

Acquisition of Property by Lease – The University of North Carolina-General Administration

The University of North Carolina-General Administration requests authority to lease newly constructed laboratory, office, and support space at the North Carolina Research Campus in Kannapolis from Castle & Cooke North Carolina, LLC for use by North Carolina State University and, as space permits, by other UNC institutions and partners.

The lease would provide UNC campuses with full use of an approximately 100,000 square-foot building to be known as the North Carolina State University Fruits and Vegetables Institute. The lease would be for a single 20-year term after which the leased facilities would be gifted to the State for use by the University. The base lease cost is expected to be \$3,025,000 per year, or \$30.25 per square foot, and does not include utilities, custodial services, and other operational costs as identified in the November 30, 2006 Memorandum of Understanding. The base lease cost will not increase over the term of the lease and payments will be met with appropriations and other funds budgeted and available for this purpose.

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