

Resolution  
111 Corning Road Office Space Operating Lease

WHEREAS, the Wake County Board of Education wishes to enter into a fifteen-year lease with Raleigh Durham Partners LLC for office space to support operational, educational and student support needs under N.C. General Statute 115C-530; and,

WHEREAS, the Wake County Board of Education is not obligated under the terms of the lease to pay base rent to Raleigh Durham Partners LLC due to the lease commencement date and rent abatement terms during fiscal years 2018-2019 or 2019-2020;

WHEREAS, per 115C-530, if an operational lease is approved by the board of county commissioners, in each year the county commissioners shall appropriate sufficient funds to meet the amounts to be paid during the fiscal year under the lease; and

WHEREAS, because the Wake County Board of Education states that there are insufficient funds in their local budget to absorb the operating costs, by approval of the operating lease, the Board of Commissioners is approving recurring additional funds to Wake County Board of Education to support the lease and additional operating costs of the facility estimated as shown below; and

CR III Expansion Space + CR I & II Existing Lease Space Co-Terminus Extension						
Fiscal Year	Expansion Space Rent	Existing Space Extension Rent	Existing Sinking Fund Credit	Total Rent	Est. TICAM	Total
2020	\$0.00	\$0	\$0	\$0.00	\$1,516.92	\$1,516.92
2021	\$1,842,309.83	\$0	\$0	\$1,842,309.83	\$3,033.84	\$1,845,343.67
2022	\$1,883,761.80	\$0	\$0	\$1,883,761.80	\$6,067.68	\$1,889,829.48
2023	\$1,926,146.44	\$0	\$0	\$1,926,146.44	\$9,101.52	\$1,935,247.96
2024	\$1,969,484.74	\$0	\$0	\$1,969,484.74	\$12,135.36	\$1,981,620.10
2025	\$2,013,798.14	\$0	\$0	\$2,013,798.14	\$15,169.20	\$2,028,967.34
2026	\$2,059,108.60	\$0	\$0	\$2,059,108.60	\$18,203.04	\$2,077,311.64
2027	\$2,105,438.54	\$4,821,312.75	(\$971,806.00)	\$5,954,945.29	\$62,934.72	\$6,017,880.01
2028	\$2,152,810.91	\$4,929,792.29	(\$980,201.00)	\$6,102,402.20	\$72,918.20	\$6,175,320.40
2029	\$2,201,249.16	\$5,040,712.61	(\$988,328.00)	\$6,253,633.77	\$82,901.68	\$6,336,535.45
2030	\$2,250,777.26	\$5,154,128.65	(\$996,168.00)	\$6,408,737.91	\$92,885.16	\$6,501,623.07
2031	\$2,301,419.75	\$5,270,096.54	\$0.00	\$7,571,516.29	\$102,868.64	\$7,674,384.93
2032	\$2,353,201.70	\$5,388,673.71	\$0.00	\$7,741,875.41	\$112,852.12	\$7,854,727.53
2033	\$2,406,148.73	\$5,509,918.87	\$0.00	\$7,916,067.61	\$122,835.60	\$8,038,903.21
2034	\$2,460,287.08	\$5,633,892.05	\$0.00	\$8,094,179.13	\$132,819.08	\$8,226,998.21
Totals:	\$29,925,942.70	\$41,748,527.47	(\$3,936,503.00)	\$67,737,967.17	\$848,242.76	\$68,586,209.93

WHEREAS, the landlord has provided a tenant allowance in the amount of up to \$4,008,867.75 for up-fit, demolition and fit planning. If costs exceed this amount, additional funds will be identified in the WCPSS capital or operating budget as appropriate, and

WHEREAS, North Carolina General Statutes §115C-530 requires that operational leases for school buildings and school facilities be approved by the Board of County Commissioners and Local Government Commission; and

WHEREAS, the Wake County Board of Commissioners finds that the proposed contract is necessary and expedient; is preferable to a bond issue for the same purpose; the sums to fall due under the contract are adequate and not excessive for the proposed purpose; and that an increase in taxes, if any, necessary to meet the sums to fall due under the contract will not be excessive;

NOW, THEREFORE, BE IT RESOLVED that the Wake County Board of Commissioners hereby agrees to appropriate sufficient funds to the Wake County Board of Education to meet the Raleigh Durham Office Partners LLC lease obligations. Said funds shall in addition to regular appropriations made to the Wake County Board of Education beginning with the FY 2020-21 operating budget. The Wake County Board of Commissioners finds that because the property is not for sale, and because the school system desires proximity to their existing space for operational efficiencies purposes, an operating lease was deemed the most desirable option and approves the operating lease and approves the lease funding and associated operating costs of the lease.

Adopted this the 7th day of January, 2019.

WAKE COUNTY BOARD OF COMMISSIONERS

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Board Chair