

DEPARTMENT OF GENERAL SERVICES

Items to be presented to the Board of Public Works

July 28, 2010

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Energy Performance	1 thru 4
Maintenance	5 and 6
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**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**ENERGY PERFORMANCE CONTRACT**

**ITEM**            1-EP

**DEPARTMENT OF GENERAL SERVICES**

**CONTRACT NO. & TITLE**

Project No. DGS-06-EPC-IDC- 6.0,  
Agreement to Provide Phase I (Detailed  
Engineering Feasibility Study) Energy  
Services for Development and  
Implementation of Energy Performance  
Projects with Fees \$250,000.00 or Less.  
ADPICS NO. (See Awards Below)

**DESCRIPTION**

Approval is requested for this Indefinite Delivery Contract (IDC) for Energy Service Companies (ESCOs) to provide energy audit, engineering, construction, financing, and maintenance services to develop and implement comprehensive energy efficiency and guaranteed savings programs at State facilities on an as-needed basis. The services required may include, but are not limited to, preparation of detailed engineering feasibility studies, schematic design, design development, preparation of construction documents, construction, startup/commissioning, training, maintenance, energy savings monitoring, and reporting. Individual Phase I projects awarded under the contract agreement shall not exceed \$250,000.00.

State Finance & Procurement Article, Section. 12-303 authorizes the Board to waive certain Div II requirements for energy performance contracts. Accordingly, DGS respectfully requests the BPW to grant a waiver to SF&P, Section 13-204 so that the seven ESCOs evaluated as qualified can be maintained on a pre-qualified list for this IDC.

**PROCUREMENT METHOD**

Competitive Sealed Proposals

**BIDS OR PROPOSALS**

**Technical Scores > 80%**

PEPCO Energy Services - Lanham, MD	88.4%
NORESCO, LLC - Baltimore, MD	87.6%
Energy Systems Group - Baltimore, MD	86.4%
Constellation Energy Project & Services Group, Inc. Baltimore, MD	84.8%
Honeywell International, Inc. - Baltimore, MD	82.8%
Ameresco - Columbia, MD	81.2%
Johnson Controls, Inc. - Sparks, MD	80.6%
Schneider Electric - Carrollton, TX	N/A

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**ENERGY PERFORMANCE CONTRACT**

**ITEM**            1-EP (Cont.)

**BIDS OR PROPOSALS (Cont.)**

**Technical Scores > 80%**

Trane - Timonium, MD	N/A
The Benham Companies - Harrisburg, PA	N/A
Siemens - Baltimore, MD	N/A
Consolidated Green Services, LLC - Baltimore, MD	N/A

**AMOUNT**

\$8,750,000 Est. (4 Years)

Individual Project Limit Per Firm:

\$ 750,000 2 Year base contract  
 \$ 250,000 1<sup>st</sup> one-year renewal option  
\$ 250,000 2<sup>nd</sup> one-year renewal option  
 \$1,250,000 Total limit per firm over 4 years  
 Estimated Aggregate Contract Limit:  
 \$5,250,000 Est. 2 Year base contract  
 \$1,750,000 Est. 1<sup>st</sup> one-year renewal option  
\$1,750,000 Est. 2<sup>nd</sup> one-year renewal option  
 \$8,750,000 Est. Total (4 Years)

**TERM**

7/1/2010-6/30/2012 (W/2, one-year renewal options)

**MBE PARTICIPATION**

25% (Contracts over \$50,000.00 in value)

**REMARKS**

Twelve (12) proposals were received in response to the Request for Proposals. Technical proposals were evaluated in accordance with the technical criteria published in the RFP which included team qualifications, prior work experience in performance contracting, project management and technical approach, financial approach, and sample feasibility studies. Based on the RFP requirement, a maximum of eight offerors with the highest ranking and with a minimum score of 80% could be selected for award.

This IDC can be used by Maryland State Agencies, Counties, or Municipalities. Once a potential project is identified by an Agency, all qualified ESCOs will be invited to submit a proposal to complete a Feasibility Study/Development of Guaranteed Savings Program (Phase I). The proposals will be evaluated based on the following:

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**ENERGY PERFORMANCE CONTRACT**

**ITEM**           1-EP (Cont.)

- a) guaranteed cost avoidance,
- b) guaranteed percentage energy use reduction,
- c) proposed list of Energy conservation measures,
- d) proposed overhead & profit rates for overall project,
- e) proposed renewable/sustainable technologies,
- f) Phase 1 schedule,
- g) cost of Phase 1 study,
- h) proposed method of cost avoidance guaranty.

The successful ESCO will perform the detailed energy audit and engineering feasibility study to identify the scope of work, construction cost, yearly maintenance costs, and yearly guaranteed energy savings associated with the project.

There will be no State capital funding required for the Phase I fee; the fee for Phase I is included in the financed capital cost in Phase II. If the results of the Phase I engineering feasibility study do not meet the objectives as defined in the RFP, the ESCO will absorb the cost of the study. If the State decides to proceed to Phase II, the detailed scope of work (including all engineering/ construction costs, financing, and yearly maintenance costs) representing a Phase II proposal will be submitted to the Board of Public Works for approval.

If the project value exceeds \$50,000.00 based on Phase II construction cost, an overall minimum MBE goal of 25% of the total dollar value of the contract is to be provided directly or indirectly from certified minority business enterprise.

By approving this contract, the Board grants DGS the authority to approve the unilateral exercise of the renewal option at the scheduled time as provided for in the contract and directs that the exercise of each option renewal be reported on a DGS PAAR.

In addition to use by Maryland State Agencies, interest in this contract has been received by local governments. The approved Energy Performance contracts awarded as a result of this IDC saves the State millions of dollars in energy usage without the outlay of capital funds for improvements to facilities because these improvements are paid from energy and related savings.

A protest on this contract has been filed and denied by the Department on 6/8/2010. No appeal has been made to the Maryland State Board of Contract Appeals (MSBCA).

**FUND SOURCE**

Energy and Energy Related Savings

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**ENERGY PERFORMANCE CONTRACT**

**ITEM**            1-EP (Cont.)

**RESIDENT BUSINESS**

Yes for all

**AWARDS**

<u>Contractor</u>	<u>ADPICS NO.</u>	<u>MD TAX CLEARANCE</u>
Pepco Energy Services Lanham, MD	001B1400038	10-4281-1111
Noresco, LLC Baltimore, MD	001B1400037	10-4280-1111
Energy Systems Group Baltimore, MD	001B1400036	10-4278-1110
Constellation Energy Services Group Baltimore, MD	001B1400035	10-4772-1111
Honeywell International, Inc. Baltimore, MD	001B1400034	10-4377-1111
Ameresco Columbia, MD	001B1400033	10-4333-1111
Johnson Controls, Inc. Sparks, MD	001B1400032	10-4279-1111

Note: This item previously appeared on the DGS/BPW Agenda on 6-9-2010 as Item 3-EP and was withdrawn.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**MAINTENANCE CONTRACT**

**ITEM**            2-M

**DEPARTMENT OF GENERAL SERVICES**

Annapolis State Office Complex  
Annapolis, MD

**CONTRACT NO. AND TITLE**

Project No. BA-000-070-001;  
Replace Steam & Condensate Piping  
Annapolis State Office Complex  
ADPICS NO. 001B0400720

**DESCRIPTION**

Approval is requested for a contract to provide for Phase II of the Underground Steam and condensate Piping around the State Office Complex in Annapolis, MD. The existing system has reached the end of its service life and is leaking severely, creating the loss of energy to the system.

**PROCUREMENT METHOD**

Competitive Sealed Bidding

**BIDS OR PROPOSALS**

**AMOUNT**

Ligon & Ligon, Inc., Baltimore, MD  
Ferguson Trenching, Co., Inc. Odenton, MD

\$ 990,000.00  
\$1,120,000.00

**AWARD**

Ligon & Ligon, Inc.  
Baltimore, MD

**TERM**

8/1/2009-7/31/2012.

**AMOUNT**

\$990,000.00

**MBE PARTICIPATION**

42%

**PERFORMANCE BOND**

100%

**REMARKS**

A notice of availability of a Invitation for Bids (IFB) was posted on DGS's Web Site, Bid Board and *eMaryland Marketplace.com*. 5 bidders were Maryland firms. As part of the Department's outreach, efforts to enhance local residents business participation, direct mail advertisements were forwarded to various business and trade organizations in Maryland. Two (2) responsive and responsible bids were received. The recommended contractor met and exceeded the 25% MBE goal.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**MAINTENANCE CONTRACT**

**ITEM**            2-M (Cont.)

**FUND SOURCE**

MCCBL 2008-Item 010 (Provide funds for  
Facilities Renewal Projects-Statewide)

**RESIDENT BUSINESS**

Yes

**TAX COMPLIANCE NO.**

10-4262-1111

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**EQUIPMENT CONTRACT**

**ITEM**            3-E

**DEPARTMENT OF HEALTH AND MENTAL HYGIENE**

Office of the Medical Examiner  
Maryland Forensics Medical Center  
Baltimore, MD

**CONTRACT NO. AND TITLE**

Digital Radiograph Imaging System;  
ADPICS NO. 001P1100003

**DESCRIPTION**

Supply and install full body digital radiograph imaging system for use by the Maryland Forensic Medical Center.

**PROCUREMENT METHOD**

Sole Source

**AWARD**

Lodox Systems North America LLC  
Painesville, OH

**AMOUNT**

\$375,000.00

**MBE PARTICIPATION**

None

**PERFORMANCE BOND**

N/A

**REMARKS**

This contract is for supply and installation of a state of the-art digital radiographic imaging system for forensics use. Only Lodox manufactures a whole body digital x-ray scanner capable of rapid assessment in a single pass on bodies of trauma victims. This feature is especially critical in the event of a mass fatality incident or terrorist attack to identify multiple victims using unique identifiers in the body such as dental work, orthopedic interventions and skeletal injuries. Due to the highly technical nature of this equipment and warranty issues, there was no MBE subcontracting goal placed on this procurement.

**FUND SOURCE**

MCCBL 2009/Item 21 (Provide funds to equip the new Forensic Medical Center)

**RESIDENT BUSINESS**

No



**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**EQUIPMENT CONTRACT**

**ITEM**           3-E (Cont.)

**TAX COMPLIANCE NO.**

10-4662-0000

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**GENERAL MISCELLANEOUS**

**ITEM**         4-GM

**REFERENCE**                             **In accordance with provisions of the State Finance and Procurement Article, Section 8-301, Annotated Code of Maryland, the Board of Public Works approval of the use of General Obligation Bond funding for the contract(s) noted below in the total amount of \$107,448.50.**

**A. Department of Public Safety and Correctional Services**  
Jessup Pre-Release Unit (JPRU)  
Jessup, MD

**DESCRIPTION**                             Contract to comply with current Americans with Disabilities Act (ADA) requirements on the existing path of travel from the current Administration Building to Housing Unit #4 with a new concrete walkway approx. 197’ long by 4’ wide with a ramp of approximately 14’ for any person with special needs.

**REMARKS**                             This current announcement serves as a first time bid for this project location per a U.S. Department of Justice – Letter of Violation to the Department of Public Safety & Correctional Services (DPSCS) dated September 30, 2008, forwarded to Maryland Department of Disabilities for emergency funding.

Work Schedule will be in coordination with any/all current ongoing/proposed building activities.

**CONTRACT NO. AND TITLE**             Project No. KC-000-080-001;  
Economically Supported ADA Ramp & Walkway

**PROCUREMENT METHOD**             Competitive Sealed Bids  
(Small Business Reserve)

**AWARD**                             Garcia’s Handyman Service, Inc.  
Bethesda, MD

**AMOUNT**                             \$12,300.00

**FUND SOURCE**                     MCCBL 09-004 (Provide funds to design & construct handicap accessibility mods at state-owned facilities statewide)

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**GENERAL MISCELLANEOUS**

**ITEM**           4-GM (Cont.)

**B. Department of Health & Mental Hygiene**

Clifton T. Perkins  
Jessup, MD

**DESCRIPTION**

MCE is to supply Clifton T. Perkins, Jessup, Maryland with patient floor mounted beds with restraints and game tables for new wing.

**REMARKS**

This contract is for the purchase only of hospital furniture for Clifton T. Perkins in Jessup, Maryland. MCE will be supplying the items per COMAR 21.11.05.

**CONTRACT NO. & TITLE**

Furniture Purchase for Clifton. T. Perkins  
Hospital Center  
ADPICS NO. 001P0100147

**PROCUREMENT METHOD**

Preference Purchase

**AWARD**

Maryland Correctional Enterprises (MCE)  
Jessup, MD

**AMOUNT**

\$13,903.00

**MBE PARTICIPATION**

100%

**FUND SOURCE**

MCCBL2008/Item 703 (Provide funds to design, construct, and equip a new maximum security wing including the replacement of an existing chiller and security system.)

**C. Department of the Military**

Baltimore City

**DESCRIPTION**

This project consists of Architectural/Engineering design services for an ADA ramp, parking area, sidewalk, and modifications to certain restrooms and water fountain for ADA compliance.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**GENERAL MISCELLANEOUS**

**ITEM**           4-GM (Cont.)

**REMARKS**

An approved list of consultants was developed for DGS to provide architectural and engineering services for construction projects through the State's Small Business Reserve program. Under this process individual contract awards may not exceed \$25,000.00. Selected firms may be awarded more than one contract in rotation basis.

**CONTRACT NO. & TITLE**

Project No. M-582-100-001;  
ADA Upgrade and Modifications to Existing Latrines, Water Fountains for Compliance and New Entrance Ramp with Accessible Parking, at the Cade Armory, Winchester Street  
ADPICS NO. 001B1400086

**PROCUREMENT METHOD**

Maryland Architectural and Engineering Services Act

**AWARD**

ATI, Inc.  
Columbia, MD

**AMOUNT**

\$17,621.00

**FUND SOURCE**

\$14,259.10 - MCCBL 2007/Item 032  
\$ 3,001.90 - MCCBL 2009/Item 004  
\$ 360.00 – MCCBL 2010/Item 008  
(Provide funds to design and construct handicapped accessibility modifications at State-owned facilities-Statewide)

**D. Department of Natural Resources**

Gambrills State Park  
Frederick County

**DESCRIPTION**

This project consists of the Contractor providing all labor, equipment, materials, supplies, insurance, etc., necessary to renovate three (3) pavilions located at High Knob area of Gambrill State Park.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**GENERAL MISCELLANEOUS**

**ITEM**           4-GM (Cont.)

**CONTRACT NO. AND TITLE**

Project No. P-015-091-010;  
Historic Restoration to Three Shelters  
ADPICS No.: 001B0400693

**PROCUREMENT METHOD**

Competitive Sealed Bids

**AWARD**

J. M. Kudrick & Sons General Contracting  
Cumberland, MD

**AMOUNT**

\$36,927.50

**FUND SOURCE**

MCCBL 2010/Item 016  
(Provide funds to construct capital  
improvements such as planned maintenance  
and repair projects at public use facilities on  
State-owned property.)

**E. Department of Health & Mental Hygiene**

Office of the Chief Medical Examiner  
201 W. Preston St.  
Baltimore, MD

**DESCRIPTION**

Supply computers which include all software, manufacturing and shipping to their new office location in order to provide the Office of Chief Medical Examiner (OCME) with thirty (30) fully functioning desk top computers. These computers are to be an integral part of the system that includes CAT SCAN and STAT SCAN equipment being purchased separately. The computers are to be able to retrieve and read data from the CAT SCAN and STAT SCAN equipment.

**REMARKS**

This contract is for the purchase of computers for the new office location for the Office of Chief Medical Examiner. There was no MBE goal required in the solicitation. This procurement was advertised and solicited through the DoIT Hardware Contractor Master List and procedures.

