



Agenda Action Form Overview

The Board is requested to approve the attached Lease Agreement for 309 Crutchfield Street, which is home to the Recovery Response Center (formerly known as “Durham Center Access”) and authorize the County Manager to execute the attached Lease Agreement. The lease term is January 1, 2019 through June 30, 2023. The lease rate is \$1.00 per year.

Background/Justification

Since 2012, Alliance Behavior Healthcare has provided mental health, intellectual/developmental disability and substance abuse (MH/DD/SA) services, including a 24-hour walk-in crisis center, to consumers in the Durham, Wake, Johnston and Cumberland Counties catchment areas. Alliance has leased the facility at 309 Crutchfield Street from Durham County since that time. Alliance subleases this property to Recovery Innovations, Inc., the current non-profit provider that operates the Recovery Response Center under contract with Alliance. The lease specifically allows Alliance to sublease the property for this purpose with the County’s permission.

The term of the lease currently in place is July 1, 2015 through December 31, 2018. This lease was first amended in 2017 to shift responsibility for maintenance and repairs from the County General Services Department to Alliance and to amend the lease rate to \$1.00 per year to reflect this change. Prior to that first amendment, Alliance was responsible for reimbursing the County the full cost of maintenance and repairs, plus an administrative fee charged by General Services. The Board approved this amendment in August 2017.

The lease was amended a second time in July 2018 to extend the lease for six months and add an additional requirement that Alliance purchase and install hardware and software to manage the Building Automation System (BAS) directly and provide reports required to comply with the County’s existing Energy Performance Contract. The lease term was extended through December 31, 2018 to allow time for these requirements to be met.

Alliance began renovating the building in early 2018 and is expected to complete construction by February 2019. Their cost for renovations total approximately \$1.5 million and include:

- upgrading patient treatment areas;
- remodeling bathrooms for safety, ADA compliance and anti-ligature standards;
- reconfiguration of space to accommodate a triage area and police lockers;
- new voice and data communications, fire alarm system and video surveillance system; and
- BAS installation and HVAC repairs totaling an additional \$120,000.

In light of the financial investment Alliance is making in the building, they have requested a longer lease term to ensure that they would not lose the benefit of that investment. Staff concurs and recommends that the term of this proposed Lease Agreement be January 1, 2019 through June 30, 2023.



Policy Impact

Every county in North Carolina must provide MH/DD/SA services through an Area Authority under N.C.G.S.112C-115(a). Alliance has been the Area Authority for Durham County since 2012, and continues to provide high-quality, cost-effective mental services to the community.

Procurement (Acquisition) Background

N/A

Fiscal Impact

There is no fiscal impact for the proposed action.

Recommendation

The County Manager recommends that the Board approve the Lease Agreement between the County of Durham and Alliance Behavioral Healthcare at 309 Crutchfield Street, and authorize the County Manager to execute the Lease Agreement.