#### **Presentation To:**

## Wake County Board of Commissioners

Request for Approval and Funding of Board of Education Acquisition (Lease) of Educational and Student Support Space: 5651 Dillard Drive (Second Reading)

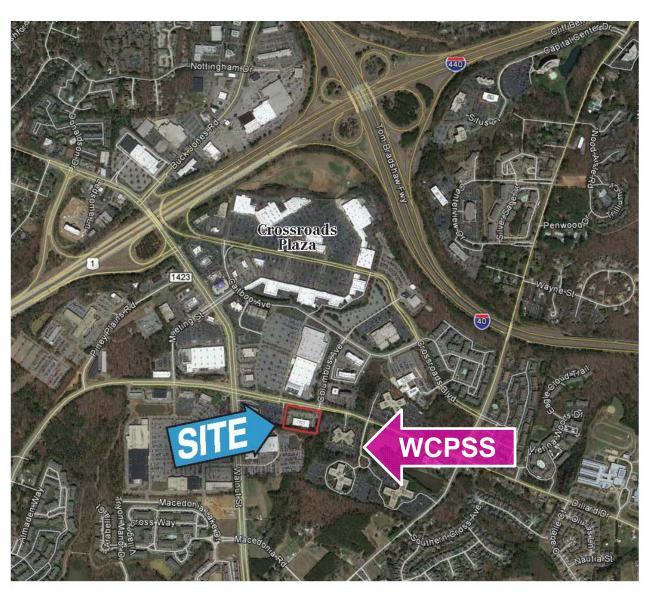
Betty L. Parker, Senior Director of Real Estate Services
Wake County Public School System
January 18, 2016

#### **West Central Wake County**

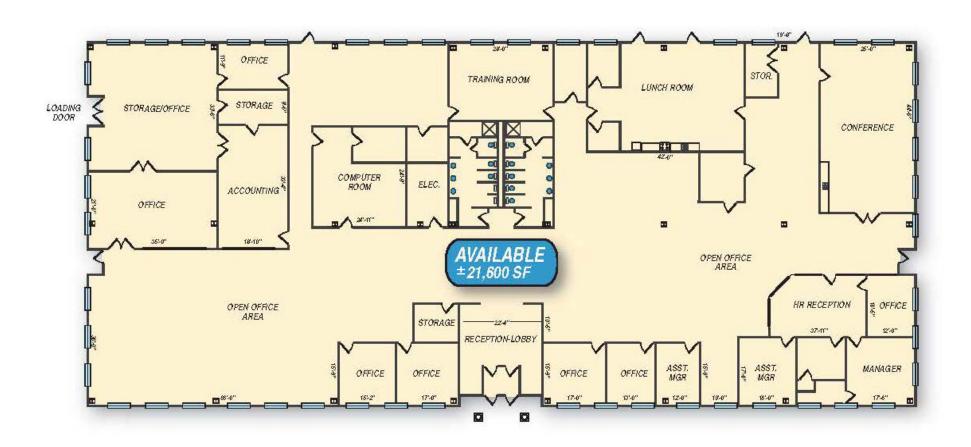
(West Raleigh – Eastern Cary)

