



TOPIC: University of Maryland, College Park: Lease of Building 006: 7761 Greenhouse Road, 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 006, a 20,000 square foot facility located in the University's Innovation District. The proposed tenant, a joint venture consisting of War Horse, LLC and Chesapeake Realty Partners, will adaptively reuse the Building (an existing shop building) and convert it into a collaborative co-working office space, available for rent on flexible terms, to startup companies, entrepreneurs and others seeking work space at the University. This development project, along with the "food hall" proposed for nearby Building 011 (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 and Chesapeake Realty Partners
Scott Plank (War Horse, LLC) Lawrence M. Macks and Josh Fidler (Chesapeake)
100 International Drive Suite 21100 4750 Owings Mills Blvd
Baltimore, MD 21202 Owings Mills, MD 21117

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 \$4,000,000. 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 25% of net operating income. No participation rent is paid until after Tenant has received a return of its investment plus a twenty percent (20%) return. The existing University shop services now located at this building will be relocated to the Severn Building at the University's expense. Relocation was already contemplated, prior to, and apart from, this proposed lease as part of the University's broader plan to create its Innovation District.

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 with 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:

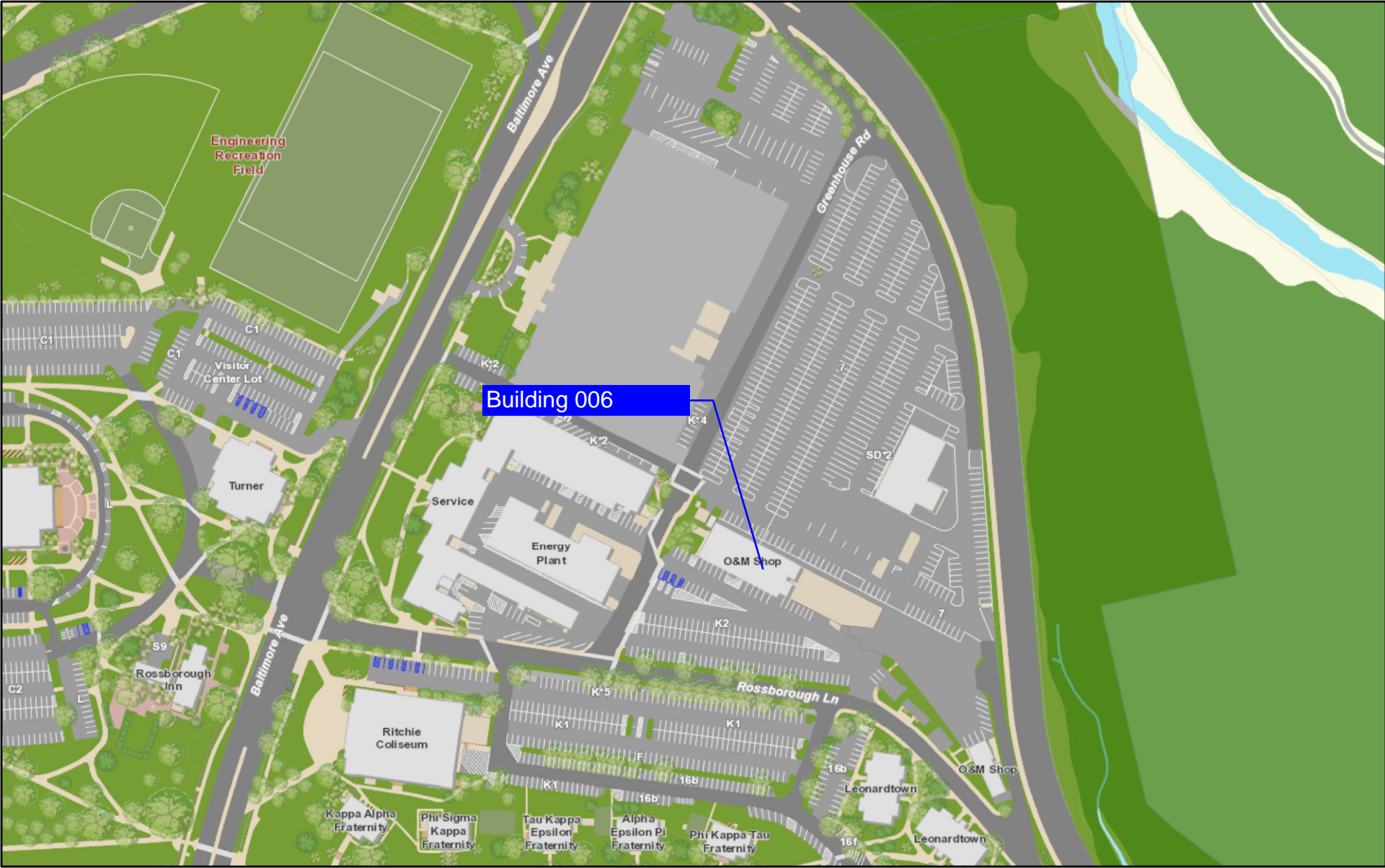
DATE:

BOARD ACTION:

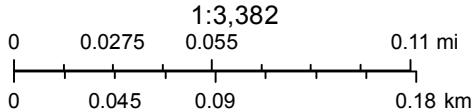
DATE:

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