**CONTRACT NO. AND TITLE**

Computer Purchase for the Office of the  
Chief Medical Examiner  
ADPICS NO. 001P0100225

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**GENERAL MISCELLANEOUS**

**ITEM**           4-GM (Cont.)

**PROCUREMENT METHOD**

Competitive Sealed Bid

**AWARD**

MVS Inc.  
Washington DC  
(MDOT certified MBE)

**AMOUNT**

\$26,697.00

**MBE PARTICIPATION**

100%

**FUND SOURCE**

MCCBL 2009/Item 021 (Provide funds to equip the new Forensic Medical Center)

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**GENERAL MISCELLANEOUS**

**ITEM**            5-GM

**DESCRIPTION**

In accordance with provisions of the State Finance and Procurement Article, Section 12-202, Annotated Code of Maryland, Board of Public Works approval is requested for the following construction inspection expenditures related to the capital improvement project identified below:

<b><u>Project Description</u></b>	<b><u>Amount</u></b>	<b><u>Fund Source</u></b>
Project No. – F-024-100-003	\$4,872.06	Item 018, MCCBL 2010
Inspections Services for Beach Maintenance in Ocean City Worcester County, MD	\$4,872.06	K00.2010.PCA 10553
<b>TOTAL</b>	<b>\$9,744.12</b>	

**REMARKS**

This is an anticipated amount for construction inspection services, subject to necessary extensions, in the event the construction takes longer than expected to complete. Construction inspection services are required to ensure compliance with the requirements of the construction contract.

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Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**REAL PROPERTY**

**ITEM**           6-RP

**DEPARTMENT OF AGRICULTURE**

Maryland Agricultural Land Preservation Foundation (MALPF)  
Agricultural Land Preservation Easements (Various Properties)

**REFERENCE**

Approval is requested for the Maryland Agricultural Land Preservation Foundation (MALPF) and the Maryland Department of Agriculture (MDA), to accept option contracts for the purchase of agricultural preservation easements on the following properties:

**SPECIAL CONDITIONS**

Grantor relinquishes all rights to develop or subdivide the land for industrial, commercial, or residential use. Land shall be preserved solely for agricultural use in accordance with provisions of the Agricultural Article. No commercial signs or bill boards are permitted, and there shall be no dumping on land except as is necessary to normal farming operations. Grantor shall manage the property in accordance with sound agricultural practices. Grantee shall have the right to enter land for inspection. No public rights are granted. The term of these easements shall be in perpetuity pursuant to Agriculture Article Section 2-514.1. Pursuant and subject to the provisions of Agriculture Article Section 2-513, Grantor has elected to reserve to himself, and his assigns, the right to apply for release of one unrestricted lot, that may be conveyed to himself or others.

<b><u>Grantor</u></b>	<b><u>Property</u></b>	<b><u>Price</u></b>	
<b><u>Montgomery County</u></b>			
1. W. Drew Stabler	55.2875 Ac	\$ 478,236.88	
15-10-01		\$ 8,650.00/acre	
	(Appraised Value)	(Agricultural Value)	(Easement Value)
a. Bowers (fee)	\$940,000.00	\$51,804.39	\$888,195.61
b. Pugh (fee)	\$830,000.00	\$51,804.39	\$778,195.61
Review Appraiser: Westholm			

**FUND SOURCES**

L00 A11.11 County SF09

**REMARKS**

1. The Department of Agriculture recommends acceptance of these contracts.



**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**REAL PROPERTY**

**ITEM**          6-RP (Cont.)

2.        The Department of General Services has reviewed the appraisals and has recommended that appraisal “a.” listed above be the appraised value of the land on which the easement is to be acquired.
  
3.        This easement acquisitions will be funded entirely with County funds, but MALPF will be the sole holder of the Easements.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**REAL PROPERTY****ITEM**           7-RP**CANAL PLACE AUTHORITY**Allegany County  
DGS File: 00-8449**REFERENCE**

Approval is requested for an easement conveyance to serve as a secondary access primarily for use by emergency and service vehicles over a 24+/- foot-wide strip of land adjacent to other property owned by the Canal Place Authority and leased long-term for development of a hotel and restaurant, and across property to be leased for redevelopment of the 4-story Footer Dye Works Building in Cumberland, Maryland.

The easement parcel contains .13 +/- acres across part of the TRI State Mine and Mill Property acquired by the Authority from Jonway, Inc. by Confirmatory Deed Dated December 31, 1997. The parcel runs across the west side of the former Jonway Property to the east side of Howard Street and the former Cumberland Electric Property, which were acquired by the Authority on January 26, 1998 and February 7, 2002, respectively.

Improvement and maintenance of the easement area will be at the sole cost of the hotel developer. The Canal Place Authority will retain the right to use the easement property for uses not inconsistent with the developer's permitted use of the property. The easement will expire automatically upon termination of the long-term lease for the Footer Dye Works Building and Cumberland Electric Properties. All transfer documents are subject to approval by the Attorney General's Office.

**GRANTOR**

Canal Place Preservation and Development Authority

**GRANTEE**

Cumberland (Wineow Street) Hotel, LLC

**PROPERTY**

.13 acres +/- unimproved

**PRICE**

\$0

**REMARKS**

1. The Canal Place Preservation and Development Authority recommends approval of this easement.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**REAL PROPERTY**

**ITEM**        7-RP (Cont.)

2. The Canal Place Preservation and Development Authority approved conveyance of this easement on August 18, 2009, subject to BPW approval.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**REAL PROPERTY**

**ITEM**            8-RP

**DEPARTMENT OF GENERAL SERVICES**      State Center LLC.  
    State Center Complex  
    21.8± Acres  
    Baltimore City

**REFERENCE**

The Board of Public Works (“BPW”) is hereby requested to approve a First Amendment to the Master Development Agreement (“MDA”) for the State Center redevelopment project (“Project”). The MDA was approved by the BPW on June 3, 2009 Item 6-RP, and was fully executed by all parties and became effective June 15, 2009.

**BACKGROUND**

The MDA called for the phased redevelopment of the State Center complex which consists of approximate 21.8 +/- acres of property located in the City of Baltimore, Maryland (“State Center”). The MDA is between the Maryland Department of General Services (“DGS”), Maryland Department of Transportation (“MDOT”), and State Center, LLC (“Developer”), with acknowledgment from Maryland Military Department (“DMIL”) and Maryland Department of Labor Licensing and Regulation (“DLLR”).

Following approval of the MDA, the parties commenced preparation and negotiation of the first phase of redevelopment of the Project (“First Phase”) which was determined to be Parcel G and Parcel I-2 as those parcels are identified in Approved Concept Plan of the MDA. On September 3 and December 10, 2009 respectively, Developer presented initial and final occupancy lease terms for the State’s proposed occupancy of a portion of the contemplated First Phase improvements (“Lease Proposal”). On March 2, 2010, DGS and MDOT responded affirmatively to the final terms of Developer’s Lease Proposal and began negotiations to finalize all other aspects of the First Phase redevelopment. Through the process of negotiating the First Phase, it was determined that certain amendments to the MDA were necessary and desirable to effectuate the parties intent, facilitate future Phases of the redevelopment, and continued success of the Project.

**MDA AMENDMENTS**

1.        Section 2.3 and 2.4 are to be amended to allow each Phase’s Ground Lease(s) and/or Occupancy Lease(s), respectively to vary from the forms approved with the MDA and allow them to be negotiated on a Phase by Phase basis before being brought to the BPW for consideration.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**REAL PROPERTY**

**ITEM**            8-RP (Cont.)

2. Section 2.7 and 2.8 are to be amended to allow for the Parking and Traffic Mitigation Plan and Power Plant Transition Plan, respectively, to be finalized and incorporated on a Phase by Phase basis before being brought to the BPW for consideration.
3. Section 4.1.1.2.1 is to be amended to establish timeframes for the redevelopment of a residential component within the First Phase on Parcel G.
4. A Garage section is to be added to outline certain contingencies that must occur prior to either party being committed to the First Phase and commit MDOT to pursuit of the financing and constructing of a State owned Garage within the First Phase on Parcel G. The Garage and the First Phase will remain contingent upon a) the Developer obtaining financing for the First Phase of redevelopment, b) a satisfactory payment-in-lieu of taxes agreement has been approved by the City of Baltimore for the First Phase, c) certain final terms of the State's Occupancy Leases have been finalized including any absolute rent commencement date necessary for private bond financing and satisfactory liquidated damages provisions to offset any delay in delivering State occupancy space beyond the State's absolute rent start date. The State will have no liability to Developer for failure to start or complete the Garage. If Developer fails to commence construction of improvements after the Garage is complete, the State may remove Developer from the Project and find a replacement Developer. MDOT and Developer will negotiate a shared use operating agreement for the completed Garage that shall include MDOT as operator and a State access to no less than 550 spaces.
5. A new Alternative Ground Lease section is to be added to allow Developer to develop the First Phase of the Project without State involvement should the State fail to construct the MDOT Garage in a timely manner. This allows the Developer to proceed with its contemplated First Phase redevelopment.
6. A correction to the Approved Concept Plan definition is to be added.
7. Certain Recitals are included to memorialize, among other things, the activities of the parties since MDA approval, the assignment of development rights by Developer to additional team members, and the scope of the Garage contemplated by the parties.

