

Acquisition of Space by Lease (Renewal) – 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 renew leased space in three office buildings owned by the Endowment Fund of the University of North Carolina at Chapel Hill.

The lease would provide approximately 63,471 square feet of office space for various university departments including the Cecil G. Sheps Center for Health Services Research, Health Services, Human Resources, Highway Safety, the School of Medicine's Heart Failure Center, the Institute on Aging, and the Survey Research Center. The annual lease cost as proposed is \$19.50 per square foot and the initial annual cost is \$1,237,684. The rental rate would increase 3% annually beginning in year two of the five-year, non-renewable lease. The properties are located at 720, 725, and 730 Martin Luther King Jr. Boulevard in Chapel Hill; the university currently occupies this space under a prior lease. Lease payments will be funded from overhead receipts and do not include utilities and janitorial services.

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