# Commercial Building Acquisition (Lease) 5651 Dillard Drive

#### **Aerial Parcel View**



#### **Current Floor Plan**



### **Current Photos**













## Cash Flow Analysis

ease Term (months)												
23	4/1/16 - 6/30/16	7/1/16 - 6/30/17	7/1/17 - 6/30/18	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 6/30/21	7/1/21 - 6/30/22	7/1/22 - 6/30/23	7/1/23 - 6/30/24	7/1/24 - 6/30/25	7/1/25 - 6/30/26	
SF Leased	21,756	21,756	21,756	21,756	21,756	21,756	21,756	21,756	21,756	21,756	21,756	
ease Expenses Per SF												Term Effective
ase Rent	\$16.00	\$16.00	\$16.40	\$16.81	\$17.23	\$17.66	\$18.10	\$18.56	\$19.02	\$19.49	\$19.98	\$17.88
ICAM ** included in base rent	\$3.09	\$3.09	\$3.20	\$3.31	\$3.43	\$3.55	\$3.67	\$3.80	\$3.93	\$4.07	\$4.21	\$3.61
nsurance	\$0.12	\$0.12	\$0.12	\$0.13	\$0.13	\$0.14	\$0.14	\$0.15	\$0.15	\$0.16	\$0.16	\$0.14
axes	\$1.16	\$1.16	\$1.20	\$1.24	\$1.29	\$1.33	\$1.38	\$1.43	\$1.48	\$1.53	\$1.58	\$1.36
Vindow Cleaning	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.02
andscaping	\$0.88	\$0.88	\$0.91	\$0.94	\$0.98	\$1.01	\$1.05	\$1.08	\$1.12	\$1.16	\$1.20	\$1.03
IVAC	\$0.10	\$0.10	\$0.10	\$0.11	\$0.11	\$0.11	\$0.12	\$0.12	\$0.13	\$0.13	\$0.14	\$0.12
Association Dues	\$0.10	\$0.10	\$0.10	\$0,11	\$0.11	\$0.11	\$0.12	\$0.12	\$0.13	\$0.13	\$0.14	\$0.12
fanagement Fees	\$0.71	\$0.71	\$0.73	\$0.76	\$0.79	\$0.81	\$0.84	\$0.87	\$0.90	\$0.93	\$0.97	\$0.83
otential TICAM pass through (est.)	ΨΟ./ Ι	ΨΟ.ΤΙ	\$0.11	\$0.22	\$0.34	\$0.46	\$0.58	\$0.71	\$0.84	\$0.87	\$0.90	\$0.49
Itilities (est.)	\$1.31	\$1.35	\$1.40	\$1.45	\$1.50	\$1.55	\$1.60	\$1.66	\$1.72	\$0.98	\$1.12	\$1.43
anitorial (est.)	\$1.33	\$1.38	\$1.42	\$1.47	\$1.53	\$1.58	\$1.63	\$1.69	\$1.75	\$1.81	\$1.88	\$1.61
ariitoriai (est.)	φ1.33	φ1.50	Φ1.42	Φ1.47	φ1.55	\$1.50	φ1.03	\$1.09	φ1.75	φ1.01	φ1.00	φ1.01
	\$15.00											
	<b>\$15.00</b> <b>\$18.64</b>	\$18.73	\$19.33	\$19.95	\$20.59	\$21.25	\$21.92	\$22.62	\$23.33	\$23.16	\$23.88	\$21.41
OTAL est. Costs/SF		\$18.73	\$19.33	\$19.95	\$20.59	\$21.25	\$21.92	\$22.62	\$23.33	\$23.16	\$23.88	\$21.41 totals
andlord Allowance OTAL est. Costs/SF  ease Expenses Total \$ lase Rent		\$18.73 \$348,096.00	\$19.33 \$356,798.40	\$19.95 \$365,718.36	\$20.59 \$374,861.32	\$21.25 \$384,232.85	\$21.92 \$393,838.67	\$22.62 \$403,684.64	\$23.33 \$413,776.76	\$23.16 \$424,121.18	\$23.88 \$434,724.20	
OTAL est. Costs/SF ease Expenses Total \$	\$18.64		White the appropriate there is							Service ment over		totals
OTAL est. Costs/SF  ease Expenses Total \$ lase Rent	\$18.64 \$87,024.00 \$16,806.51	\$348,096.00	\$356,798.40	\$365,718.36	\$374,861.32	\$384,232.85	\$393,838.67	\$403,684.64	\$413,776.76 \$85,530.30	\$424,121.18	\$434,724.20 \$91,622.19	totals \$388,963,55 \$78,581.62
ease Expenses Total \$ lase Rent  CICAM ** included in base rent insurance	\$18.64 \$87,024.00 \$16,806.51 \$652.68	\$348,096.00 \$67,226.04 \$2,610.72	\$356,798.40 \$69,578.95 \$2,702.10	\$365,718.36 \$72,014.21 \$2,796.67	\$374,861.32 \$74,534.71 \$2,894.55	\$384,232.85 \$77,143.43 \$2,995.86	\$393,838.67 \$79,843.45 \$3,100.72	\$403,684.64 \$82,637.97 \$3,209.24	\$413,776.76 \$85,530.30 \$3,321.56	\$424,121.18 \$88,523.86 \$3,437.82	\$434,724.20 \$91,622.19 \$3,558.14	totals \$388,963.55 \$78,581.62 \$3,051.71
ease Expenses Total \$ lase Rent  ICAM ** included in base rent surrance axes	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99	\$393,838.67 \$79,843.45 \$3,100.72 \$29,973.59	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67	\$413,776,76 \$85,630.30 \$3,321.56 \$32,108.46	\$424,121,18 \$88,523.86 \$3,437.82 \$33,232.26	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39	\$388,963,55 \$78,581.62 \$3,051.71 \$29,499.90
COTAL est. Costs/SF  Lease Expenses Total \$ Lease Rent  CAM ** included in base rent Insurance Insurance Insurance Insurance Insurance Insurance Insurance	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78	\$348,096,00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31	\$393,838.67 \$79,843.45 \$3,100.72 \$29,973.59 \$516.79	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87	\$413,776.76 \$85,630.30 \$3,321.56 \$32,108.46 \$553.59	\$424,121.18 \$88,523.86 \$3,437.82 \$33,232.26 \$572.97	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02	\$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62
