STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF April 1, 2025

REGULAR SESSION

ITEM NUMBER 10, Page 1

AGENCY: Department of Administration, Facilities Management and Property Services

SUBJECT: SC Department of Social Services Lease of 1628 Browning Road, Columbia

The SC Department of Social Services (DSS) requests approval to lease twenty-four thousand six hundred eighty-three (24,683) square feet of office space at 1628 Browning Road in Columbia from Browning Office Investment LLC (Landlord). This is a short term lease for immediate temporary space as DSS will be ultimately relocating to the new Richland County Family Services Center when completed, which most recently was estimated to be in early calendar year 2027. DSS's current location in County owned space at 3220 Two Notch Road in Columbia has become untenantable with respect to the non-public serving areas of the building, requiring an immediate need to relocate staff that work in those office and workstation areas that are not utilized to provide direct in-person client services to the public.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 22 months with optional renewals. Two offers were received and the proposed offer is the least expensive option.

The requested lease term is twenty-two months with an option to renew for up to four additional months commencing April 2, 2025.

Rent for the first year of the term will be \$15.85 per square foot. Rent for the second year and any optional months will be at a rate of \$16.33 per square foot (a 3.0% increase). This a full gross lease and includes all operating expenses. The following chart sets forth the rent (rounded) over the maximum possible term.

<u>TERM</u>	MONTHLY RENT	TERM RENT	RENT PER SF
Months 1-12	\$32,602.13	\$391,225.55	\$15.85
Months 13-22	\$33,589.45	\$335,894.49	\$16.33
4 month additional extension	\$33,589.45	\$134,357.80	\$16.33

The total rent to be paid over the term, if all options are exercised is \$861,477.84 (rounded). The lease meets the state space standard of 210 SF/person with a density of less than 175 SF/person.

The following chart represents comparable lease rates of similar space in the Columbia area:

STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING OF April 1, 2025

REGULAR SESSION

ITEM NUMBER 10, Page 2

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SUBJECT: SC Department of Social Services Lease of 1628 Browning Road, Columbia

Tenant	Location	Annual Rate per SF
Vacant	607 Bush River+	\$19.50**
Vacant	700 Gervais	\$22.50**
Vacant	1200 Colonial Life Boulevard, West Tower*	\$22.00**

^{*} Submitted in response to request for proposal.

DSS will have access to surface parking adjoining the building at no additional cost.

The Agency has adequate funds for the lease according to a Budget Approval Form approved by the Capital Budgeting Office on March 3, 2025. Lease payments will be funded primarily through State appropriations, Federal Funding and Medicaid. No option to purchase the property is included in the lease.

AUTHORITY ACTION REQUESTED:

Approve the proposed 22 month lease and any optional extension for up to four months for the SC Department of Social Services for 24,683 square feet of office space at 1628 Browning Road in Columbia from Browning Office Investments, LLC, as recommended by the Department of Administration, Facilities Management and Property Services.

ATTACHMENTS:

Agenda item worksheet and attachment

^{**} Subject to rent escalations.

⁺ Tenant to reimburse Landlord for its pro-rata share of increases in property taxes over the base year.

STATE FISCAL ACCOUNTABILITY AUTHORITY AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 1, 2025 Regular Agenda

1. Submitted by:

(a) Agency: Department of Administration

(b) Authorized Official Signature:

Ashlie Lancaster

Ashlie Lancaster, Director

2. Subject: SC Department of Social Services Lease of 1628 Browning Road, Columbia

3. Summary Background Information:

The SC Department of Social Services (DSS) requests approval to lease twenty-four thousand six hundred eighty-three (24,683) square feet of office space at 1628 Browning Road in Columbia from Browning Office Investment LLC (Landlord). This is a short term lease for immediate temporary space as DSS will be ultimately relocating to the new Richland County Family Services Center when completed, which most recently was estimated to be in early calendar year 2027. DSS's current location in County owned space at 3220 Two Notch Road in Columbia has become untenantable with respect to the non-public serving areas of the building, requiring an immediate need to relocate staff that work in those office and workstation areas that are not utilized to provide direct in-person client services to the public.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 22 months with optional renewals. Two offers were received and the proposed offer is the least expensive option.

The requested lease term is twenty-two months with an option to renew for up to four additional months commencing April 2, 2025.

Rent for the first year of the term will be \$15.85 per square foot. Rent for the second year and any optional months will be at a rate of \$16.33 per square foot (a 3.0% increase). This a full gross lease and includes all operating expenses. The following chart sets forth the rent (rounded) over the maximum possible term.

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- **4. What is the Authority asked to do?** Approve the proposed 22 month lease and any optional extension for up to four months for DSS for 24,683 square feet of office space at 1628 Browning Road in Columbia from Browning Office Investments, LLC.
- 5. What is recommendation of the submitting agency involved? Approve the proposed 22 month lease and any optional extension for up to four months for DSS for 24,683 square feet of office space at 1628 Browning Road in Columbia from Browning Office Investments, LLC.

6.	Private Participant Disclosure – Check one:			
	□ NI			

- ☐ No private participants will be known at the time the Authority considers this agenda item.
- ☑ A Private Participant Disclosure form has been attached for each private participant.

 As referenced on the Disclosure forms, a private participant is a natural person or non-governmental legal entity which may directly benefit from, and is participating in or directly associated with, the requested approval.

7. Recommendation of other office (as required)?

- (a) Authorized Signature:
- (b) Office Name: Click or tap here to enter text.

8. List of Supporting Documents:

- (a) Letter from DSS
- (b) Map and Street View of premises

^{**} Subject to rent escalations.

⁺ Tenant to reimburse Landlord for its pro-rata share of increases in property taxes over the base year.



HENRY McMASTER, GOVERNOR
TONY CATONE, ACTING STATE DIRECTOR



March 3, 2025

Ms. Ashlie Lancaster
South Carolina Department of Administration
Real Property Services
1200 Senate Street, 6th floor
Columbia, SC 29201

RE: Lease for 1628 Browning Rd., Suite 111, Columbia, SC 29210

Dear Ms. Lancaster,

The South Carolina Department of Social Services requests approval from the Joint Bond Review Committee and the State Fiscal Accountability Authority to enter into a 22-month lease with Browning Office Investments, LLC for 24,683 rentable square feet of office space at 1628 Browning Rd., Suite 111, Columbia, SC 29210.

Due to continued critical staff safety and well-being issues created by the conditions of staff workspace areas of the current building, DSS is requesting to vacate the non-public-serving areas of the current Richland County DSS office space located at 3220 Two Notch Rd. and to temporarily relocate Richland DSS staff whose jobs do not involve in-person client services to the aforementioned leased facility, until the construction of the Family Services Center has been completed in the space formally occupied by Dillards at the Columbia Place Mall. The latest Monthly Progress Report provided by Richland County and prepared by M.B. Kahn Construction Co., Inc. estimates construction of the new facility to be completed by mid-January of 2027, nearly 2 years from now. Richland DSS staff serving in-person clients do not work in the areas of the building where the health and safety issues have continued to occur, nor have these issues impacted the client lobby area of the facility.

After contacting state agencies to verify that there was no adequate state space available, the Department of Administration solicited for commercial space and two proposals were received. One proposal was eliminated because the cost was nearly 40% higher per square foot. After careful consideration, 1628 Browning Rd., Suite 111 was selected because it is available immediately, has the space necessary to accommodate the number of staff needed, comes with 180 cubicles and an additional 30 work areas, and all cubicles, work areas, and offices are already network wired to allow DSS to establish secure network connectivity. This space is also located in the same building where DSS and other state agencies (DHHS and SCEIS) have offices.