Companion Items for State Center on this agenda are 8-RP, 10-LL, 11-LL and 12-LT..

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**            9-LL

**DEPARTMENT OF HEALTH AND**  
**MENTAL HYGIENE**

Wicomico County

**Tenant**

Department of Veterans Affairs  
(Veteran Health Administration)  
Building 101, Room 43  
Perry Point, MD 21902

**Property Location**

The Holly Center  
926 Snow Hill Road  
Salisbury, MD 21804

**Space Type**    Office

**Lease Type**    New

**Square Feet**    2,560 +/-

**Duration**        5 Years

**Effective**        August 1, 2010

**Annual Rent**    \$1.00

**Utilities Responsibility**

Tenant

**Custodial Responsibility**

Tenant

**Previous Board Action(s)**

N/A

**History**

To make access to health care easier, Veteran Health Administration (VHA) offers over 800 Community Based Outpatient Clinics (CBOC) across the country. These clinics provide the most common outpatient services, including health and wellness visits, without visiting a larger medical center. VHA continues to expand their network of CBOCs to include more rural locations, making access to care closer to home.

**Special Conditions**

1. The Department of Veterans Affairs shall occupy the Demised Premises for the purpose of an out-patient Mental Health Service to Veterans.
2. The Tenant will be responsible for maintenance, utilities and miscellaneous charges at a rate of \$5.00 per square foot.
3. This lease contains one (1) renewal option for a term of (5) years.
4. Either party may terminate this lease at any time by giving at least 180 days notice in writing.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**        9-LL (Cont.)

**Remarks**                                  VHA Medical Center and Community-Based Outpatient Clinics provide outpatient mental health services, in addition to the re-adjustment counseling services provided by its Veteran Centers. Their services focus on areas such as Post-Traumatic Stress Disorder (PTSD), Suicide Prevention, Substance Abuse, Violence Prevention, and other mental health problems.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE****ITEM** 10-LL**DEPARTMENT OF GENERAL SERVICES**

**Tenant** State Center Parcel G Master Tenant, LLC,  
State Center Parcel I-2 Master Tenant, LLC  
3430 Second Street, Suite 320  
Baltimore, MD 21225

**Property Location** State Center Redevelopment, Parcels G and I-2  
Baltimore, MD

<b><u>Space Type</u></b>	Land	<b><u>Lease Type</u></b>	Ground Lease	<b><u>Acres</u></b>	2.78 acres +/-
<b><u>Duration</u></b>	50 Years	<b><u>Effective</u></b>	August 1, 2010		
<b><u>Annual Rent</u></b>	\$113,387.00 Avg.per year for Parcel G (Revenue to the State)				
	\$53,875.00 Avg. per year for Parcel I-2 (See Remark 2 b) (Revenue to the State)				
	\$8,363,100.00 Total avg. revenue to the State over the 50-year term				

<b><u>Utilities Responsibility</u></b>	Tenant	<b><u>Custodial Responsibility</u></b>	Tenant
<b><u>Previous Board Action(s)</u></b>	N/A		

**Background** The Board of Public Works, (BPW) on June 3, 2009, BPW Item 6-RP, approved a Master Development Agreement (“MDA”) on behalf of the Department of General Services (“DGS”) with acknowledgment by the Maryland Department of Transportation (“MDOT”), Department of the Military (“MD”) and Department of Labor, Licensing and Regulation (“DLLR”), to grant development rights over the 21.8 ± acre parcel in the City of Baltimore known as State Center to State Center, LCC, a limited liability corporation (“Developer”).

The MDA granted the Developer a 15 year right to redevelop State Center into a financially viable, mixed use, mixed income, Transit Oriented Development (TOD) (“Project”). The MDA calls for the creation of retail, residential, office, and civic uses in a compact, walk-able neighborhood. The plan aims to promote transit ridership and reduce automobile dependency while providing affordable housing opportunities, enhancing the area’s cultural and educational institutions, and reintegrating the Property into the surrounding communities. The Project is designed to create a live, work, and play TOD community in midtown Baltimore that offers vibrant arts, entertainment, retail, office, and residential components.



**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**           10-LL (Cont.)

The Developer is solely responsible for financing and developing the site and will coordinate its activities with the State. State Center will be redeveloped in phases over a 15 year period and will be disposed of to the Developer Phase by Phase through long term ground leases or select fee simple dispositions (as residential elements may require) which will be subject to BPW approval. Each Phase's Ground Lease(s) rents are structured to include an annual per acre base rent, a return of the State's pre-development costs and profit sharing payments from Developer for the life of the respective Ground Lease. Board of Public Works approval is requested to enter into two Ground Leases on what are commonly referred to as "Parcel G" and "Parcel I-2" in the MDA's Approved Concept Plan.

**Remarks**

1.       Ground Lease Structure – Each Ground Lease for Parcel G and I-2 ("Ground Leases) has two parts – an initial 15 year non-possessory Holding Lease from the Commencement Date which is then dividable into one or more possessory 50 year Component Lease(s) that may be renewed for one term of 25 years at the sole option of the Tenant without BPW approval and a possible second term of 15 years with BPW approval. The Holding Lease serves as a master lease which allows the Developer a limited period of time to plan, design, and finance each component part of a Phase. As each component is readied, the Holding Lease may become or be split into one or more Component Lease(s) that will allow construction and redevelopment to occur. As a result, office, retail and housing components are anticipated to occur at different times over each Phase's 15 year Holding Lease term and be subject to one or more separate Component Leases as those uses are readied.
  
2.       Ground Lease Rent – each Ground Lease provides for the following rent:
  - a.   Initial Annual Base Rent – payable in the amount of \$2,000 per acre at the commencement of the initial Component Lease of each Parcel G and I-2.
  - b.   Annual Base Rent – payable at the commencement of the initial occupancy lease in the amount of \$90,830 and \$35,424 for Parcel G and I-2, respectively, for the first five years and escalating at 15% every five years for the first 20 years of the term for an average annual rent of \$113,387 and \$53,875.
  - c.   Reset Annual Base Rent – Annual base rent will be reset to an annual amount of \$250,000 for Parcel G and \$125,000 for Parcel I-2 unless the Tenant exercises its option to have the rent reset based on the "3 Appraisal Method".

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**            10-LL (Cont.)

- d. Additional Rent – the State shall be paid its Pre-Development Costs in an amount up to \$1.134 million on Parcel G and up to \$379,000 on Parcel I-2 and on a proportioned basis with the Developer at the closing of the initial construction financing for each Parcel. Any unpaid Pre-Development Costs will be reimbursed with any later Capital Event on the respective Parcel. Any State Pre-Development Costs exceeding \$1.5 million will be reimbursed in subsequent Phases.
  - e. Participation Rent – The State will participate in the annual Net Cash Flow and the Net Proceeds from Capital Events under each Component Lease other than a Residential Component. After Tenant Equity has been repaid in full, the State will then receive seven percent (7%) of the Net Cash Flow. The State will also receive seven percent (7%) of the Net Proceeds from Capital Events.
3. Developer will develop each Parcel in accordance with the Approved Concept Plan for each Parcel. Parcel G's first Component is to be the Initial Improvements of 390,000 square feet of office space, with subsequent Components of 150 residential units and additional 125,000 square feet of speculative office and/or retail space. Parcel I-2 will have one Component consisting of the Initial Improvements of 125,000 square feet of office space and 15,000 square feet of speculative retail space.
4. DGS will be authorized to enter into a Reciprocal Easement and Operating Agreement to allow for on-site and off-site infrastructure development, access and entry, and other necessary easements for operation of the improvements.
5. Developer intends to exercise its first renewal option for both Parcel G and I-2 (thereby extending the 50 year Ground Lease Term to 75 years) prior to obtaining financing for the First Component Lease of each Ground Lease which is anticipated in the Fall of 2010.
6. Existing State Facilities and operations will not be unreasonably disturbed by Developer's activities under the Ground Leases.
7. The State shall retain liability for environmental issues it caused on the Property however the State will have no liability to Developer for such environmental issues nor obligation to remedy any environmental issues that may be found.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**            10-LL (Cont.)

