

TOPIC: University of Maryland, Baltimore County: Transfer of Maryland Economic Development Corporation (MEDCO) Property to UMBC

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 16, 2017

SUMMARY: The University of Maryland, Baltimore County (UMBC) requests approval to accept title to property currently owned by MEDCO and leased by UMBC at 1450 S. Rolling Rd., Catonsville, MD. In 1997, MEDCO assisted UMBC in securing the former Lockheed Martin Laboratories facilities (now known as bwtech@UMBC South). With the approval of the Board of Regents and Board of Public Works (BPW), MEDCO and UMBC entered into a long-term operating lease.

The rent for the operating lease was established for the first 20 years to cover the debt service on the bonds issued by MEDCO to finance acquisition of the property. For the remainder of the 30-year term of the lease, the rent was to be nominal. Among the special conditions authorized by BPW, MEDCO could not dispose of the property without the consent of UMBC, and MEDCO agreed to gift the property at the end of the lease term to UMBC. The bonds will be repaid as of November 2017. Since the lease payments after that date will be nominal and the debt service paid, MEDCO has agreed to gift the property to UMBC.

The University completed a title search for the property, and no issues were found. A Phase I environmental assessment was completed by MEDCO when the property was first purchased, and all findings were addressed at that time to the satisfaction of MEDCO.

ALTERNATIVE(S): UMBC could continue to pay ongoing nominal rent to MEDCO for the remaining 10 years of the operating lease agreement.

FISCAL IMPACT: MEDCO has agreed to transfer the property free of charge to UMBC. (Nominal rent does not continue after the transfer.)

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the acceptance of the gift of the Property as described above from MEDCO.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

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



**GREATER CAMPUS
2017-2018**

property

