

**Item Title:** Approve a Lease Agreement for the Relocation and Consolidation of Social Services Administrative Offices

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

- 1. Authorizes the County Manager to execute a 62-month full-service lease agreement with MF Somerset Park, LLC for the property located at 4403 Bland Road, Raleigh, NC, and to execute any other necessary documentation on behalf of Wake County, subject to terms acceptable to the County Attorney; and**
- 2. Approves the facility name: “Somerset Park – Administration & Training.”**

**Item Summary:**

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

**Background:** The 2018 Human Services Long Range Master Plan identifies the interior renovation of the Swinburne Center as an opportunity to meet the growing needs of county staff and the clients they serve. This renovation will require the closure of the Swinburne building. This action calls for the County to lease space for the temporary relocation of staff while that building is being renovated.

A leased facility provides quick access to available space during a short-term period at modest expense. The proposed lease location is adjacent to another building leased by the County for Human Services use within the Somerset Office Park in north Raleigh.

**Strategic Plan:** This action supports Community Health and Wellbeing Goal 4: By 2029, three out of four residents asked will indicate low barriers to accessing benefits and assistance programs and resources, such as food and utilities, childcare, employment services, housing, etc.

**Fiscal Impact:** The FY2026 lease for 4403 Bland Road totals approximately \$1.39 million in Year 1 and includes a full-service rate that covers janitorial, utilities, taxes, and insurance. Lease costs will escalate by 3% annually and will be included as recurring operational costs in the annual budget process.

The landlord will provide four months of free rent and a Tenant Improvement Allowance of up to \$1,631,280 to support space modifications. These improvements are not funded by the County.

Capital costs for furniture and equipment are funded through the FY2026 Capital Improvement Program (CIP) and are separate from lease-related expenses.

**Additional Information:**

The Human Services Master Plan, completed in 2018, identified opportunities to improve the delivery of services and increase operational efficiencies as a top priority, while projecting that future service needs would exceed the space available within the Wake County Human Services system. As a first step in the implementation of this plan, the Board of Commissioners approved a lease agreement for space at 4401 Bland Road, in the Somerset Office Park, in November 2019. That lease provided for the co-location of Human Services support functions, including administrative offices, operations, finance, the call center, and the centralized processing center. This location is ideally situated within the identified client service area, giving the public greater access to services.

This new lease at 4403 Bland Road (highlighted in yellow below) is for an adjacent building within the same office park. The building is two stories and contains 54,376 square feet, which is virtually identical to 4401 Bland Road (highlighted in pale blue below). The new space will allow for the relocation of staff from the Swinburne Center, which will be closed for renovation beginning in summer 2026, for a period of two years. In addition, the space will support staff training across several departments within the County.



In addition to meeting early objectives established in the 2018 Human Services Master Plan, the lease of 4403 Bland Road provides other benefits. The full-service lease rate of \$25.50 per square foot in year one is a competitive submarket rate that enables Wake County to occupy newly improved space with enhanced workplace standards and operational efficiency. This lease also includes a Tenant Improvement Allowance, which will pay for most of the costs to retrofit the space for County use. The cost to furnish the space will be funded separately through an appropriation in the FY2026 Capital Improvement Program.

This location has dedicated parking for staff and visitors, easy access to public transportation along the Falls of Neuse/Wake Forest Road corridor, and proximity to many amenities. The term “full service” means that janitorial, utilities, housekeeping, common area expenses, taxes, and insurance are already factored into the lease rate. The increase of controllable year-to-year expenses is capped at 3%, with 2026 as the base year for expense assessments.

1. Commencement Date January 1, 2026
2. Total Term of the Lease: 62-month term, through December 31, 2031
3. Total Rental rate for Year 1: \$25.50 per Square Foot, Full Service
4. Includes Utilities, Janitorial, Taxes & Insurance. The 2026 calendar year will be the Base Year for determining Controllable Expenses. These expenses will be capped at 5% from year to year.
5. Rent Escalation: 3% annually
6. Landlord Concessions: Landlord shall provide Tenant with four (4) months of free rent and a Tenant Allowance of up to \$1,631,280 (*i.e.*, \$30.00 per square foot of Rentable Area in the Leased Premises) for tenant improvements, architectural, and engineering expenses. The lease rent table is provided below:

<u>Months</u>	<u>Annual Base Rent</u>	<u>Monthly Installment of Base Rent</u>	<u>Annual Rental Rate per Rentable Square Foot</u>
1-12*	\$1,386,588.00	\$115,549.00	\$25.50
13-24	\$1,428,185.64	\$119,015.47	\$26.27
25-36	\$1,471,031.21	\$122,585.93	\$27.05
37-48	\$1,515,162.15	\$126,263.51	\$27.86
48-60	\$1,560,617.01	\$130,051.42	\$28.70
61-62	\$1,607,435.52	\$133,952.96	\$29.56

County staff recommend entering this lease with MF Somerset Park, LLC. Retrofit work will begin in January and will be completed early in 2026 to allow for staff relocation.

**Attachments:**

1. Vicinity Map
2. Preliminary Floor Plans