ease Expenses Total \$ lase Rent  ICAM ** included in base rent surance axes Vindow Cleaning andscaping	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78 \$4,786.32	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12 \$19,145.28	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35 \$19,815.36	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11 \$20,508.90	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43 \$21,226.71	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31 \$21,969.65	\$393,838.67 \$79,843.45 \$3,100.72 \$29,973.59 \$516.79 \$22,738.59	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87 \$23,534.44	\$413,776.76 \$85,530.30 \$3,321.56 \$32,108.46 \$553.59 \$24,358.14	\$424,121,18 \$88,523.86 \$3,437.82 \$33,232.26 \$572.97 \$25,210.68	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05	\$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23
COTAL est. Costs/SF  Lease Expenses Total \$ Lican at included in base rent Insurance axes Vindow Cléaning andscaping IVAC	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78 \$4,786.32 \$543.90	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12 \$19,145.28 \$2,175.60	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35 \$19,815.36 \$2,251.75	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11 \$2,508.90 \$2,330.56	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43 \$21,226.71 \$2,412.13	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31 \$21,969.65 \$2,496.55	\$393,838.67 \$79,843.45 \$3,100.72 \$29,973.59 \$516.79 \$22,738.59 \$2,738.93	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87 \$23,534.44 \$2,674.37	\$413,776.76 \$85,530.30 \$3,321.56 \$32,108.46 \$553.59 \$24,358.14 \$2,767.97	\$424,121,18 \$88,523.86 \$3,437.82 \$33,232.26 \$572.97 \$25,210.68 \$2,864.85	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12	\$388,963.58 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09
ease Expenses Total \$ lase Rent  ICAM ** included in base rent surrance axes Vindow Cleaning andscaping IVAC ISSociation Dues	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78 \$4,786.32 \$543.90 \$543.90	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12 \$19,145.28 \$2,175.60 \$2,175.60	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35 \$19,815.36 \$2,251.75 \$2,251.75	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11 \$20,508.90 \$2,330.56 \$2,330.56	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43 \$21,226.71 \$2,412.13 \$2,412.13	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31 \$21,969.65 \$2,496.55 \$2,496.55	\$393,838.67 \$79,843.45 \$3,100.72 \$29,973.59 \$516.79 \$22,738.59 \$2,583.93 \$2,583.93	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87 \$23,534.44 \$2,674.37 \$2,674.37	\$413,776.76 \$85,530.30 \$3,321.56 \$32,108.46 \$553.59 \$24,358.14 \$2,767.97 \$2,767.97	\$424,121,18 \$88,523.86 \$3,437,82 \$33,232.26 \$572.97 \$25,210,68 \$2,864.85 \$2,864.85	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12	\$388,963.56 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09
COTAL est. Costs/SF  Lease Expenses Total \$ Lease Rent  ICAM ** included in base rent surance axes Vindow Cleaning andscaping IVAC ssociation Dues lanagement Fees	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78 \$4,786.32 \$543.90	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12 \$19,145.28 \$2,175.60	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35 \$19,815.36 \$2,251.75	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11 \$2,508.90 \$2,330.56	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43 \$21,226.71 \$2,412.13 \$77,126.10	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31 \$21,969.65 \$2,496.55	\$393,838.67 \$79,843.45 \$3,100.72 \$29,973.59 \$516.79 \$22,738.59 \$2,738.93	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87 \$23,534.44 \$2,674.37 \$2,674.37 \$18,988.01	\$413,776.76 \$85,530.30 \$3,321.56 \$32,108.46 \$553.59 \$24,358.14 \$2,767.97 \$17,652.59	\$424,121,18 \$88,523,86 \$3,437,82 \$33,232,26 \$572,97 \$25,210,68 \$2,864,85 \$2,864,85 \$20,340,43	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12	\$388,963.56 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$18,055.97