8.        Developer will maintain workers compensation and employer's liability insurance, Commercial General Liability and Umbrella Liability Insurance, Vehicle Liability insurance, Builders Risk and Boiler and Machinery Insurance, Railroad Protective Liability Insurance, Commercial Property Insurance, Errors and Omissions Insurance, and any other insurance deemed necessary by the State.

9.        Ground Leases contain a number of measuring dates for Developer's performance. Developer must initiate construction on both Parcel G and I-2 no later than July 1, 2013 and complete construction of the Initial Improvements no later than July 2, 2015.

10.      MDOT will pursue financing up to \$28,361,000 toward hard and soft costs of the construction of a State owned and operated Garage of Parcel G. If financing of the Garage is unsuccessful, DGS and/or Developer may terminate Parcel G and/or I-2 lease. The State shall have no liability to Developer for failure to finance or construct the Garage. The Garage will be a primarily subsurface structure and is not part of the property granted under the Ground Leases.

11.      Developer or its contractor(s) will provide Payment and Performance Bonds covering 100% of the respective cost of each improvement constructed under the Ground Leases.

12.      With approval the Board is authorizing Developer to conduct certain restricted but Pre-Approved Transfers of development and/or ownership rights necessary to finance, construct and operate the project. Non Pre-Approved Transfers will remain subject to DGS and BPW approval where applicable.

13.      The Ground Leases contain default provisions to promote Developer performance, including default for failure to pay rent, failure to pursue the redevelopment and/or obtain development approvals or financing necessary for redevelopment, failure of other obligations or timing benchmarks in the Ground Leases, and bankruptcy events of Developer.

14.      Each Component Lease may contain additional provisions for Events of Default including remedies available to the State for Developer's failure to perform, such as liquidated damages. Such additional protections may be agreed to and implemented by DGS without returning to the Board for approval.

15.      Developer and DGS will develop and agree on a Parking and Traffic Mitigation Plan that will be appended to each Ground Lease as applicable.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**        10-LL (Cont.)

16.     Developer is committing to certain MBE Policies under the Ground Leases and pursuant to applicable law may be subject to local MBE requirements.

17.     DGS is authorized to enter into certain Subordination, Non-Disturbance, and Attornment (“SNDA”), Recognition, or other similar agreements necessary to effectuate Developer’s financing and redevelopment so long as they do not impair the State’s rights or expand any rights granted under the Ground Leases.

18.     Developer will execute in conjunction with the Ground Leases a Guaranty of Completion to insure the completion of each respective Phase.

Companion Items for State Center on this agenda are 8-RP, 10-LL, 11-LL and 12-LT.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**            11-LL

**DEPARTMENT OF GENERAL SERVICES**

<b><u>Tenant</u></b>	Maryland Department of Transportation (MDOT) 7201 Corporate Center Drive P.O. Box 548 Hanover, MD 21076		
<b><u>Property Location</u></b>	A Portion of Parcel G 900 North Eutaw Street Baltimore, MD 21201		
<b><u>Space Type</u></b>	Garage Land Lease	<b><u>Lease Type</u></b>	New
<b><u>Duration</u></b>	50 Years	<b><u>Effective</u></b>	August 1, 2010
<b><u>Annual Rent</u></b>	\$1.00	<b><u>Acres</u></b>	2 Acres
<b><u>Utilities Responsibility</u></b>	Tenant		
<b><u>Custodial Responsibility</u></b>	Tenant		
<b><u>Previous Board Action(s)</u></b>	N/A		
<b><u>Background</u></b>	The Board of Public Works, (BPW) on June 3, 2009, BPW Item 6-RP, approved a Master Development Agreement (“MDA”) on behalf of the Department of General Services (“DGS”) with acknowledgment by the Maryland Department of Transportation (“MDOT”), Department of the Military (“MD”) and Department of Labor, Licensing and Regulation (“DLLR”), to grant development rights over the 21.8 ± acre parcel in the City of Baltimore known as State Center to State Center, LCC, a limited liability corporation (“Developer”). The MDA was fully executed by all parties, and the BPW, and became effective June 15, 2009.		

The Board of Public Works, (BPW) on June 3, 2009, BPW Item 6-RP, approved a Master Development Agreement (“MDA”) on behalf of the Department of General Services (“DGS”) with acknowledgment by the Maryland Department of Transportation (“MDOT”), Department of the Military (“MD”) and Department of Labor, Licensing and Regulation (“DLLR”), to grant development rights over the 21.8 ± acre parcel in the City of Baltimore known as State Center to State Center, LCC, a limited liability corporation (“Developer”). The MDA was fully executed by all parties, and the BPW, and became effective June 15, 2009.

Following approval of the MDA, and the development of the Preliminary Development Plan (“PDP”) of the Approved Concept Plan, the parties determined that the demand for parking at and in the vicinity of the first phase of the redevelopment project – the contemplated complex of governmental and private office, residential, and retail buildings on Parcel G, Parcel I and future phases at State Center require the construction of a parking garage for governmental and private use.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**            11-LL (Cont.)

To facilitate the parking garage DGS and MDOT desire to enter into a Garage Ground Lease which will provide for the development and construction of a 900-1,000 spaces garage and all appurtenant garage and project improvements for its operation for the use of employees and officials of the State and the general public by MDOT.

MDOT desires, on behalf of the State and the Project, to finance, construct, operate, repair, and maintain the Garage, or to secure some or all of the foregoing services from one or more third parties, for the term of this Garage Ground Lease and to coordinate with DGS the most advantageous means to provide or secure the foregoing services.

The Board of Public Works is hereby requested to approve the Garage Ground Lease between DGS and MDOT subject to the following terms and conditions:

**Special Conditions**

1.        The Garage Site is all of the space below the surface of a lot of approximately two (2) acres of land, including limited portions of the above-grade Phase Property necessary to construct, operate, repair and maintain the Garage and its appurtenances.
2.        MDOT, with DGS' consent, which consent shall not be unreasonably withheld, delayed, or conditioned, anticipates entering into a garage operations agreement, lease, or sublease that will govern the operations and/or financing of the Garage and that is anticipated to also delineate the terms and conditions pursuant to which the Garage will be designed, constructed, equipped, financed or refinanced, operated, repaired and maintained.
3.        The term of this Garage Ground Lease shall be co-terminus with the term of the ground lease from DGS to the affiliate of Developer that will develop the initial component of the first phase of Parcel G. In the event the construction of the Garage has not commenced by December 31, 2011, either party may terminate the lease upon 30 days notice.
4.        During the term of this Garage Ground Lease, MDOT, or its assignee, lessee, or sublessee, as applicable, shall keep and maintain at its expense or cause others to keep and maintain at their expense, the Garage Site and the Garage related improvements now or hereafter located thereon in good condition, order and repair and make all repairs, renewals and replacements.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**           11-LL (Cont.)

5.       The State, DGS and its agents shall be entitled to enter the Garage Site at all reasonable times to inspect the Garage and Garage Site for any purposes related to the construction, equipping, operation and maintenance of the Garage and Garage Site and for fulfilling any other duties or obligations which the State or DGS has under the terms of this Garage Ground Lease or Project agreements, upon reasonable advance notice to MDOT, except in cases of emergency.

6.       To the extent that tax-exempt financing is utilized, MDOT and DGS covenant and agree that they will not take any action nor knowingly permit any of their respective successors, permitted assigns, or lessees or sublessees to take any action with respect to the Garage Site and the Garage that will impair the excludability from gross income for federal income taxation purposes of interest on outstanding tax-exempt obligations of the State, DGS, or MDOT, the proceeds of which were used to finance and refinance capital on the Garage or on or related to the Garage Site, and MDOT and DGS will take all actions necessary to preserve such exclusion from gross income of interest on said tax-exempt obligations for federal income taxation purposes.

