Howard County Police Department's Automated Enforcement Program.

ANALYSIS

Fiscal Impact:

The proposed Fourth Amendment extends the existing lease for the Police Department's Automated Enforcement Program for an additional five-year period beginning July 1, 2027, and ending June 30, 2032. The lease includes an option for one additional five-year renewal term. Also, the lease amendment authorizes reimbursement of up to \$433,500 for landlord eligible tenant improvement costs.

Annual lease payments will increase from \$299,448 during the first year of the extension to \$327,272 during the final year. The annual rental rate increases from \$24.00 per square foot to \$26.23 per square foot over the extension term. Total lease payments during the five-year extension period are estimated at approximately \$1.57 million.

Term	Annual Rate	Monthly Rate	Per Sq. Ft.
7/1/27 - 6/30/28	\$299,448.00	\$24,954.00	\$24.00
7/1/28 - 6/30/29	\$306,185.64	\$25,515.47	\$24.54
7/1/29 - 6/30/30	\$313,047.96	\$26,087.33	\$25.09
7/1/30 - 6/30/31	\$320,035.08	\$26,669.59	\$25.65
7/1/31 - 6/30/32	\$327,271.68	\$27,272.64	\$26.23

Budget Implications:

Funding for lease payments associated with the proposed facility is included in the FY 2027 budget within the Department of General Services under Real Estate Management (FY27)¹: \$8,474,547. Lease payments required under the proposed lease in future fiscal years would be subject to annual appropriation by the County Council through the County's budget process.

¹ Page 170 in HC FY27 Approved Operating Budget

Other Notes:

According to the Administration, the current lease rate is scheduled to increase from \$24.52 per square foot to \$25.07 per square foot effective July 1, 2026. Under the proposed lease amendment, the County would pay an initial lease rate of \$24.00 per square foot with annual escalations of 2.25 percent. The Administration stated that the proposed amended lease rate represents an approximate 4.25 percent reduction from the rate otherwise scheduled to take effect under the existing lease. The Administration also provided a market analysis prepared by the County's Real Estate Advisor indicating that the proposed lease rate is consistent with current market conditions².

² See Attachment A