

**Resolution**  
**Durham Road Operating Lease Renewal**

**WHEREAS**, the Wake County Board of Education wishes to enter into a ten-year lease renewal, with an option for one five year renewal, with FRO LLC VII for educational flexible space for high school programs pursuant to N.C. General Statute 115C-530; and,

**WHEREAS**, on February 13, 2006 the Board of Education approved a multi-year lease agreement for the site expiring June 30, 2016 and it has been used for the past ten years as a ninth grade center; and,

**WHEREAS**, on April 3, 2006 the Board of Commissioners approved funding for the original ten year lease as part of the County general fund appropriation to the Wake County Public School System and upfit for the facility was approved as part of the Plan 2004 building program.

**WHEREAS**, existing local funds in the Wake County Public School System's operating budget support the lease and operating and maintenance costs of the existing lease being proposed to be extended; and,

**WHEREAS**, the lease extension does not exceed the existing cost of the lease through FY 2021; and,

**WHEREAS**, Per 115C-530, if an operational lease is approved by the board of county commissioners, in each year the county commissioners shall appropriate sufficient funds to meet the amounts to be paid during the fiscal year under the lease; and

**WHEREAS**, WCPSS states that there are sufficient funds in their local budget to absorb the operating costs of the lease through FY 2021 and by approval of the operating lease, the Board of Commissioners is not approving recurring additional funds to WCPSS to support the lease and additional operating costs of the facility until FY 2022; and,

**WHEREAS**, The Board of Commissioners commits to increasing the appropriation to WCPSS a total of \$132,000 between FY 2022 – FY 2026 to support the increased lease rate in the second five years of the lease; and,

**WHEREAS**, North Carolina General Statutes §115C-530 requires that operational leases for school buildings and school facilities be approved by the Board of County Commissioners and Local Government Commission; and

**WHEREAS**, the Wake County Board of Commissioners finds that the proposed contract is necessary and expedient; is preferable to a bond issue for the same purpose; the sums to fall due under the contract are adequate and not excessive for the proposed purpose; and that an increase in taxes, if any, necessary to meet the sums to fall due under the contract will not be excessive;

**NOW, THEREFORE, BE IT RESOLVED** that the Wake County Board of Commissioners hereby agrees to appropriate sufficient funds in future years to the Wake County Board of Education to meet the FRO LLC VII lease obligations. Said funds shall in addition to regular appropriations made to the Wake County Board of Education beginning with the FY 2022 operating budget. The Wake County Board of Commissioners finds that because the property is not for sale, and because the school system desires adjacencies to their existing administrative space for programmatic purposes, an operating lease was deemed the most desirable option and approves the operating lease and approves the lease funding and associated operating costs of the lease.

Adopted this the 19th day of January 2016.

Wake County Board of Commissioners

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James West, Chairman