



Gregory J. Swain, County Attorney

MEMORANDUM

To: Council Members, Anne Arundel County Council

From: Gregory J. Swain, County Attorney /s/

Via: Christine B. Neiderer, Assistant County Attorney /s/

Date: September 7, 2021

Subject: Resolution No. 41-21, Approving the terms and conditions of the acquisition of real property identified as 443 Crain Highway in Glen Burnie, MD 21061

Legislative Summary

This summary was prepared by the Anne Arundel County Office of Law for use by members of the Anne Arundel County Council during consideration of Resolution No. 41-21, a resolution that seeks approval for the use of Two Million Dollars (\$2,000,000) from the Advance Land Acquisition Capital Project to purchase real property identified as 443 Crain Highway in Glen Burnie, MD 21061 (the "Property").

Purpose. The Resolution seeks the approval of the County Council to purchase the Property for Two Million Dollars (\$2,000,000) from the Advance Land Acquisition Capital Project, on the terms and conditions set forth in the Agreement of Sale, which is attached to the Resolution as Exhibit A. Section 8-3-101(d)(2) of the County Code requires the County Council to approve any land purchase using funds from the Advance Land Acquisition Capital Project.

Background. HB, Incorporated (formerly Hein Bros., Incorporated) owns improved property consisting of between 0.62 +/- acres and 0.765 +/- acres, known as 443 Crain Highway in Glen Burnie, MD 21061. As the Property fronts both Crain Highway N and Ritchie Highway, it is also known as 7320 Ritchie Highway, Glen Burnie, MD 21061. The Property is described in a deed recorded in the Land Records of Anne Arundel County, Maryland in Book 3578, page 500, and is improved with an office and storage building.

The County leases the Property from HB, Incorporated pursuant to a Lease Agreement dated May 1, 2019 for a term of five (5) years commencing on May 1, 2019 and expiring on April

Note: This Legislative Summary provides a synopsis of the bill as introduced. It does not address subsequent amendments to the bill.

30, 2024 (“Lease”). The Property is currently utilized by the County Department of Aging and Disabilities and the County Office of Information Technology. The County currently pays rent at an annual rate of \$162,000 or \$9.64 per square foot of rentable building area on a triple net basis. The Lease provides the County with a right of first refusal to purchase the Property in the event the lessor receives a bonafide third-party offer to purchase the Property. The Lease further provides that the sales contract must contain the same purchase price as offered by the third party. The County was informed that the landlord received an offer in the amount of \$2,000,000.

The County seeks to purchase the Property to allow continued use by the County Department of Aging and Disabilities and OIT, as well for other possible government uses.

The County’s independent real estate appraisal prepared by Treffer Appraisal Group, based on 0.62 +/- acres identified as the lot size by the State Department of Assessments and Taxation, estimates the fair market value of the leased fee interest of the Property to be One Million Five Hundred Twenty Thousand Dollars (\$1,520,000.00). The County’s independent real estate appraisal prepared by the Wineholt Group, Inc., based on 0.762 +/- acres, which is the square footage shown on a plat of the Property, estimates the fair market value of the leased fee interest of the Property to be One Million Eight Hundred Twenty Five Thousand Dollars (\$1,825,000) and the market value of the fee simple estate of the Property to be One Million Nine Hundred Fifty Thousand Dollars (\$1,950,000). In accordance with § 8-3-101(d)(2) of the County Code, the Department of Public Works conducted an environmental assessment and a feasibility study for the Property.

The Office of Law is available to answer any additional questions regarding Resolution No. 41-21. Thank you.

cc: Honorable Steuart Pittman, County Executive
Kai Boggess-deBruin, Chief of Staff
Matthew Power, Chief Administrative Officer
Peter Baron, Director of Government Relations
Luke Graves, Legislative Liaison
Chris Trumbauer, Budget Officer
Christine Anderson, Central Services Officer
Chris Phipps, Director of Public Works