APPENDIX F

Disposition of Property by Lease – The University of North Carolina at Asheville

The Board of Trustees of the University of North Carolina at Asheville has requested approval to lease State land to the University of North Carolina at Asheville Foundation, Inc. (the Foundation) for the purpose of constructing residential space for the University's Chancellor. The residence would contain private space for the Chancellor's family and public space for the Chancellor to fulfill University-related functions.

The Chancellor's residence would be built on a five-acre site on the University's south campus at an estimated cost of $2,000,000. Construction would be accomplished by leasing State land to the Foundation for the time required to complete the project. As a part of the lease agreement, the net amount received from the planned sale of the existing residence would be transferred to the Foundation – the campus is currently working with the State Property Office to market and sell this residence. The Foundation is engaged in a capital campaign to raise the funding required in excess of that received from the sale of the current residence. When construction is complete and the residence is paid for, the Foundation would gift the improved property to UNCA and the lease would expire.

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