

Disposition of Property by Ground 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 ground lease 2.7 acres of state-owned land to the Educational Foundation, Inc. for the time required to complete the Kenan Stadium Expansion, Phase 1 project.

Approved as part of the 2008 Non-Appropriated Capital Improvements request, the project will add two floors to the existing four floors in the west end zone to provide premium seating and private suites, additional restrooms, and office space for the football program. Contingent upon General Assembly approval, UNC-CH will issue up to \$50,000,000 in long-term indebtedness to refund the Foundation for the cost of construction. Both the Foundation and UNC-CH's Board of Trustees have approved the project, the ground lease, and the method of financing. Construction plans for the project will be developed to State and UNC-CH standards and will be reviewed and approved by the Department of Insurance and the Department of Administration. The improvements will revert to UNC-Chapel Hill at the termination of the ground lease.

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