

Item Title: Appropriate Funds and Award Construction Contract for Second Street Place Renovation Project at 5010 Second Street, Raleigh, NC

Specific Action Requested:
That the Board of Commissioners:

- 1. Appropriates \$4,250,000 of interest proceeds from Federal American Rescue Plan Act (ARPA) funding to the Second Street Place renovation in the Housing Capital Fund; and**
- 2. Awards a construction contract in the amount of \$3,365,000 to Progressive Contracting Company, Inc.; and**
- 3. Authorizes the County Manager to execute a construction contract for the Second Street Place Renovation Project subject to terms and conditions acceptable to the County Attorney; and**
- 4. Approves the facility name: “Second Street Place.”**

Item Summary:

Purpose: NC State Statutes require the Board of Commissioners to approve all public bid construction projects greater than \$500,000. County policy also designates that the Board formally approve the naming of any newly constructed facility.

Background: On August 19, 2024, the Board of Commissioners approved the purchase of a property at 5010 Second Street, in Raleigh, for initial use as a White Flag facility, with plans to renovate it for permanent use as a Drop-in shelter that will offer same-day, emergency beds. With low barrier access on a night-by-night basis, Second Street Place utilizes Wake County’s Bridge-to-Home model which includes comprehensive services and Second Street Place guests are prioritized in partnering Shelter Programs in the community.

Second Street Place began receiving guests in January 2025; a pivotal point in which the temporary drop-in shelter located on Cabarrus Street was scheduled to close. However, the facility lacked permanent, ADA restroom and shower facilities, dedicated staff and client consulting spaces, food distribution space, updated mechanical, plumbing, and electrical systems, and security infrastructure. The Board of Commissioners approved Schematic Design for major renovations to Second Street Place on May 5, 2025, and directed staff to proceed with the renovation project.

Strategic Plan: This action supports Community Health and Wellbeing Goal 2: By 2029, make homelessness rare, brief, and non-recurring by

reducing the number of people experiencing unsheltered homelessness by 10% from 2024 levels.

Fiscal Impact: The item appropriates \$4,250,000 in interest revenue generated from ARPA funding and transfers that funding to the Housing Capital Fund for the project. The appropriation amount includes budget for the construction contract, owner's contingency, professional fees, and furniture, fixtures, and equipment.

Additional Information:

