



Presentation to:

Wake County Board of Commissioners

**REQUEST FOR APPROVAL AND FUNDING OF BOARD OF EDUCATION ACQUISITION
(LEASE) OF WAREHOUSE/FLEX SPACE: 3080 BUSINESS PARK DRIVE, SUITE 105**

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Wake County Public School System
October 16, 2017

System Growth and Purchasing Operations Warehouse Facilities

Rock Quarry Road (RQR) Central Services Complex was completed in 1988.

- 1988: 79 schools; 60,932 students; growth rate of $\pm 1,200$ students/year
- 2017: 183 schools; 161,755 students, growth rate of $\pm 2,200$ students/year
- 2024: 204 schools; 182,000 students; growth rate of $\pm 3,400$ students/year

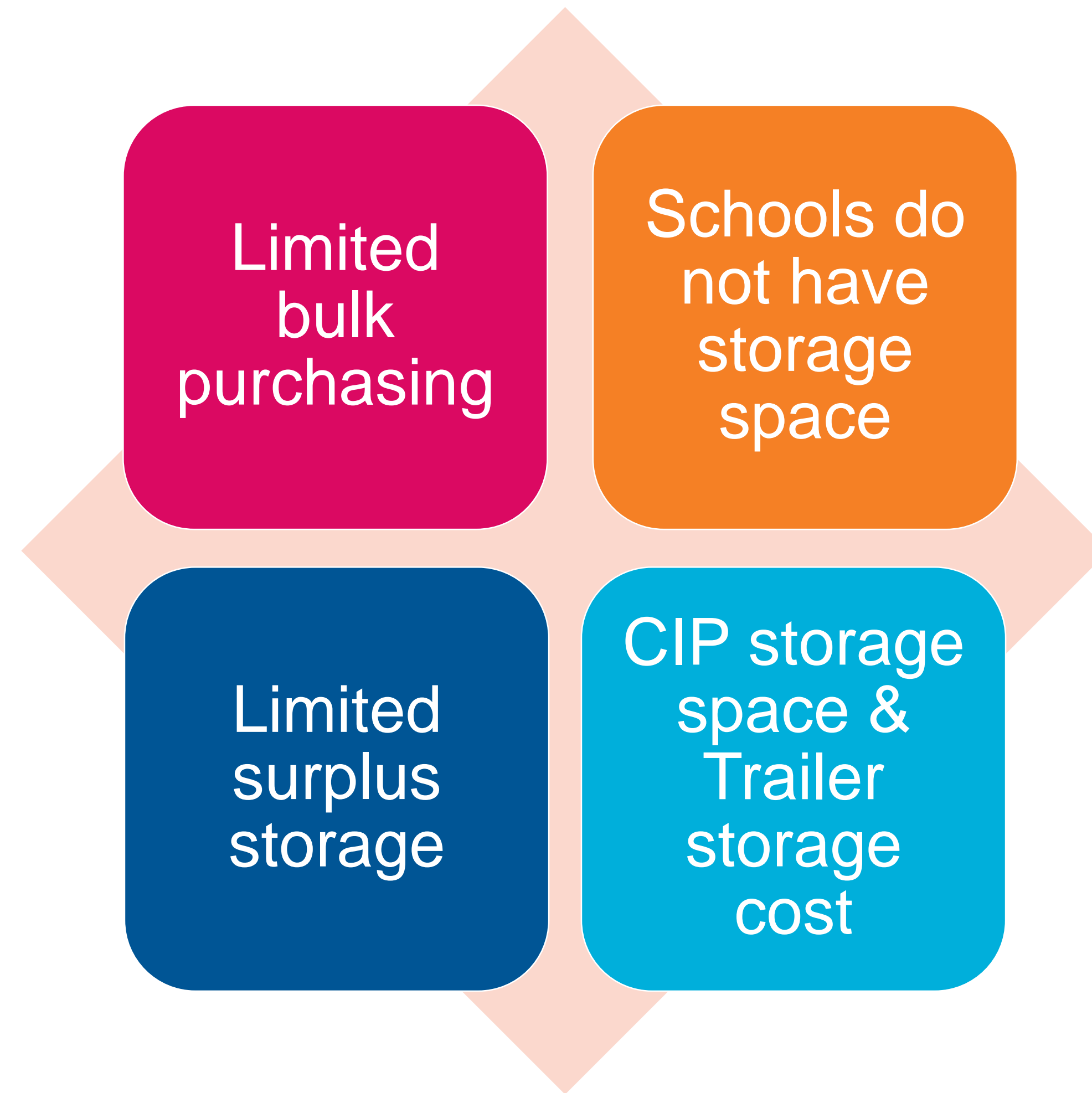
RQR Purchasing Operations Warehouse Space

