



TOPIC: University of Maryland, Baltimore: University of Maryland Midtown Health, Inc. Lease of Space in School of Nursing Building for Urgent Care Center

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 8, 2016

SUMMARY: The University of Maryland, Baltimore (UMB) is seeking approval to lease to University of Maryland Midtown Health, Inc. (UMMH) approximately 6,437 rentable square feet of space on the first floor of the School of Nursing Building located at 655 West Lombard Street in Baltimore City. The purpose of the lease is for UMMH to create an urgent care center that will be staffed by UMMH and provide training opportunities for the School of Nursing students and faculty.

LESSEE: University of Maryland Midtown Health, Inc.
(subsidiary of the University of Maryland Medical System)
827 Linden Avenue
Baltimore, MD 21201

The initial term of the lease will be ten years with the option for two additional periods of five years (for a maximum of 20 years) if mutually agreed upon. UMB shall have the right to terminate the lease after year five by paying a recapture fee that is an amount equal to UMMH's unamortized improvement costs associated with the School of Nursing renovations and modifications.

In order to accommodate the urgent care center in the School of Nursing building, it is necessary to relocate the School of Nursing Clinical Education and Evaluation Lab to another part of the Building and then relocate several other Nursing programs within the Building. This will necessitate a series of space modifications and renovations to the School of Nursing Building. UMMH has agreed to reimburse UMB in full for all costs and expenses incurred by UMB in connection with these relocations, which are currently estimated to be \$3.5 million.

ALTERNATIVE(S): The alternative is to not enter into the described lease and thus not create an urgent care center in the School of Nursing Building. The School of Nursing will not realize the benefits associated with having an urgent care center on site including access to patient care for education and training and nurse practitioner opportunities for faculty.

FISCAL IMPACT: The University will not incur any one-time or ongoing costs associated with the establishment of an urgent care center in the School of Nursing Building. As a base rent for the space, UMMH will pay \$228,835 annually (\$35.55 per square foot) with the base rent increasing each year by two percent. A portion of the base rent paid by UMMH will be used to pay the operating expenses associated with the rental space and the remainder will be used by the School of Nursing for program enhancements.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve establishing a lease with UMMC for approximately 6,437 rentable square feet in the School of Nursing Building in order for UMMH to establish an urgent care center; and delegate to the Chancellor the authority to execute all required documentation, after appropriate legal review and consistent with the University System of Maryland Policy and Procedures on the Acquisition and Disposition of Real Property.

COMMITTEE RECOMMENDATION:

DATE:

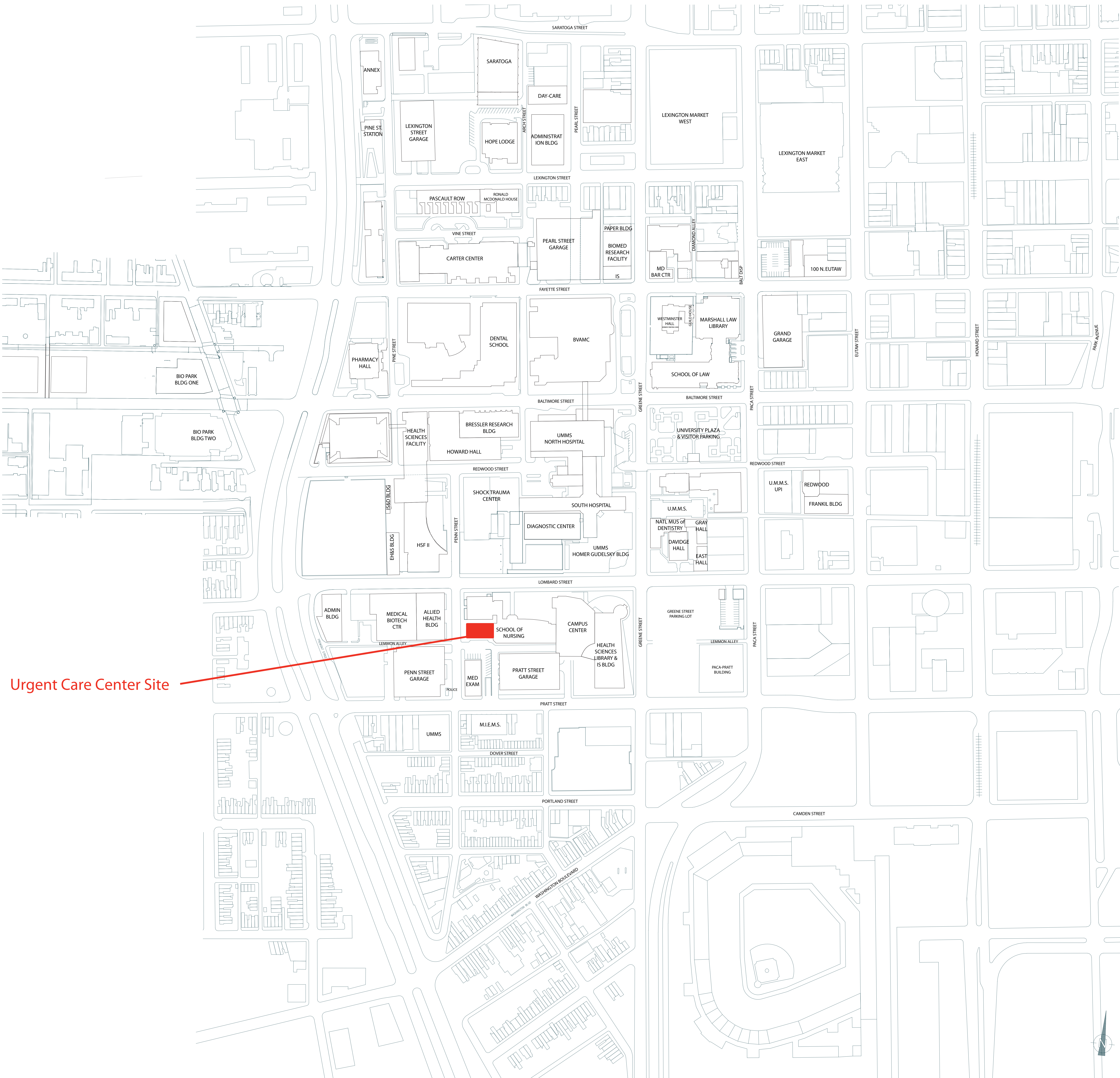
BOARD ACTION:

DATE:

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



University of Maryland, Baltimore



Urgent Care Center Site