7.       This Garage Ground Lease shall not be assigned or subleased by either party without the prior written approval of the other party, not to be unreasonably withheld, delayed, or conditioned, and that of the BPW. Notwithstanding the foregoing, the BPW hereby authorizes MDOT, upon DGS' consent, not to be unreasonably withheld, delayed, or conditioned, to assign or sublease from time to time all or a portion of its leasehold interest herein to an MDOT modal administration, the Maryland Transportation Authority, and/or MEDCO to achieve the financing, construction, operation, repair, and/or maintenance of the Garage.

8.       MDOT shall obtain or cause to be obtained Commercial General Liability insurance for the Garage and the Garage Site in coverage, endorsements and amounts deemed reasonable by MDOT, or otherwise required by any issuer of bonds used to finance the construction of the Garage.

9.       To the extent permitted by law and subject to appropriation, DGS shall indemnify and save MDOT harmless against and from, and shall reimburse MDOT for, all liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, including but not limited to reasonable attorney's fees, that may be imposed upon or incurred or paid by or asserted against MDOT or its interest in the Garage Site and/or the Garage by reason of or in connection with (a) all claims and liabilities arising from or relating to the use of the Garage Site or the improvements built thereon, by licensees, invitees, employees, agents and visitors; (b) any negligence or tortious act on the part of DGS or any of its agents, lessees, or

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**LANDLORD LEASE**

**ITEM**        11-LL (Cont.)

sublessees; (c) any damage to person or property occurring on the Garage Site; or (d) any failure on the part of DGS to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Garage Ground Lease. MDOT shall give DGS prompt written notice of any action or proceeding brought against MDOT by reason of any claims described in this Section, and DGS shall resist or defend such action or proceeding at DGS's sole expense if MDOT notifies DGS of the action or proceeding.

10.     At the end of the Term of Lease, the garage Site will be returned to DGS in its then current condition. Notwithstanding the foregoing, the Garage will continue to be owned and operated by MDOT.

Companion Items for State Center on this agenda are 8-RP, 10-LL, 11-LL and 12-LT.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION



**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE**

**ITEM**           12-LT

**DEPARTMENT OF HEALTH AND MENTAL HYGIENE**        Baltimore City  
**MARYLAND DEPARTMENT OF PLANNING**  
**MARYLAND DEPARTMENT OF TRANSPORTATIONS**  
(Mass Transit Administration-MTA)

**Landlord**   PSP Phase 1 Parcel I Office LLC  
3430 2<sup>nd</sup> Street, Suite 320  
Baltimore, MD 21225

  PSP Phase 1 Parcel G Office LLC  
3420 2<sup>nd</sup> Street, Suite 320  
Baltimore, MD 21225

**Reference**    The State Center Redevelopment Project will be the first Transit Oriented Development in Baltimore City. State Center has access to three (3) modes of public transportation and is surrounded by educational, medical and cultural facilities as well as multiple diverse communities. These leases will launch this walk-able community which will be comprised of office, retail, residential and civic amenities.

These are 20 year lease agreements between PSP Phase I Parcel G Office LLC and PSP Phase I Parcel 1 Office LLC, Landlords and both affiliates of State Center, LLC the Developer under the State Center Master Development Agreement (MDA), Landlord, and the State of Maryland, Tenant, to the use of the Department of Health and Mental Hygiene (DMHM), Maryland Department of Planning (DOP) and Maryland Department of Transportation, Mass Transit Administration (MDOT/MTA).

By way of these leases space will be procured for the agencies in two new buildings to be constructed. The first building, which is part of a mixed-use complex including parking, retail and residential uses, will be located on Parcel G, which is currently the surface parking lot bounded by Martin Luther King Boulevard, Eutaw Street, Preston Street and Madison Street, and will contain approximately 390,000 square feet (sf) of office space, of which 375,000 sf will be occupied by DHMH. Parcel G will include a 900-1,000 space State owned parking garage, 50,000 sf of retail and 140 units of housing. The second building will be located on Parcel I-2, which is currently the landscaped lot adjacent to 201 West Preston St. and bounded by Howard St., Preston St. Parcel I-2 will contain approximately 145,000 sf of office space of which MDP will occupy an estimated 25,000 sf and MTA will occupy estimated 100,000 sf. The remaining space will be 5,000 sf for a small conference space and 15,000 sf for retail on the first floor.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE**

**ITEM**           12-LT (Cont.)

**Financial Obligation**

Rent will commence on the estimated Commencement Date of January, 2014 and shall absolutely commence no later than the Outside Rental Obligation Commencement Date.

This outside date will be mutually established upon completion of the construction schedule and bond financing for the buildings. In the event the leased premises are not available for occupancy on the Outside Rental Obligation Comment Date, the Tenant shall be entitled to liquidated damages that will be more particularly established prior to securing the necessary financing for the State Garage and First Phase of development and may include performance bonds, a delayed Outside Rental Obligation Commencement Date, rent guarantees in the form of cash or letter of credit, preferred returns under the State's Ground Lease to Landlord (as Developer), and/or replacement of Landlord.

The lease is a triple net lease with a base rental rate of \$25.85 per net usable square foot. The annual rent is subject to an increase equal to 15% every five years.

The Tenant shall pay to the Landlord in addition to the base rent its pro-rata share of all reasonable and directly related costs and expenses incurred by the Landlord for the operation and maintenance of the buildings. This Expense Payment is estimated at \$9.80 (in 2009 dollars) per net usable square foot per annum.

The Tenant shall pay to the Landlord a property management fee not to exceed 3.5% of Rent for on-site management of the project.

The Tenant shall be responsible for the payment of its utilities and cleaning.

The average estimated annual cost of occupancy for the first five (5) years is summarized below:

	<u>Net Usable Square Feet</u>	<u>Base Rental Rate</u>	<u>Est. Annual Base Rent</u>	<u>Estimated Expense</u>	<u>Management Fee</u>
DHMH	375,000	\$25.85	\$9,693,750.00	\$3,675,000.00	\$339,281.25
MDP	25,000	\$25.85	\$ 648,250.00.	\$ 245,000.00	\$ 22,619.00
MTA	100,000	\$25.85	\$2,585,000.00	\$ 980,000.00	\$ 90,475.00

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE**

**ITEM**            12-LT (Cont.)

**Special Conditions**

Due to Landlord’s anticipated use of bond financing, the leases may not be terminated for convenience or for default. The only termination rights are for non-appropriation of funds and material casualty consisting of an event of casualty which affects more than 30% of the leased premises or renders the Building substantially unfit for occupancy. Also due to Landlord’s funding, Tenant will be required to subordinate its rights to any lender however may not be disturbed in its occupancy.

The buildings will be certified under the U.S. Green Buildings Council Leadership in Energy and Environmental Design (LEED) rating system regarding sustainability and/or carbon reduction targets. The Landlords sustainability practice shall address whole building operations and maintenance, including chemical use, indoor air quality, energy efficiency, water efficiency, lighting, recycling programs and exterior maintenance. The buildings will achieve at least a LEED Silver for the core and shell of the buildings, a LEED Silver CI for the interiors and a LEED Silver ND for the campus.

In the event the Tenant holds over beyond the six (6) month holdover period, the rent shall subject to a 15% increase.

This space was acquired by sole source in accordance with the DGS Space management Manual, Paragraph 6-605 E, as authorized by COMAR 21.02.05.05. The Department of General Services, in conjunction with the using Agency, recommends the approval of this item.

Companion Items for State Center on this agenda are 8-RP, 10-LL, 11-LL and 12-LT.

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Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE****ITEM** 13-LT-OPT**MARYLAND DEPARTMENT OF TRANSPORTATION**

Maryland Aviation Administration (MAA)  
BWI Airport  
Anne Arundel County

**Landlord** RPH Industrial, LLC  
4550 Montgomery Ave., Suite 1100  
Bethesda, MD 20814

**Property Location** 991 Corporate Boulevard, Building A  
Linthicum, MD 21090

<b><u>Space Type</u></b>	Office	<b><u>Lease Type</u></b>	Renewal	<b><u>Square Feet</u></b>	34,892
<b><u>Duration</u></b>	5 Years	<b><u>Effective</u></b>	September 1, 2010		
<b><u>Annual Rent</u></b>	\$532,103.00	<b><u>Square Foot Rate Blg.</u></b>	\$15.25		
<b><u>Previous Square Foot Rate</u></b>	\$15.95				
<b><u>Effective Square Foot Rate</u></b>	\$16.90				
<b><u>Prev.Eff. Square Foot Rate</u></b>	\$18.45				

**Utilities Responsibility** Tenant  
**Custodial Responsibility** Landlord  
**Previous Board Action(s)** 12/15/1999 - 21-L; 08/10/2005 – 10-L

**Fund Source** J006I00.03 SubOBJ 1301 100% Special Funds

**Special Conditions**

1. The lease contains escalations/de-escalations for janitorial service and real estate taxes.
2. The lease contains one (1) option renewal for a term of five (5) years.
3. The lease provides for use-in-common parking spaces free of charge.

