



TOPIC: University of Maryland, College Park: Lease of Building 011: 4425 Paint Branch Parkway, College Park, Maryland

COMMITTEE: Finance

DATE OF MEETING: March 31, 2016

SUMMARY: The University of Maryland, College Park requests approval from the Board of Regents to lease, for a term of 15 years, its Building 011, a 9,000-square foot facility located in the University's Innovation District. The proposed tenant, War Horse, LLC (or a subsidiary thereof) (Tenant), will adaptively reuse this former auto maintenance building and, along with new project construction on immediately adjacent property, will convert the leasehold property into an arts and entertainment venue, offering culinary and performing arts education and innovation through various programmatic elements, such as a teaching kitchen, rehearsal space, a sound stage, collaboration rooms and a full-service restaurant and indoor and outdoor entertainment venue. This development project, along with the co-working facility proposed for nearby Building 006 (see related item), will be important additions to the University's Innovation District, complementing the hotel and conference center already under construction.

LESSEE: War Horse, LLC
Scott Plank
100 International Drive Suite 21100
Baltimore, MD 21202

ALTERNATIVES: The Regents could reject this request and instead require the University to negotiate alternative terms.

FISCAL IMPACT: The Tenant will bear all cost and risk for this project. The private capital investment is anticipated to be approximately \$6,000,000. The lease has a nominal base rent (\$1/year) with an additional participation rent to be paid to the University equal to not less than 20% of net operating income. No participation rent is paid until after Tenant has received a return of its investment plus a ten percent (10%) return.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, College Park to execute a Lease to the Tenant under the terms described above; and, delegate to the Chancellor the authority to finalize all agreements pursuant to the University System of Maryland Policy on Acquisition, Disposition and Leasing Real Property.

COMMITTEE RECOMMENDATION: RECOMMEND APPROVAL

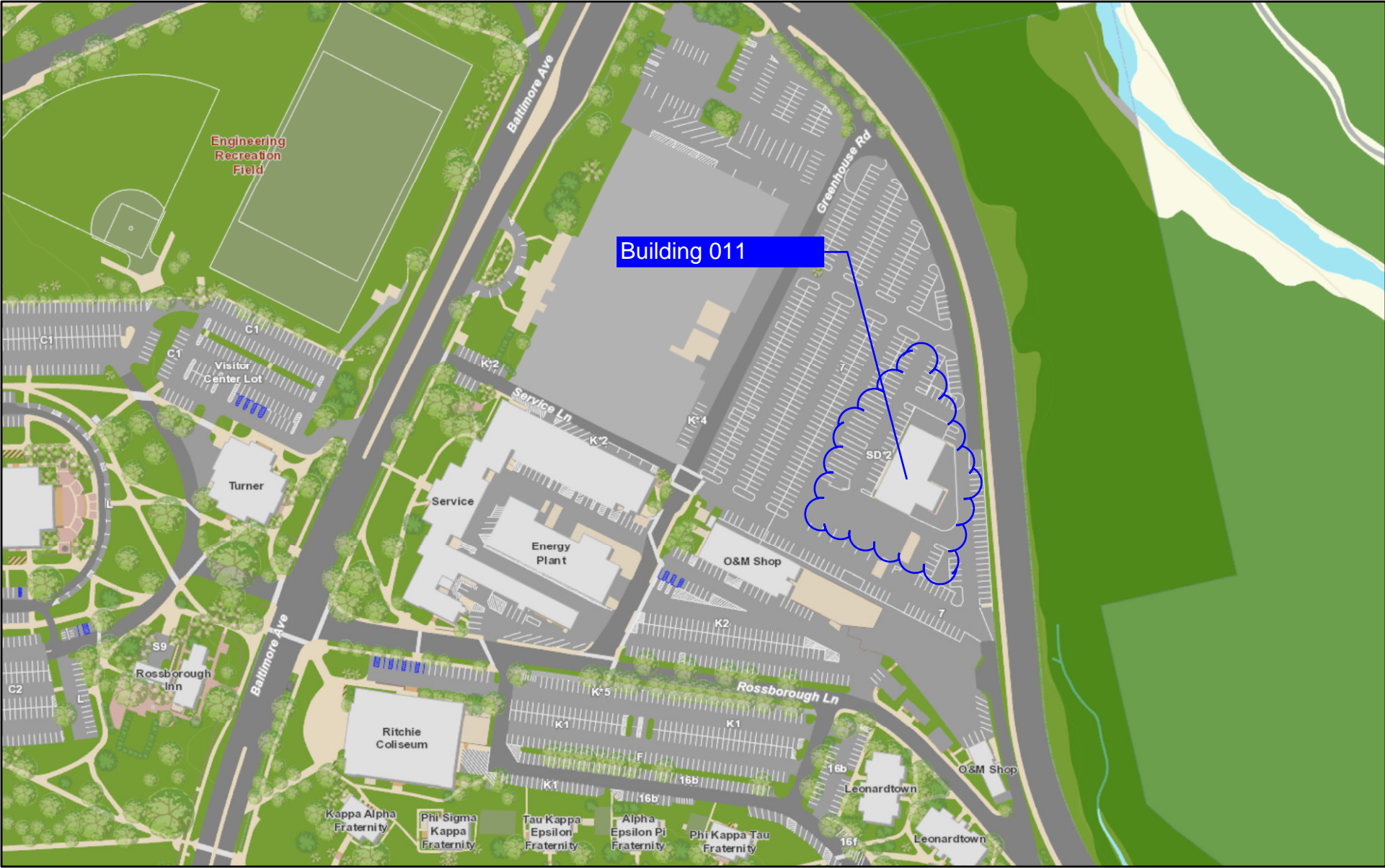
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BOARD ACTION:

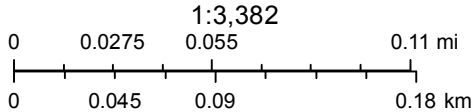
DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923

University of Maryland Campus Map



August 5, 2015



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster