

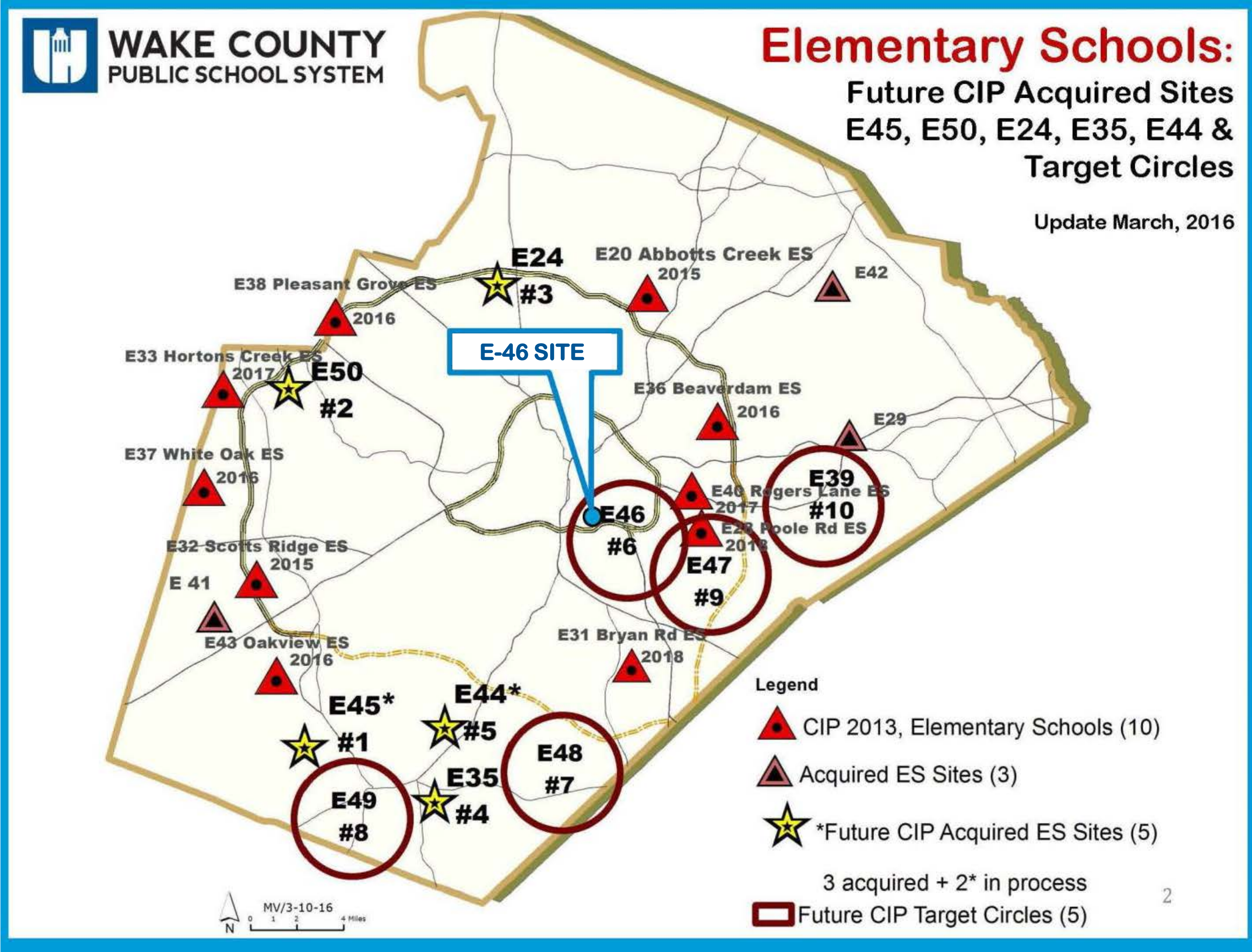
Presentation to:

Wake County Board of Commissioners

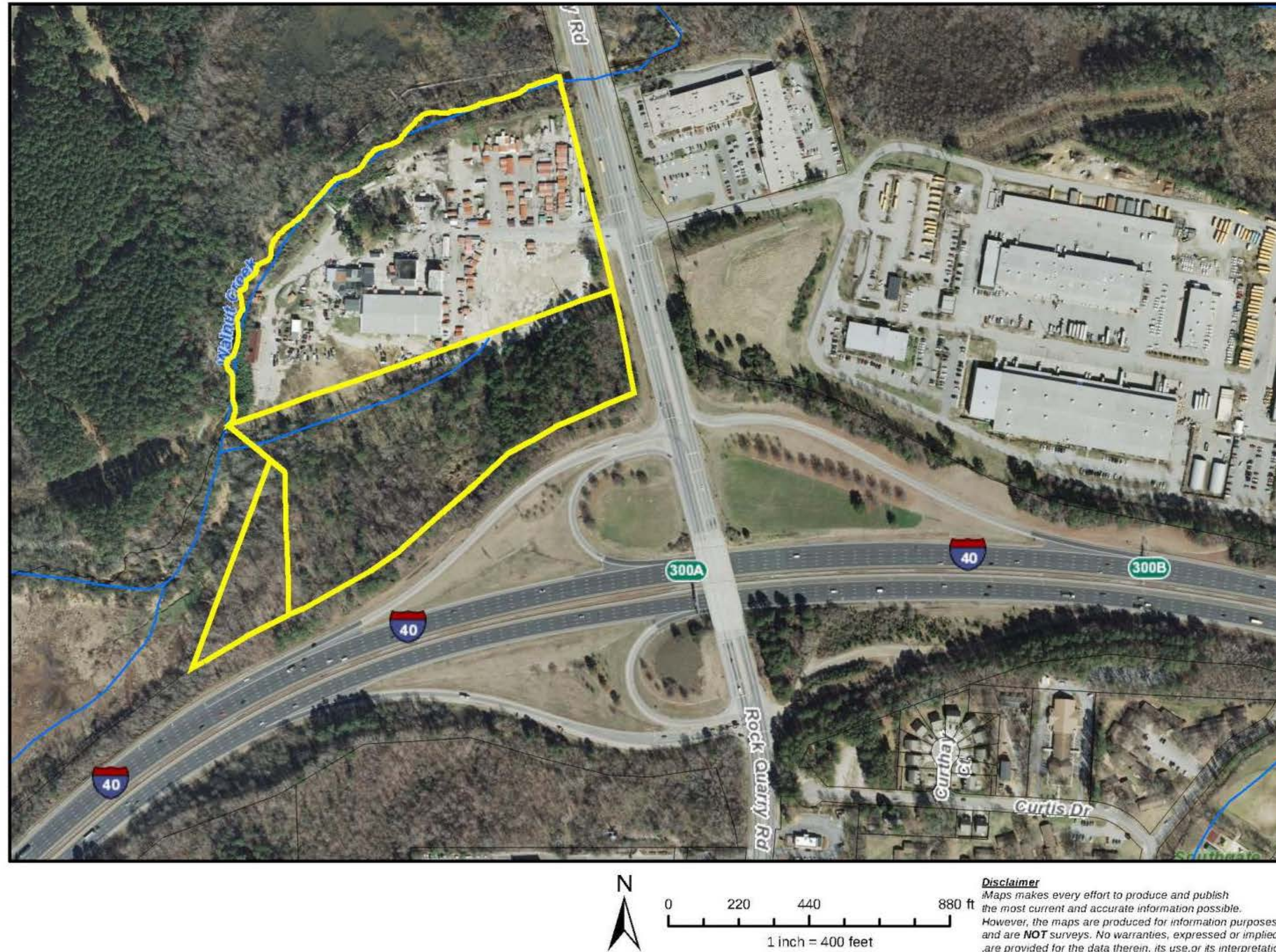
**SECOND READING: REQUEST FOR APPROVAL AND FUNDING OF BOARD OF
EDUCATION ACQUISITION (LEASE) OF ELEMENTARY SCHOOL FACILITIES (E-46):
1436 ROCK QUARRY ROAD**

Betty Parker, Senior Director of Real Estate Services
Wake County Public School System
February 5, 2018

