

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2019-881

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: December 10, 2019

Committee(s) of Reference: NCSPHS, F

Date of Analysis: December 12, 2019

Type of Action: Amendment to lease agreement; designation of oversight agency

Bill Summary: The bill authorizes the administration to execute a first amendment to the lease between the City and FON, Inc. to extend the term of the lease and to add additional space in two buildings at Cecil Commerce Center. The Office of Economic Development is designated as the City's oversight agency for the contract.

Background Information: FON, Inc., a military contractor that specializes in avionics assembly, entered into a lease agreement with the City in early 2019, for a portion (2,000 SF) of a City-owned building (Building 907), at Cecil Commerce Center. The company has experienced an increase in product demand, and would now like to lease the balance of Building 907, an additional 900 SF, and lease all of another City-owned, Building 993, which is adjacent to Building 907. Building 993 is 4,134 SF. FON expects to hire approximately 20-30 more people in the first two years of their expansion at Cecil. Overall square footage after the expansion will be 2,900 SF in Building 907 and 4,134 SF in Building 993. Total new monthly rent will be \$5,275.50(\$9.00 SF with a 3% annual increase) and \$400.00 monthly CAM fee. The lease term will be one year; with two additional one year renewal options.

Policy Impact Area: Economic development

Fiscal Impact: Increased monthly rent from the additional space being leased.

Analyst: Clements