

Office of the County Auditor

Auditor's Analysis

Council Bill No. 49-2025

Introduced: June 2, 2025

Auditor: Rebecca Gold

Fiscal Impact:

We estimate that this legislation will result in total County expenses of \$514,642 over the two-year term of the lease amendment.

Fiscal Year	Base Rent	Operating Exp ¹	Direct Costs ²	Total
2026 (9 months)	\$ 129,094	\$ 31,995	\$ 29,063	\$ 190,151
2027	175,972	43,620	39,622	259,214
2028 (3 months)	44,314	10,985	9,978	65,277
Total	\$ 349,380	\$ 86,600	\$ 78,663	\$ 514,642

The proposed starting base rent for this lease amendment (\$12.75 per square foot) is a 13 percent increase over the current base rent (\$11.31 per square foot), which was established in CB79-2017.

Purpose:

Council Bill 49-2025 proposes that the County enter a two-year lease extension with Merritt-HR, LLC, for 13,500 square feet of warehouse space located at 9515 Gerwig Lane in Columbia. This amended lease agreement will allow the Board of Elections to store its election equipment at its current location through September 30, 2027.

Other Comments:

The original rent schedule erroneously stated that the rent is based on 13,057 square feet. We notified the Administration of this error, and the Administration agreed to issue an updated schedule which corrects the area to 13,500 square feet.

¹ Operating Expenses assume an annual escalation rate of 3.0 percent, based on current MD inflation rates:
https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_-baltimore.htm

² Direct Costs represent costs the County pays directly for electricity, custodial services, and HVAC maintenance.

The Chief of the Real Estate Services Division confirmed that lease expenses for 9515 Gerwig Lane were included in the Department of General Services' FY 2026 budget request. The two-year lease amendment does not include an early termination option.

This legislation is related to CB50-2025. The County's Real Estate Advisor (Chartwell Enterprises, LLC) will be conducting a market search in FY 2026 to locate a consolidated space for the Board of Elections' office and warehouse spaces.

The County will not be responsible for payment of any commission to Chartwell Enterprises, LLC, in relation to this lease amendment. Any such fees will be paid by the landlord in accordance with the terms of a separate commission agreement between the landlord and broker.