



Agenda Action Form Overview

The Board is requested to approve a 5-year Lease Agreement with 2445 S Alston LLC for 12,744 square feet of warehouse space at 2445 S. Alston Ave. in the amount of \$146,301.12 for the first year, and to authorize the County Manager to execute the lease. The Board is further requested to authorize the County Manager to execute an amendment to the lease to include an additional 1924 contiguous square feet when it becomes available for lease. The additional gross annual expense for this space is \$22,087 for a total gross annual lease payment of \$168,388.

The Administration recommends approval of the attached lease to secure approximately 12,744 square feet of warehouse/flex space needed to support the operation of the Durham County Board of Elections. This is a five (5) year lease, with an option to terminate after three (3) years. The Base Lease Rate is \$8.48 per square foot, or \$108,069.12 per year for the first year. The Base Lease Rate increases by 3% per year thereafter. The Gross Lease Rate, which includes all taxes, insurance, common area maintenance (TICAM) and all utilities is \$11.48 per square foot, or \$146,301.12 annually. The cost for TICAM and utilities will be adjusted annually to reflect actual costs.

There is a caged section of the warehouse space that is current under lease to another tenant, but expected to become available in July, 2020. This space is 1924 square feet, contiguous to the proposed lease space, and includes a second delivery dock. This is a crucial component of the Board of Elections space plan. The Landlord has agreed to give the County first right of offer on this additional space. Since we expect the current tenant to vacate in July 2020, we are seeking Board approval now to amend this contract to include this additional space when it is available. The additional cost for this area is \$22,087 for the first year.

Background/ Justification:

In 2018, the Durham County Board of Elections submitted a space assessment letter to Durham County Administration outlining the need for additional contiguous space for critical Board of Elections storage. To alleviate immediate issues related to space constraints and security concerns, Durham County Administration agreed to temporarily move the Board of Elections into a vacated fire station on Leesville Road. This location is approximately 3,100 square feet and is occupied solely by the Durham County Board of Elections. As this space was never intended to be a permanent solution to address the needs of the Board of Elections, limited improvements were made to achieve the minimum security needs of this space. With only 3,100 square feet, it is inadequate to store over 700 voting booths and 140 voting machines while allowing the appropriate floor space to test, stage, and distribute materials preceding an election event. In addition to voting equipment, the lease space will hold thousands of voted ballots, authorization documents, registration forms, and other confidential records as required by a recent federal subpoena and a retention extension policy put in place by the State Board of Elections. With each election cycle, documents will continue to accumulate, further increasing the need for adequate storage space.

In the current commercial real estate market, the availability of lease space with the specific needs of the Board of Elections is extremely limited. Staff evaluated four different properties for lease



and determined that this space was best suited to the need and negotiated a lease that is well within current market rate.

Board of Elections currently occupies 2419 SF of storage space at the Durham County Warehouse on Hillsborough Road, which will be vacated and made available to other departments who need additional storage if this lease is approved.

Policy Impact: As the 2020 General Election approaches, it is imperative that the Durham County Board of Elections has adequate facility space to ensure the execution of honest, fair, and accurate elections in Durham County.

Procurement Background

N/A

Fiscal Impact: The Board of Elections will cover the cost for this warehouse lease through realignment of existing funds.

Recommendation: The County Manager recommends that the Board approve a 5-year Lease Agreement with 2445 S Alston LLC for warehouse space at 2445 S. Alston Ave. in the amount of \$146,301.12 for the first year, and to authorize the County Manager to execute the lease. The County Manager further recommends that the Board authorize the County Manager to execute an amendment to the lease to include an additional 1924 contiguous square feet when it becomes available for lease. The additional gross annual expense for this space is \$22,087 for a total gross annual lease payment of \$168,388.