- 1988: 117,725 SF building for Purchasing and Child Nutrition Services (CNS)
- CNS growth, Data & Accountability Testing Management growth, and special project space needs reduced available space
- $\pm 81,050$ SF now dedicated to Purchasing and warehouse operations
- SNAP - Temporary Warehouse Space & Trailer Parking leased: 2016-2018
- Additional space is required to maintain and improve current services as a first step in addressing long range needs

Services Performed That Require Additional Space

Instructional Warehouse	Maintenance Warehouse	General Purchasing	CIP FF&E and IMES Staging	Surplus/ERD Recycling
2016-2017 \$3.4M > 4,700 Orders	2016-2017 \$1.3M > 3,800 Orders	2016-2017 \$203.7M > 11,000 POs	2017-2024 21 New schools 14 Renovations	2016-2017 \$231,000

Challenges



Additional Space will allow for:

- Enhanced Services
- Growth

Recycling

**Surplus
Sales**

**Repurpose
FF&E**

**CIP FF&E
& IMES
Staging**

**Bulk
Buying**

SNAP Process Considerations Preceding Site Determination

- **Purpose/Function**
- **Current SF in use**
- **Process Optimization**
- **Projected SF Needed**
- **Optimal Location Area(s)**
- **Compatibility with Available Board Space**
- **Collocation Efficiencies**
- **Adjacency Opportunities**
- **Operational Cost Impacts**
- **Funding Source Identification**
- **Lease Vs. Build/Purchase**
- **Phasing Strategies**

