



Wake County Board of Education

FACILITIES **PRECIS**

Subject

LEASE AGREEMENT: LEASE OF OFFICE SPACE (CENTRAL WAKE COUNTY)

Staff Liaison Present

Joe Desormeaux, Betty Parker

Main Points

Terms and conditions of a Lease Agreement have been reached with Raleigh Durham Office Partners, LLC, (“Landlord”) to lease a portion of an office building containing approximately 75,864 square feet together with surface parking at 111 Corning Road, Cary, NC (Crossroads III Building). The subject property includes all or a portion of the parcel having Wake County PIN 0772-88-9725. The lease term is fifteen (15) years from and after July 1, 2019, at an annual rental rate of \$23.75 per square foot, which amount is inclusive of taxes, insurance and common area maintenance. The rental rate shall increase by 2.25% each year. The lease terms provide an opportunity for two eight (8) year extensions at the then current market rate, and a right of first refusal to lease available space in the Crossroads III Building. Terms also include extension of the term of the current lease of 5625 Dillard Drive (Crossroads I Building) and 110 Corning Road (Crossroads II Building) to become co-terminus with the new space term length. Lease concessions provided at Landlord’s expense include rent abatement, and tenant improvement allowance for upfitting the leased spaces a portion of which can be attributed to the acquisition of furniture, fixtures, and equipment, telecommunications, cabling, security equipment, moving expenses or rent offsets. The intended use is as office space with appropriate parking areas is to support existing and projected Central Services office space needs and further consolidation of Central Services Administration functions for increased locational efficiencies. A copy of the lease agreement is provided.

Fiscal Implications

The rent for the 2019-2020 fiscal year portion of the lease term beginning July 1, 2019 is \$1,610,250, subject to application of a rent abatement. The rental rate shall increase 2.25% per year. Funding is available from ongoing CIP funds, from operational funds or from a combination thereof per Board direction .

Savings

None

Recommendation for Action

Staff requests Board approval, subject to approval of Board Counsel as to form.