

APPENDIX E

Disposition of Property – North Carolina State University

The Board of Trustees of North Carolina State University has requested approval of the disposition of property by ground lease on the south shore of Lake Raleigh on the Centennial Campus.

The lease to the North Carolina State University Alumni Association would include approximately six acres of land on which the Alumni Association would construct a 60,000 square foot new facility. The lease would expire upon completion of the construction, but no later than the end of 2004. Upon lease expiration, the improvements would revert to the University as a gift-in-place. Along with the lease, the Alumni Association would pay the University \$962,000 over four years as an infrastructure assessment. The infrastructure assessment would be used for the continuing development of maintenance of Centennial Campus infrastructure.

Under the lease, the Alumni Association would obtain an option for seven years to lease an additional 1.1 acres for the construction of an addition to the proposed facility totaling 14,000 square feet. Upon exercise of the option, the Association would pay an additional infrastructure assessment of \$359,700 (adjusted for CPI escalation at the time of execution). This portion of the lease would have similar reversion provisions upon completion of the improvements.

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