COTAL est. Costs/SF  Lease Expenses Total \$  Classe Rent  Classe Rent	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78 \$4,786.32 \$543.90 \$543.90 \$3,861.69	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12 \$19,145.28 \$2,175.60 \$2,175.60 \$15,446.76	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35 \$19,815.36 \$2,251.75 \$2,251.75 \$15,987.40 \$2,352.91	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11 \$20,508.90 \$2,330.56 \$2,330.56 \$16,546.96 \$4,788.17	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43 \$21,226.71 \$2,412.13 \$2,412.13 \$17,126.10 \$7,308.67	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31 \$21,969.65 \$2,496.55 \$2,496.55 \$17,725.51 \$9,917.39	\$393,838.67 \$79,843.46 \$3,100.72 \$29,973.59 \$516.79 \$22,738.59 \$2,583.93 \$2,583.93 \$18,345.91 \$12,617.41	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87 \$23,534.44 \$2,674.37 \$2,674.37 \$18,988.01 \$15,411.93	\$413,776.76 \$85,530.30 \$3,321.56 \$32,108.46 \$553.59 \$24,358.14 \$2,767.97 \$2,767.97 \$1,9652.59 \$18,304.26	\$424,121.18 \$88,523.86 \$3,437.82 \$33,232.26 \$572.97 \$25,210.68 \$2,864.85 \$2,864.85 \$20,340.43 \$18,944.91	\$434,724,20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 \$19,607.98	\$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$18,055.97 \$10,658.89
OTAL est. Costs/SF  ease Expenses Total \$ iase Rent  ICAM ** included in base rent issurance axes vindow Cleaning andscaping VAC ssociation Dues lanagement Fees otential TICAM pass through (est.) Itilities (est.)	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78 \$4,786.32 \$543.90 \$543.90	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12 \$19,145.28 \$2,175.60 \$2,175.60	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35 \$19,815.36 \$2,251.75 \$15,987.40	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11 \$20,508,90 \$2,330.56 \$2,330.56 \$16,546.96	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43 \$21,226.71 \$2,412.13 \$77,126.10	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31 \$21,969.65 \$2,496.55 \$17,725.51	\$393,838.67 \$79,843.45 \$3,100.72 \$29,973.59 \$516.79 \$22,738.59 \$2,583.93 \$2,583.93 \$18,345.91	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87 \$23,534.44 \$2,674.37 \$2,674.37 \$18,988.01	\$413,776.76 \$85,530.30 \$3,321.56 \$32,108.46 \$553.59 \$24,358.14 \$2,767.97 \$17,652.59	\$424,121,18 \$88,523,86 \$3,437,82 \$33,232,26 \$572,97 \$25,210,68 \$2,864,85 \$2,864,85 \$20,340,43	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35	\$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$18,055.97 \$10,658.89
COTAL est. Costs/SF  Lease Expenses Total \$  Base Rent  ICAM ** included in base rent surance axes Vindow Cleaning andscaping IVAC ssociation Dues fanagement Fees	\$18.64 \$87,024.00 \$16,806.51 \$652.68 \$6,309.24 \$108.78 \$4,786.32 \$543.90 \$543.90 \$3,861.69 \$7,097.90	\$348,096.00 \$67,226.04 \$2,610.72 \$25,236.96 \$435.12 \$19,145.28 \$2,175.60 \$2,175.60 \$15,446.76 \$29,385.29	\$356,798.40 \$69,578.95 \$2,702.10 \$26,120.25 \$450.35 \$19,815.36 \$2,251.75 \$2,251.75 \$15,987.40 \$2,352.91 \$30,413.77	\$365,718.36 \$72,014.21 \$2,796.67 \$27,034.46 \$466.11 \$20,508.90 \$2,330.56 \$2,330.56 \$16,546.96 \$4,788.17 \$31,478.25	\$374,861.32 \$74,534.71 \$2,894.55 \$27,980.67 \$482.43 \$21,226.71 \$2,412.13 \$17,126.10 \$7,308.67 \$32,579.99	\$384,232.85 \$77,143.43 \$2,995.86 \$28,959.99 \$499.31 \$21,969.65 \$2,496.55 \$17,725.51 \$9,917.39 \$33,720.29	\$393,838.67 \$79,843.46 \$3,100.72 \$29,973.59 \$516.79 \$22,738.59 \$2,583.93 \$2,583.93 \$18,345.91 \$12,617.41 \$34,900.50	\$403,684.64 \$82,637.97 \$3,209.24 \$31,022.67 \$534.87 \$2,674.37 \$2,674.37 \$18,988.01 \$15,411.93 \$36,122.02	\$413,776.76 \$85,530.30 \$3,321.56 \$32,108.46 \$553.59 \$24,358.14 \$2,767.97 \$2,767.97 \$19,652.59 \$18,304.26 \$37,386.29	\$424,121,18 \$88,523.86 \$3,437.82 \$33,232.26 \$572.97 \$25,210.68 \$2,864.85 \$2,864.85 \$20,340.43 \$18,944.91 \$21,297.82	\$434,724.20 \$91,622.19 \$3,558.14 \$34,395.39 \$593.02 \$26,093.05 \$2,965.12 \$2,965.12 \$21,052.35 \$19,607.98 \$24,396.15	\$388,963.55 \$78,581.62 \$3,051.71 \$29,499.90 \$508.62 \$22,379.23 \$2,543.09 \$18,055.97 \$10,658.89 \$31,100.32