**Remarks**

1. This space has been used since 2000 to house various divisions of the Maryland Aviation Administration.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE**

**ITEM**           13-LT-OPT (Cont.)

2. Through negotiations the Department of General Services secured a rental cost savings of \$122,122.00 over the term of the lease by reducing the rental rate by \$.70 per net usable square foot. Further negotiations resulted in the Landlord assuming responsibility for providing cleaning services.
3. The lease contains a termination for convenience clause.
4. This space was acquired by sole source in accordance with the DGS Space Management Manual, Paragraph 6-605 E., as authorized by COMAR 21.02.05.05. The Department of General Services, in conjunction with the using Agency, recommends the approval of this item.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE****ITEM** 14-LT-MOD**Judiciary of Maryland**  
(District Court)La Plata  
Charles County**Landlord**County Commissioners of Charles County  
County Government Building  
P.O. Box 2150  
La Plata, MD 20646**Property Location**Charles County Court House  
La Plata, MD 20646**Space Type** Courtrooms/Office**Lease Type** Modification**Square Feet** 30,246**Initial Term**

10 Years

**Effective**

August 1, 2010

**Annual Rent** \$667,831.68**Square Foot Rate**

\$22.08

**Utilities Responsibility**

Landlord

**Custodial Responsibility**

Landlord

**Previous Board Action(s)**

Item 10-L, 12/15/2004

**Fund Source**

C00 04 004 01 1301

**History**

On December 15, 2004 as Item 10-L, the Board of Public Works approved a lease agreement between the State of Maryland and the County Commissioners for Charles County for the construction of a new courthouse to accommodate the District Court. This project would allow Charles County to expand its Circuit Court and other county functions and retain all courts functions at a single location. A final plan was agreed to by the District Court, General Services and Charles County on July 21, 2005. Phase I of the plan, the construction of the new road, Talbot Street, surface parking lots and the expansion of the parking garage, delayed the design and construction of new court house and offices - Phase II. The work on the Court House began in May, 2008 and is will be ready for occupancy in August, 2010.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE**

**ITEM**            14-LT-MOD (Cont.)

**Special Conditions**

1.     In addition to the Rent, the District Court will pay on a semi annual basis to the Landlord its proportionate share of operating costs. The operating costs are estimated to be \$6.50 per square foot or \$98,299.50 semi annually, \$196,599.00 annually. Within 90 days of the anniversary date of occupancy, District Court and the County will reconcile accordingly with respect to the actual operating costs. During the initial term or the first renewal term, District Court’s proportionate share of operating expenses shall not exceed \$275,000 annually.
  
2.     The lease contains one (1) option renewal term of ten (10) years at the same rate, terms and conditions. Thereafter, District Court has the option to renew this Lease for three (3) additional five (5) year terms at no rent but subject to operating costs under the same terms and conditions.

**Remarks**

The construction of the proposed 56,130 square foot government building was estimated to cost \$7,762,000 in 2004. Since 2004, the cost has risen to \$15,516,154. The expansion of the garage, the implementation of Phase I, parking lot and Talbot Street construction, delayed the start of the Court House construction (Phase II). The high cost of materials and rising labor costs during the construction boom years of 2004 - 2007 significantly increased the cost of construction. Phase I was completed in late 2006. Design work on the Court House was completed in March 2007. A contract for the construction of the Court House was awarded on May 8, 2008. The State will occupy approximately 54 % of the building and the County will occupy approximately 46 %.

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Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE****ITEM** 15-LT-MOD

**DEPARTMENT OF HUMAN RESOURCES** Baltimore City  
(Baltimore City Department of Social Services)

**Landlord** Merritt-LA1, LLC  
2066 Lord Baltimore Drive  
Baltimore, MD 21207

**Property Location** 2913-3031 East Biddle Street  
Baltimore, MD 21213

<b><u>Space Type</u></b>	Office	<b><u>Lease Type</u></b>	Rent Reduction/Ext.	<b><u>Square Feet</u></b>	105,655
<b><u>Duration</u></b>	13 Years	<b><u>Effective</u></b>	August 1, 2010		
<b><u>Annual Rent</u></b>	\$1,346,370.00	<b><u>Square Foot Rate</u></b>	\$12.74 (Avg.)		
		<b><u>Previous Square Foot Rate</u></b>	\$14.25		
		<b><u>Effective Square Foot Rate</u></b>	\$15.64		
		<b><u>Prev. Eff. Square Foot Rate</u></b>	\$17.25		

**Utilities Responsibility** Tenant  
**Custodial Responsibility** Tenant  
**Previous Board Action(s)** 08/30/1995 – 34-L; 08/04/1999 – 45-L; 02/27/2002 – 18-L  
07/16/2008 – 11-LT

<b><u>Fund Source</u></b>	<b><u>General Funds 40%</u></b>	<b><u>Federal Funds 60%</u></b>	<b><u>Total</u></b>
FIP 33.07.00.02	\$156,178.92	\$234,268.38	\$ 390,447.30
CWS 33.07.00.03	\$339,285.24	\$508,927.86	\$ 848,213.10
AS 33.07.00.04	\$ 43,083.84	\$ 64,625.76	\$ 107,709.60
<b>Total</b>	<b>\$538,548.00</b>	<b>\$807,822.00</b>	<b>\$1,346,370.00</b>

**Special Conditions**

1. The lease contains escalation/de-escalation for real estate taxes.
2. The lease contains one (1) option renewal for five (5) years.
3. The lease incorporates 282 parking spaces at no cost.



**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**TENANT LEASE**

**ITEM**           15-LT-MOD (Cont.)

4.       The net usable square foot rental rate will be \$11.00 for years 1 to 3; \$12.03 for years 4 to 6 years, \$13.06 for years 7 to 9; \$14.09 for years 10 to 12 and \$15.12 in year 13.

**Remarks**

1.       This space has been used since November of 1995 as a Social Service office offering Family Investment, Foster Care, Adoption Services and Day Care programs to clients in Baltimore City.
2.       This is an early renewal wherein the Landlord reduced its rental rate of \$14.25 per net usable square foot to \$11.00 per net usable square foot for the remaining term of the existing lease which has a scheduled termination date of July 30, 2013. This reduction achieves a rent savings of \$1,030,136.20. Further negotiations resulted in a ten (10) year lease extension which will commence on August 1, 2013. It is not until the last year of the extended term that the rental rate reaches the level of the rate that exists today. This rent avoidance is valued at \$1,595,390.50.
- 3       The lease contains a modified termination for convenience clause which provides for the reimbursement to the Landlord of the realized reduced rent if the State elects to exercise its right to terminate for convenience prior to July 30, 2013. Further, the termination for convenience provision may not be exercised in years four (4) through seven (7) of the lease term.
4.       This space was acquired by sole source in accordance with the DGS Space Management Manual, Paragraph 6-605 E., as authorized by COMAR 21.02.05.05. The Department of General Services, in conjunction with the using Agency, recommends the approval of this item.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**CAPITAL GRANTS AND LOANS**

**ITEM**            16-CGL

**RECOMMENDATION** That the Board of Public Works authorize that funds be encumbered for the following grant:

*Board of Trustees of the Accokeek Foundation, Inc. (Prince George’s County)*  
*Accokeek Foundation*

*“For the planning, design, construction, repair, renovation, reconstruction of the boat dock at the Accokeek Foundation site in Piscataway Park, located in Accokeek.”*

***\$125,000.00 – encumber \$125,000.00***

*Maryland Consolidated Capital Bond Loan of 2006 (Chapter 046, Acts of 2006)*  
*DGS Item G085, (SL-085-060-038)*

**MATCHING FUND**            10/18/06 Agenda, Item 12-CGL

<b><u>BACKGROUND</u></b>	Total Project	\$250,000.00
	<b>06-G085 (This Action)</b>	<b>\$125,000.00</b>
	Local Cost	\$125,000.00

**REMARKS**

- (1) This action is in accordance with the enabling legislation and complies with the tax-exempt bond provisions of the Internal Revenue Code.
- (2) The grant recipient shall consult with the Maryland Historical Trust pursuant to Sections 5A-325 to 328, State Finance and Procurement Article, Annotated Code of Maryland, and convey a perpetual preservation easement pursuant to the terms of the enabling legislation.
- (3) The Comptroller may not disburse State funds until after the Comptroller verifies that the grant recipient has expended the matching fund and the required amount for reimbursement.

