

Acquisition of Space by Lease – The University of North Carolina at Chapel Hill

The Board of Trustees of the University of North Carolina at Chapel Hill has requested approval to lease space for the School of Dentistry.

In order to make way for the construction of the Oral Sciences Building, the School of Dentistry's Dental Office Building and Dental Research Building will be demolished. This lease would provide facilities for temporary relocation of the occupants and their activities.

Working with the State Property Office, UNC-Chapel Hill will lease 49,659 square feet of wet laboratory and office space at 4301 Research Commons located at 79 T.W. Alexander Drive in Research Triangle Park. The owner of the property is Highwoods Realty Limited Partnership based in Raleigh (Manager: Highwoods Properties, Inc., Edward J. Fritsch, President and CEO). The lease will have a three-year initial term with one, one-year renewal option. The cost of the lease will be \$1,142,690 annually (\$23 per square foot) not including utilities with 2.5% annual increases. Lease payments will be paid from the funding authorized for the Oral Sciences Building project.

It is recommended that the request of the Board of Trustees be approved and transmitted to the Council of State for final action.