

**Item Title:** Approval of a Lease at 3091 Business Park Drive, Raleigh, NC for Wake County Sheriff's Office

**Specific Action Requested:**  
**That the Board of Commissioners:**

- 1. Authorizes the County Manager to execute a ten-year lease on behalf of Wake County with 3091 Business Park, LLC for a warehouse building to be located at 3091 Business Park Drive, Raleigh, NC, for use by the Wake County Sheriff's Office, subject to the approval of terms and conditions acceptable to the County Attorney. Authorizes the Chair to execute**
- 2. Approves the facility name: "Law Enforcement Operations Center."**

**Item Summary:**

**Purpose:** The Board of Commissioners approves all County multi-year lease transactions.

**Background:** In the fall of 2024, a space planning study was facilitated by County staff to evaluate the office space and storage needs of the Wake County Sheriff's Office (Sheriff). Multiple divisions are currently housed in the Public Safety Center offices in downtown Raleigh. The current space allotted for these groups has been outgrown and does not provide for future expansion. The scope of this study evolved over this time to consider all other departmental needs. The study concluded that the Sheriff's Special Operations, Homeland Security and Evidence Storage functions should be relocated from the Public Safety Center to leased space outside of downtown Raleigh.

This proposed lease was chosen as part of a Request for Proposal (RFP) process. The enclosed terms have been negotiated with the building owners by Wake County staff, including the County Attorney's Office, General Services Administration (GSA) and Facilities Design and Construction (FDC).

**Strategic Plan:** This action supports Safer Community Together Goal 1: By 2029, 80% of all County public safety calls will receive an appropriate and timely emergency response; and Foundations for Service Goal 3: By 2029, 10% more residents will agree that Wake County provides high-quality, fair, and equitable services.

**Fiscal Impact:** Funding for this lease will be from the Sheriff's operating budget and will commence with the FY 2027 budget. Capital costs related to security, audio visual and "FF&E" (Furniture Fixtures and Equipment) will be funded with current capital improvement funds that were previously appropriated for this purpose. Funding for additional costs

will be appropriated or reallocated from existing CIP projects and the WCSO Operating Budget.

### **Additional Information:**

Based on the results of a Public Safety Center Restack study, Sheriff's Special Operations, Homeland Security and Evidence Storage functions will be relocated from the Public Safety Center to this new leased space. In addition, vehicle evidence storage currently located in the Detention Center Annex Parking Lot will be relocated to enclosed warehouse space contained within this building, creating a more secure environment for evidence storage.

County staff, working with a commercial realtor, evaluated the program needs developed for the Sheriff. A Request for Proposals (RFP) was publicly advertised March 6, 2025, to area property owners, setting out requirements for the space needed. Five (5) properties were identified as being available for lease which would generally meet the Sheriff's requirements. Based upon evaluations by Wake County GSA, FD&C, and Sheriff's selected staff, negotiations began with the owner of the proposed property. The lease terms reached are set out below. As part of those negotiations, the property owner has agreed to build out a warehouse and office space to suit County needs at a market competitive rental rate, along with other rent concessions. The Market Rate for comparable space in this area generally runs from \$18 to \$27 per square foot. Below is an aerial photo depicting the proposed site plan of the facility.



Wake Staff recommends that the Board approve a 10-year lease with 3091 Business Park, LLC for an 80,000 SF warehouse being constructed at 3091 Business Park Drive in Raleigh, NC.

The terms of the proposed lease amendment are as follows:

1. Area: 80,000 SF
2. Commencement Date: July 1, 2026
3. Term: 124-month term, through June 30, 2036
4. Rental rate: \$25.80 per square foot for approximately 80,000 square feet (\$2,064,000.00/year or \$172,000.00/month)
5. Rental Rate is "Triple Net" – there will be additional charges for taxes, insurance, common area maintenance and utilities of approximately \$2.35 Per square foot
6. Escalation: 3.5% annually, starting in year 2 (2027)
7. Landlord Concessions: Landlord shall provide Tenant with four (4) months of free rent and a Tenant Allowance of \$7 Million (based on a cost of \$130 per square foot of Office/Training Area in the Leased Premises) for tenant improvements, architectural, and engineering expenses. The lease rent table is provided below:

<u>PERIOD</u>	<u>RATE PER S.F.</u>	<u>MONTHLY RENTAL</u>	<u>PERIOD RENTAL</u>
Months 1-4	\$0	\$0	\$0
Months 5-16	\$25.80	\$172,000.00	\$2,064,000.00
Months 17-28	\$26.70	\$178,020.00	\$2,136,240.00
Months 29-40	\$27.64	\$184,250.70	\$2,211,008.40
Months 41-52	\$28.60	\$190,699.47	\$2,288,393.69
Months 53-64	\$29.61	\$197,373.96	\$2,368,487.47
Months 65-76	\$30.64	\$204,282.04	\$2,451,384.53
Months 77-88	\$31.71	\$211,431.92	\$2,537,182.99
Months 89-100	\$32.82	\$218,832.03	\$2,625,984.40
Months 101-112	\$33.97	\$226,486.65	\$2,717,893.85
Months 113-124	\$35.16	\$234,418.35	\$2,813,020.14

Funding for this lease will be from the Sheriff's operating budget. Expenses associated with rent, maintenance, and any TICAMS (Taxes, Insurance and Common Area Maintenance) are operational costs that will be included as part of the annual budget process. In addition, funding is included in the Capital Improvement Program for costs associated with furnishing the leased space, which are capital expenses outside of the lease cost. With approval of this agreement, further planning and construction will begin immediately and be completed by June of 2026.

#### **Attachments**

1. Proposed Site Plan
2. Proposed Interior Design Plan