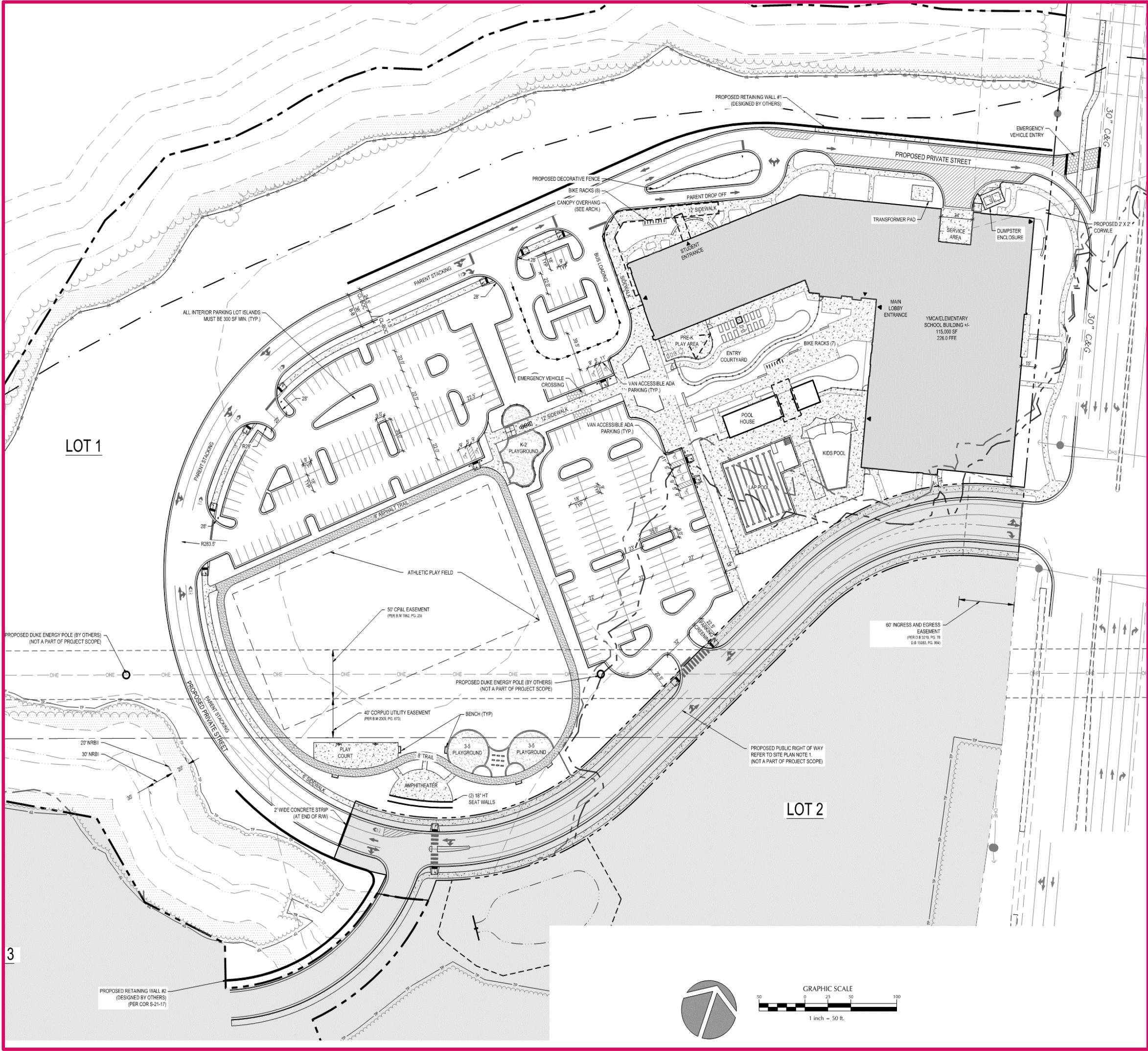
Site Location Within Target Area



Selected Site Location Within Target Area



Site Plan – Elementary School (E-46) & YMCA Facility



Lease Terms

- **Intended Leased Space Use:** Elementary School (E-46) with 426/69 student capacity.
- **Landlord:** The Young Men's Christian Association of the Triangle Area, Inc., (YMCA), who acquired the site and will construct the building per the G.S. 143-128.1C & 160A-20 Public Private Partnership delivery method.
- **Leased Space:** 76,004 square feet of a 115,021 square foot building. The remaining 39,017 square feet of the building will be occupied by the YMCA.
- **Term:** 20 year lease commencing upon substantial completion of the facility (\pm 7/1/2019), with options to extend up to three 10 year periods.

Lease Terms

- **Rent Funding:** Total Base Rent is \$18,348,786, which amounts to an average annual rental rate of \$12.00/SF over the initial term of the lease.
- **Common Area Maintenance:** Initial annual CAM expenses are estimated at \$2.25/rentable SF (includes exterior building maintenance, parking lot maintenance, lighting, landscaping, and insurance). With an estimated 2.5% annual escalation, the average annual CAM rate is \$3.00/SF over the initial term of the lease. Utilities and janitorial expenses for the school space are not included.
- **Shared Space:** Lease includes Joint Use Agreement terms that provide for shared Board and YMCA use of certain interior and exterior facilities.

Project Funding – YMCA Share

- The YMCA's share of funding necessary for the project is \$25,088,739
- Funding will be provided from existing cash, New Market Tax Credits, and cash from Capital Campaign Pledges.
- A construction bridge loan has been procured by the YMCA to cover construction costs prior to payments on Capital Pledges and Board of Education prepaid lease payments.
- YMCA Board has obtained a performance bond for the project.
- Board of Education prepaid lease payments will be paid at certain design and construction milestones. (schematic design, site development start, building dry-in, substantial completion, permanent certificate of occupancy with punch list completion)

Lease Approval Milestones



End of First Reading Presentation

Questions?

Board approval is requested