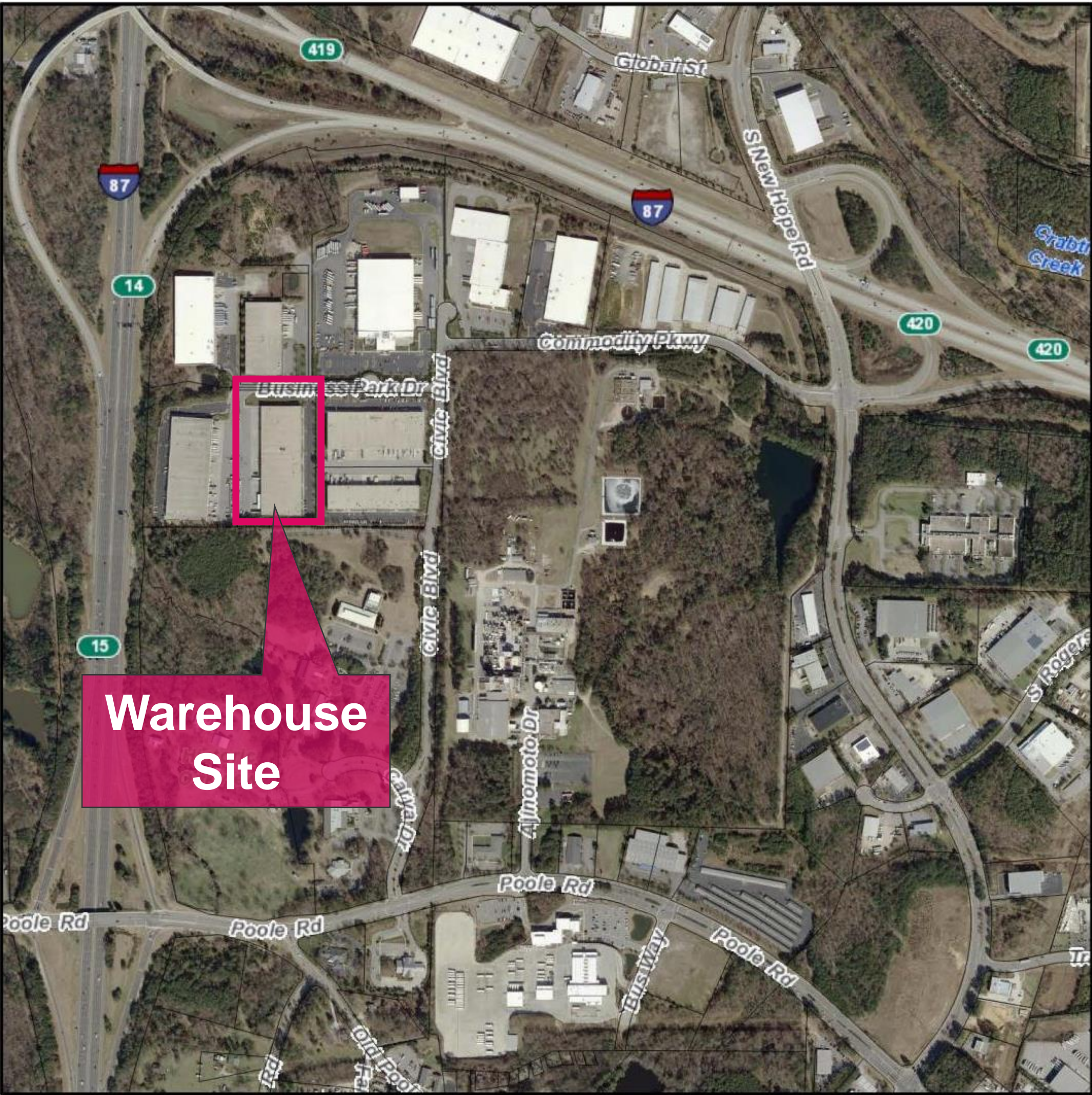


Top Potential Sites Comparison

	#1	#2	#3	#4	#5
Location	Greenfield North (Garner Area)	Walnut Creek III (East Raleigh Area)	Lincoln Park East (East Raleigh Area)	Sumner Business Pk (North Raleigh Area)	Woodlake Center (Airport Area)
Address	Greenfield Pkwy X I-40	New Hope Road X US 264	Corporation Pkwy X US 64	Sumner Blvd X Atlantic/Capital/I540	Innovation Ave X I40/Airport Blvd
Building Size	151,642	132,000	36,400	83,389	108,000
Available SF	151,642	44,000	27,600	33,000	36,000
Listed Rental Rate	\$5.75/SF NNN	\$6.25/SF NNN	\$5.39/SF NNN	\$6.95/SF NNN	\$5.95/SF NNN
TICAM	\$1.40/SF	\$1.70/SF	\$2.30/SF	\$2.45/SF	\$1.50/SF
Total Cost	\$7.15/SF	\$7.95/SF	\$7.69/SF	\$9.40/SF	\$7.45/SF
Trailer Storage	No	Yes	No	No	No

Proposed Walnut Creek III Warehouse Site Aerial

(3080 Business Park Drive, Suite 105)



Lease Terms

- **Landlord:** Duke Realty Limited Partnership, who acquired the site and constructed the building in 2001.
- **Proposed Lease Term:** 15 year triple net lease beginning 12/15/17 with option to extend up to two 5 year periods.
- **Proposed Rent:** Annual rental rate is \$5.50/SF with a 3% annual rent escalation. TICAM is estimated at \$1.70/SF. Total initial rate is \$7.20/SF per year. (Comparable to the recent Wake County EM/EMS Warehouse & Training Facility 15 year lease)
- **Key Terms:** 6 months free rent (\$121,000). Landlord provides a Tenant Improvement Allowance of \$4.00/SF. (\$176,000). Up to \$3/SF of TI can be used for FF&E or to offset rent. Tenant pays for utilities and janitorial services.

Lease Approval Milestones



End of First Reading Presentation

Questions?