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Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**CAPITAL GRANTS AND LOANS**

**ITEM**            17-CGL

**RECOMMENDATION** That the Board of Public Works certify matching funds, enter into a grant agreement, and authorize that funds be encumbered for the following grant:

*Board of Directors of Young Men’s Christian Association of Hagerstown, Inc.  
(Washington County)*

*Hagerstown YMCA*

*“To assist in the renovation and expansion of the Hagerstown YMCA.”*

***\$400,000.00***

*Maryland Consolidated Capital Bond Loan of 2006 (Chapter 46, Acts of 2006; amended by Chapter 219, Acts of 2008)*

*DGS Item G002, (SL-086-060-038)*

**MATCHING FUND** The MCCBL requires the grant recipient to provide a matching fund and the Board of Public Works to certify a matching fund no later than June 1, 2010. The Board of Directors of Young Men’s Christian Association of Hagerstown, Inc. has submitted evidence that they have more than \$400,000.00 in a financial institution to meet the matching fund requirement. *Documents for certification of match were received by the Department of General Services prior to May 31, 2010.*

**BACKGROUND**

Total Project	\$1,514,000.00
<b>06-G002 (This Action)</b>	<b>\$ 400,000.00</b>
Local Cost	\$1,114,000.00

**REMARKS**

- (1) This action is in accordance with the enabling legislation and complies with the tax-exempt bond provisions of the Internal Revenue Code.
- (2) The grant recipient shall consult with the Maryland Historical Trust pursuant to Sections 5A-325 to 328, State Finance and Procurement Article, Annotated Code of Maryland, and convey a perpetual preservation easement pursuant to the terms of the enabling legislation.
- (3) The Comptroller may not disburse State funds until after the Comptroller verifies that the grant recipient has expended the matching fund and the required amount for reimbursement.

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Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**CAPITAL GRANTS AND LOANS**

**ITEM**            18-CGL

**RECOMMENDATION** That the Board of Public Works certify matching funds, enter into a grant agreement, and authorize that funds be encumbered for the following grant:

*Board of Directors of the Economic Development & Training Institute, Inc.  
(Prince George’s County)  
Aquaculture & Seafood Retail & Distribution Market  
“For the planning, design, construction and capital equipping of the Aquaculture &  
Seafood Retail & Distribution Market, located in Suitland.”  
**\$100,000.00**  
Maryland Consolidated Capital Bond Loan of 2008 (Chapter 336, Acts of 2008)  
DGS Item G088, (SL-078-080-038)*

**MATCHING FUND** The MCCBL requires the grant recipient to provide a matching fund and the Board of Public Works to certify a matching fund no later than June 1, 2010. The Board of Directors of the Economic Development & Training Institute, Inc. has submitted evidence in the form of canceled checks and invoices that it has \$203,500.00 in eligible expenditures to meet the matching fund requirement. *Documents for certification of match were received by the Department of General Services prior to May 31, 2010.*

Board of Public Works approval is also requested to reimburse the Board of Directors of the Economic Development & Training Institute, Inc. \$100,000.00 for eligible expenditures.

<b><u>BACKGROUND</u></b>	Total Project	\$203,500.00
	<b>08-G088 (This Action)</b>	<b>\$100,000.00</b>
	Local Cost	\$103,500.00

**REMARKS**

- (1) This action is in accordance with the enabling legislation and complies with the tax-exempt bond provisions of the Internal Revenue Code.
- (2) The grant recipient shall consult with the Maryland Historical Trust pursuant to Sections 5A-325 to 328, State Finance and Procurement Article, Annotated Code of Maryland, and convey a perpetual preservation easement pursuant to the terms of the enabling legislation.

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**CAPITAL GRANTS AND LOANS**

**ITEM**      18-CGL (Cont.)

(3)      The Comptroller may not disburse State funds until after the Comptroller verifies that the grant recipient has expended the matching fund and the required amount for reimbursement.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**CAPITAL GRANTS AND LOANS**

**ITEM**            19-CGL

**RECOMMENDATION** That the Board of Public Works certify matching funds, enter into a grant agreement, and authorize that funds be encumbered for the following grant:

*Board of Directors of Howard County General Hospital, Inc. (Howard County)*  
*Howard County General Hospital*  
*“To assist in the construction and renovation of space for a Progressive Care Unit.”*  
**\$250,000.00**  
*Maryland Consolidated Capital Bond Loan of 2009 (Chapter 485, Acts of 2009)*  
*DGS Item G028, (SL-034-090-038)*

**MATCHING FUND** The MCCBL requires the grant recipient to provide a matching fund and the Board of Public Works to certify a matching fund no later than June 1, 2011. The Board of Directors of Howard County General Hospital, Inc. has submitted evidence in the form of canceled checks and invoices that it has \$588,350.00 in eligible expenditures to meet the matching fund requirement.

Board of Public Works approval is also requested to reimburse the Board of Directors of Howard County General Hospital, Inc. \$250,000.00 for eligible expenditures.

<b><u>BACKGROUND</u></b>	Total Project	\$717,500.00
	<b>09-G028 (This Action)</b>	<b>\$250,000.00</b>
	Local Cost	\$467,500.00

**REMARKS**

- (1) This action is in accordance with the enabling legislation and complies with the tax-exempt bond provisions of the Internal Revenue Code.
- (2) The grant recipient shall consult with the Maryland Historical Trust pursuant to Sections 5A-325 to 328, State Finance and Procurement Article, Annotated Code of Maryland, and convey a perpetual preservation easement pursuant to the terms of the enabling legislation.
- (3) The Comptroller may not disburse State funds until after the Comptroller verifies that the grant recipient has expended the matching fund and the required amount for reimbursement.

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Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	

**DEPARTMENT OF GENERAL SERVICES**  
**ACTION AGENDA**

**CAPITAL GRANTS AND LOANS**

**ITEM**            20-CGL

**RECOMMENDATION** That the Board of Public Works certify matching funds, enter into a grant agreement, and authorize that funds be encumbered for the following grant:

*Board of Trustees of the College of Notre Dame of Maryland (Baltimore City)*  
*College of Notre Dame of Maryland – Knott Science Center*  
*“To assist in the planning, design, construction, renovation, and capital equipping of space at the Knott Science Center on the College of Notre Dame of Maryland campus.”*  
**\$3,500,000.00**  
*Maryland Consolidated Capital Bond Loan of 2009 (Chapter 485, Acts of 2009)*  
*DGS Item G013, (SL-037-090-038)*

**MATCHING FUND** The MCCBL requires the grant recipient to provide a matching fund and the Board of Public Works to certify a matching fund no later than June 1, 2011. The Board of Trustees of the College of Notre Dame of Maryland has submitted evidence of a \$5,000,000.00 line of credit to meet the matching fund requirement.

<b><u>BACKGROUND</u></b>	Total Project	\$16,609,510.00
	<b>09-G013 (This Action)</b>	<b>\$ 3,500,000.00</b>
	Local Cost	\$13,109,510.00

**REMARKS**

- (1) This action is in accordance with the enabling legislation and complies with the tax-exempt bond provisions of the Internal Revenue Code.
- (2) The grant recipient shall consult with the Maryland Historical Trust pursuant to Sections 5A-325 to 328, State Finance and Procurement Article, Annotated Code of Maryland, and convey a perpetual preservation easement pursuant to the terms of the enabling legislation.
- (3) The Comptroller may not disburse State funds until after the Comptroller verifies that the grant recipient has expended the matching fund and the required amount for reimbursement.

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Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	