

**Item Title:** Approve a Twenty-Year Lease Extension for Oberlin Regional Library with Columbia Village District, LLC

**Specific Action Requested:**

**That the Board of Commissioners authorizes the County Manager to execute a Twenty Lease Extension for Oberlin Regional Library located at 1930 Clark Avenue, Raleigh, NC, along with any other necessary documentation, on behalf of Wake County, subject to the terms and conditions acceptable to the County Attorney.**

**Item Summary:**

**Purpose:** The Board of Commissioners must approve all County multi-year leases.

**Background:** In 2004, Wake County entered into the original lease agreement with Branch Cameron, LLC, a Georgia Limited Liability Company, to establish what is now known as the Oberlin Regional Library. That lease is set to expire June 30, 2025.

**Strategic Plan:** This action supports Lifelong Learning Goal 4: By 2029, three out of four residents asked will share that Wake County has high-quality education-based facilities, including schools, libraries, and other educational resources.

**Fiscal Impact:** The annual cost of the lease will be \$563,040 with a commencement date of July 1, 2025. This is an increase of \$51,174.83 for the full year, or \$4,255/month. The lease payments will be funded through the Community Services' operating budget. Additional funds will be required to fund the lease in future years and will be included as part of the annual budget process.

**Additional Information:**

Wake County has operated a regional library at the current location at 1930 Clark Avenue Raleigh since 1988. Oberlin Regional Library was renovated and expanded in 2006 at the onset of the original lease term and contains 36,000 SF of space. The facility currently operates as one of the most heavily used libraries in the Wake County system Based on FY 2023 data, this library branch had the third highest visitation and was the top ranked branch in Wi-Fi and PC hourly use, and thus remains a very popular and well used location.

With the lease set to terminate in 2025, staff worked with the Landlord to negotiate a new lease that continues this long-term commitment to provide the local community with library service. The lease is based on an initial rate of \$15.64/SF, which is well below the typical market rate of \$20.00-\$25.00/SF.

The total cost of this lease includes expenses associated with rents, maintenance, and any operational costs that will be included as part of the County's annual budget process.

The terms of the proposed lease are as follows:

1. Commencement Date July 1, 2025
2. Total Term of the Lease Extension: 20 years, through June 30, 2045
3. Total Rental rate for Year 1: \$15.64 per Square Foot
4. Escalation: 3.00% annually
5. Tenant shall pay Tenant's Proportionate Share of CAM, Real Estate Taxes, Insurance as additional rent and other charges due under the Lease shall be and remain applicable during the Extension Term

The lease Rent Schedule is as follows:

| <b>Period</b>                 | <b>PSF</b> | <b>Annual Rent</b> | <b>Monthly Rent Installment</b> |
|-------------------------------|------------|--------------------|---------------------------------|
| July 1, 2025 to June 30, 2026 | \$15.64    | \$563,040.00       | \$46,920.00                     |
| July 1, 2026 to June 30, 2027 | \$16.11    | \$579,931.20       | \$48,327.60                     |
| July 1, 2027 to June 30, 2028 | \$16.59    | \$597,329.14       | \$49,777.43                     |
| July 1, 2028 to June 30, 2029 | \$17.09    | \$615,249.01       | \$51,270.75                     |
| July 1, 2029 to June 30, 2030 | \$17.60    | \$633,706.48       | \$52,808.87                     |
| July 1, 2030 to June 30, 2031 | \$18.13    | \$652,717.67       | \$54,393.14                     |
| July 1, 2031 to June 30, 2032 | \$18.67    | \$672,299.21       | \$56,024.93                     |
| July 1, 2032 to June 30, 2033 | \$19.24    | \$692,468.18       | \$57,705.68                     |
| July 1, 2033 to June 30, 2034 | \$19.81    | \$713,242.23       | \$59,436.85                     |
| July 1, 2034 to June 30, 2035 | \$20.41    | \$734,639.49       | \$61,219.96                     |
| July 1, 2035 to June 30, 2036 | \$21.02    | \$756,678.68       | \$63,056.56                     |
| July 1, 2036 to June 30, 2037 | \$21.65    | \$779,379.04       | \$64,948.25                     |
| July 1, 2037 to June 30, 2038 | \$22.30    | \$802,760.41       | \$66,896.70                     |
| July 1, 2038 to June 30, 2039 | \$22.97    | \$826,843.22       | \$68,903.60                     |
| July 1, 2039 to June 30, 2040 | \$23.66    | \$851,648.52       | \$70,970.71                     |
| July 1, 2040 to June 30, 2041 | \$24.37    | \$877,197.97       | \$73,099.83                     |
| July 1, 2041 to June 30, 2042 | \$25.10    | \$903,513.91       | \$75,292.83                     |
| July 1, 2042 to June 30, 2043 | \$25.85    | \$930,619.33       | \$77,551.61                     |
| July 1, 2043 to June 30, 2044 | \$26.63    | \$958,537.91       | \$79,878.16                     |
| July 1, 2044 to June 30, 2045 | \$27.42    | \$987,294.05       | \$82,274.50                     |

Funds for this lease will be budgeted beginning in FY 26 as part of the annual budget process. This new lease will meet the need of the local library community without having to relocate, which is a good outcome for both parties.

**Attachments:**

1. Rent Schedule
2. Most Recent Tax Insurance Common Area Maintenance (TICAM) Report