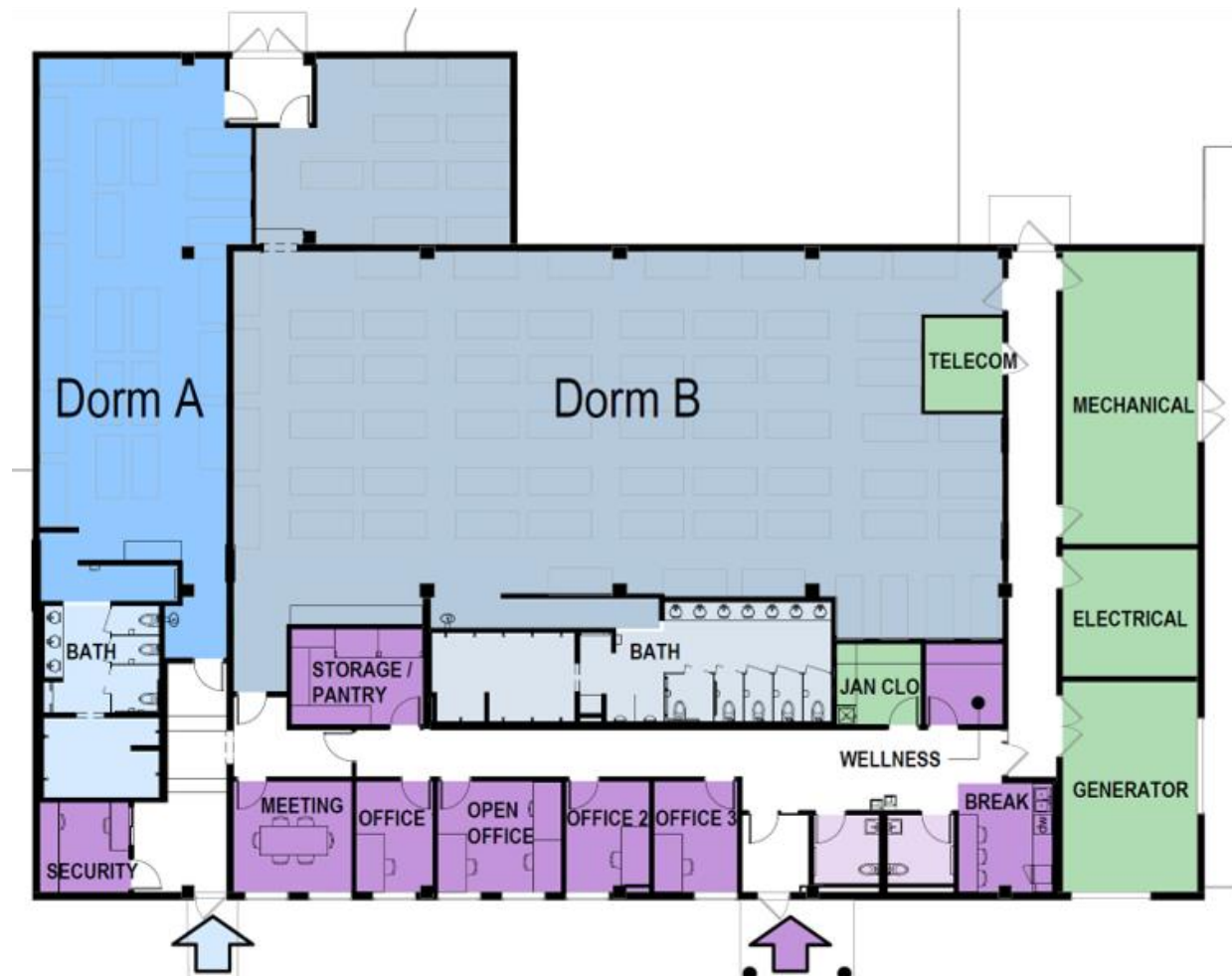
While there are several community shelters in Wake County that provide a safe haven for unsheltered residents, most have a waitlist or require programming and expectations that could unintentionally present a barrier to homeless individuals, particularly those with behavioral health challenges or who are justice involved. Drop-in emergency shelter is offered with no preconditions for unsheltered households. The goal of the drop-in shelter is to build trust to proactively engage individuals toward a path to permanent housing.

The Wake County Unsheltered Facility Study, completed in Fall 2023, recommended adding 86 to 237 beds to the County's emergency shelter capacity. The Housing Department has contracted with St. John's MCC to provide temporary drop-in shelter serving unsheltered individuals on a night-by-night basis and Wake County quickly updated Second Street Place in Fall 2024 to help fill the shelter bed gap for the 2025 White Flag season. The renovated 5010 Second St. facility will be a sufficient shelter facility based on its size, layout, and location.



The renovated building will have separately designated entrances for guests and staff, a permanent security station with video console to monitor the facility, storage space for guests' personal effects, ADA accessible bathrooms and showers, flexible dormitory

configuration, food storage and distribution hub, client-staff meeting space, staff and service provider offices, dedicated unisex bathrooms and wellness space for staff, staff breakroom, new building mechanical, plumbing, communications, and electrical systems, a new roof system, and prepared for a future solar photovoltaic system. Site work will include creating an accessible means of egress to the public way.



On October 28, 2025, bid proposals were received from four (4) licensed general contractors in accordance with the NC General Statutes. A tabulation of bids received is attached for review. The contract award consists of a base bid of \$3,123,000 and a bid alternate to replace the existing roof system of \$242,000. Therefore, the recommended construction contract for the Second Street Place Renovation Project is \$3,365,000. The total estimated cost of the project, including owner's contingency, professional fees, and furniture, fixtures, and equipment, is \$4,250,000.

Staff recommend that the Board award a construction contract to the lowest responsive, responsible bidder, Progressive Construction Company, Inc., in the amount of \$3,365,000. It is anticipated that a Notice to Proceed for submittals, shop drawings, and lead time items will be issued immediately following board approval, and construction will begin on April 1, 2026, so that guests visiting Second Street Place will have shelter during the winter months. Construction is anticipated to be complete by November 1, 2026, in time for guests to return to the renovated facility prior to harsh winter months.

Attachments:

1. Project Cost Summary
2. Bid Tab
3. Schematic Design Presentation
4. Budget Memo – ARPA Fund
5. CIP Budget Memo – Housing Capital Fund