

**MONTGOMERY COLLEGE
BOARD OF TRUSTEES**

**RECORD OF RESOLUTIONS
October 10, 2011**

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**BOARD OF TRUSTEES
MONTGOMERY COLLEGE**
Rockville, Maryland

Agenda Item Number: C4
October 10, 2011

**AMENDMENT TO THE AUTHORIZATION, LEASE AGREEMENT, EXPANSION FOR
WORKFORCE DEVELOPMENT & CONTINUING EDUCATION PROGRAMS,
12 SOUTH SUMMIT AVENUE, GAITHERSBURG, MARYLAND**

BACKGROUND

In June 2011, the Board of Trustees authorized a modification on the current lease agreement with DANAC/Longacre for the 12 South Summit Avenue Montgomery College Business Training Center, contingent upon award of the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant, for an additional 4,000 rentable square feet, with a three percent escalation clause each year, for an estimated annual lease amount not to exceed \$130,000 including operating costs and real estate taxes. The regional consortium grant application that Montgomery College participated in developing was not among the finalists, and, therefore, the anticipated funding from the grant is no longer available.

While the grant award to fund the lease agreement is no longer available, the Workforce Development & Continuing Education (WD&CE) unit is requesting authorization to self-fund the proposed initiative to maintain the momentum invested in delivering in-demand training in the health information technology field. The space annexation that was approved in the prior board action is the critical barrier to moving ahead with this initiative. Specifically, the WD&CE unit is requesting authorization to enter into the lease modification outlined in the June board action and pay for the expanded lease as well as a capital expenditure to equip one new computer lab. These funds would be drawn from the WD&CE fund balance for a three-year period similar to the funding that would have been available through a grant award. Expenditure appropriation and requirements are consistent with the prior board submittal of total lease costs not to exceed \$130,000 per year to include operating costs and real estate taxes. Additionally a one-time capital expenditure of \$60,000 is being requested from the fund balance to equip the new computer laboratory. Funds are available in the FY12 WD&CE budget for this purpose and have been requested in the WD&CE proposed budget. All other terms and conditions as outlined in the prior Board resolution remain in effect. Board approval is required for the use of fund balance.

RECOMMENDATION

It is recommended that the Board of Trustees authorize the President to negotiate and execute a modification on the current lease agreement with DANAC/Longacre for the 12 South Summit Avenue Montgomery College Business Training Center for an additional 4,000 square feet, with a three percent escalation clause each year, for an estimated annual amount not to exceed \$130,000, and for a one-time capital expenditure of \$60,000 for new computer laboratory equipment using funds from the FY12 Workforce Development & Continuing Education Budget. All other terms and conditions of the lease arrangements remain in effect.

BACK-UP INFORMATION

Board Resolution
Board Resolution No. 11-06-088 (Board members only)
Board Policy 67001

RESPONSIBLE SENIOR ADMINISTRATOR

Ms. Jones

RESOURCE PERSON(S)

Mr. Payne
Mr. Sorrell
Dr. Wormack

**BOARD OF TRUSTEES
MONTGOMERY COLLEGE**
Rockville, Maryland

Resolution Number: **11-10-123**
Adopted on: **10/10/2011**

Agenda Item Number: C4
October 10, 2011

Subject: Amendment of Authorization to Modify Lease Agreement, Expansion Workforce Development & Continuing Education Programs, 12 South Summit Avenue, Gaithersburg, Maryland

WHEREAS, in June 2011 the Board of Trustees authorized the President to negotiate and execute a modification of the current lease agreement with DANAC/Longacre for the 12 South Summit Avenue Montgomery College Business Training Center for an additional of 4,000 rentable square feet, with a three percent escalation clause each year, for an estimated annual lease amount not to exceed \$130,000, including operating costs and real estate taxes, contingent on the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant award; and

WHEREAS, the grant award funding is no longer available and the Vice President and Provost for Workforce Development & Continuing Education requests authorization to use the Workforce Development & Continuing Education fund balance in order to modify the existing lease agreement with DANAC/Longacare at 12 South Summit Avenue, Gaithersburg, Maryland, for the purpose of providing additional space in support of additional educational training programs; and

WHEREAS, the Chief Business Officer certifies that funds are available in the FY12 Workforce Development & Continuing Education Budget; and

WHEREAS, use of fund balance requires the Board of Trustees' approval; and

WHEREAS, the President of the College recommends the following action; now therefore be it

Resolved, That the Board of Trustees authorize the President to negotiate and execute a modification of the current lease agreement with DANAC/Longacre for the 12 South Summit Avenue Montgomery College Business Training Center for an additional of 4,000 rentable square feet, with a three percent escalation clause each year, for an estimated annual lease amount not to exceed \$130,000, including operating costs and real estate taxes, and for a one-time capital expenditure of \$60,000 for new computer laboratory equipment using funds from the FY12 Workforce Development & Continuing Education budget.

DPP:agb