

Item Title: Approve a Lease Assumption Agreement for 5651 Dillard Drive with the Wake County Board of Education and Chaucer Investments, LLC

Specific Action Requested:
That the Board of Commissioners:

- 1. Approves the assignment and assumption of a lease from the Wake County Board of Education and Chaucer Investments, LLC for real property located at 5651 Dillard Drive, Cary, NC;**
- 2. Authorizes the County Manager (or designee) to execute the Assignment and Assumption of lease agreement and to execute any other necessary documentation to complete the assignment on behalf of Wake County, subject to terms acceptable to the County Attorney.**

Item Summary:

Purpose: The Board of Commissioners is required to approve all County multi-year leases in accordance with North Carolina General Statutes.

Background: In 2016, the Wake County Board of Education (School Board) and Chaucer Investments, LLC, predecessor in interest to Crossland 2.0 LLC (“Landlord”) entered into a Lease Agreement (the “Lease”) to lease the building and adjacent parking lots located at 5651 Dillard Drive, Cary. As amended in 2024, the Lease term was extended through June 30, 2036.

In September 2025, the Town of Cary (“Town”) was made aware that the Leased Premises was not being utilized as a “business use” but as an educational use as those terms are defined in the applicable sections of the NC State Building and Fire Codes (“Codes”). Following receipt of notice, the Board, Town and Landlord reached a compromise and agreed to address certain violations that would allow the Board to continue use until June 30, 2026, to allow the Board to complete the academic year.

Wake County has identified the need for this space to be used as a temporary “swing space” by various departments that will be displaced as part of upcoming renovation and long-term relocation projects. This use will conform to the “business use” required by code. Landlord consent to this Assignment and Assumption and to an amendment of the Lease to clarify certain terms is also needed to finalize this transaction.

Strategic Plan: This action supports standard County operations and procedures.

Fiscal Impact: \$450,000 will be appropriated in the FY2027 fiscal year in the General Services Administration budget for this lease.

Additional Information:

In 2016, the Board and Chaucer Investments, LLC, predecessor in interest to Crossland 2.0 LLC (“Landlord”) entered into a Lease Agreement (the “Lease”) to lease the building and adjacent parking lots located at 5651 Dillard Drive, Cary, NC (“Leased Premises”) to serve the Crossroads FLEX Academy HS and SCORE Academy programs. The property was permitted and approved for a training and skill development center with business use per the North Carolina Building Code.

In 2024, the School Board and Landlord amended the Lease to extend the lease term for a ten-year period beyond the current termination date of June 30, 2026, through June 30, 2036, to support the Board’s effective utilization of the space and the long-term stability of the successful educational programs located therein. Rent is currently \$434,724.20 and increases 2.5% annually. The Board is responsible for operating expenses currently estimated at \$14,985.50/year.

Last September, the Town of Cary (“Town”) was made aware that the Leased Premises was not being utilized as a business use but as an educational use as those terms are defined in the applicable sections of the NC State Building and Fire Codes (“Codes”). In December 2025, the Town provided official notice to the Landlord and School Board that the current use of the space was not in compliance with their Development Ordinances, and that the building must be brought into compliance by December 31, 2025. The School Board, Town and Landlord reached a compromise and agreed to address certain violations that would allow the Board to continue use until June 30, 2026, to allow the School Board to complete the academic year.

Wake County has identified the need for this space to be used as a temporary “swing space” by various departments that will be displaced as part of upcoming renovation and long-term relocation projects. Landlord consent to this Assignment and Assumption and to an amendment of the Lease to clarify certain terms is also needed to finalize this transaction.

The School Board has already approved the assignment of this lease. County staff recommend entering into the agreement to assume the terms of this lease with Chaucer Investments, LLC.

An area map identifying the subject property (shown with red borders) relative to School Board administrative space and additional rental information follows on the next page.)



Rent Period	Monthly Rental	Annual Rental
7/1/26 - 6/30/27	\$37,132.69	\$445,592.31
7/1/27 - 6/30/28	\$38,061.01	\$456,732.12
7/1/28 - 6/30/29	\$39,012.54	\$468,150.42
7/1/29 - 6/30/30	\$39,987.85	\$479,854.18
7/1/30 - 6/30/31	\$40,987.54	\$491,850.54
7/1/31 - 6/30/32	\$42,012.23	\$504,146.80
7/1/32 - 6/30/33	\$43,062.54	\$516,750.47
7/1/33 - 6/30/34	\$44,139.10	\$529,669.23
7/1/34 - 6/30/35	\$45,242.58	\$542,910.96
7/1/35 - 6/30/36	\$46,373.64	\$556,483.74

In addition to the monthly rental, Wake will assume the obligation to reimburse Landlord for maintenance costs associated with operating the leased space per the lease terms. Current Common Area Maintenance costs are approximately \$10,000 per year.

Attachments:

1. Vicinity Map
2. Existing Floor Plan