\$318,778.26

\$358,568.23

\$4,773,476.50 \$2,946,420.90

\$201,379.32

\$220,291.60

Total Base Rent, Estimated TICAM, Utilities & Janitorial over Term

Total Estimated Utilities over term Total Estimated Janitorial over term

<sup>\*</sup> Base Rent escalates at a fixed 2.5% per annum

<sup>\*</sup> Landlord to provide \$324,000 for Tenant Upfit

## Lease Approval Schedule Per Lease Terms

	WCBOE Agenda Submittal Date	Wake County Board of Education Meetings	WCBOC Agenda Submittal Date	Wake County Board of Commissioners Meetings	NCLGC Application Submittal Date	NC Local Government Commission Meetings
Nov. 2015	10/16/2015	11/3/2015	10/16/2015	11/2/2015	10/6/2015	11/3/2015
	10/30/2015	11/17/2015	10/30/2015	11/16/2015		
Dec. 2015	11/13/2015	12/1/2015	11/20/2015	12/7/2015	11/3/2015	12/1/2015
	11/27/2015	12/15/2015				
Jan. 2016	12/18/2015	1/5/2016	12/18/2015	1/4/2016	12/8/2015	1/5/2016
	1/8/2016	1/25/2016	1/1/2016	1/18/2016		
Feb. 2016			1/15/2016	2/1/2016	1/5/2016	2/2/2016
			1/29/2015	2/15/2016		
March 2016					2/2/2016	3/1/2016

## Intended Space Uses

Enterprise Learning Model High School - Students take ownership of their progression through a full course load with flexible access to teacher, content, peers, and learning utilizing the best of both online and face-to-face education.

Alternative Learning Center Hub - Support to middle & high school long-term suspended students enrolled in Second Chance On-line Resource for Education (SCORE) program with access to face-to-face extra support and wrap-around services for the student and family. Supports Homebound/ Home Hospital program students.

**Flexible Learning Support -** Teachers prepare and oversee delivery of core course content utilizing technology. Also evaluate and coordinate elective course delivery via NCVPS and other online vendors.

End of second reading presentation.

Board approval is requested.