



STAFF REPORT ON PROPOSED LEGISLATION

To: Mayor Gavin Buckley

From: Victoria Buckland, Acting City Manager

Date: July 22, 2025

Subject: O-33-25: Market House Lease

Purpose of legislation

The purpose of this legislation is to authorize a brand new lease with New Market House, LLC for exclusive use and operation of the "Market House" building located at 25 Market Space, Annapolis MD for fiscal years July 1, 2033 through June 30, 2038, with a tenant option to renew for up to three (3) successive renewal terms of five (5) years each - total possible term length of twenty (20) years. New Market House, LLC will also be entitled to use, in common with others, of the adjoining sidewalks extending to edge of curb on the three (3) sides of the Building abutting Market Space, and extending a distance of six (6) feet beyond the edge of the eave along the side of the Building adjoining Hopkins Plaza. A minimum monthly rent will be paid, along with a possible performance rent.

Impact of legislation on operations

This ordinance renews the City's lease for the Market House. In general, the City has developed a good relationship with the leaseholder and has been able to work through issues as they have arisen. With the Department of Central Services now overseeing leases in general, some of the earlier uncertainty around who in the City is the main point of contact has gone away, and the City is now better positioned to work through any issues that arise quickly. The leaseholder is up to date on monthly rent payments to the City and performance rent through FY24. FY25 performance rent is being evaluated and will be payable within 60 days.

Prepared by Victoria Buckland, Acting City Manager