

## APPENDIX N

### Lease of Land for Housing and Change in Capital Project – The University of North Carolina at Pembroke

The Board of Trustees of the University of North Carolina at Pembroke has requested approval of the lease of land for student housing and a correlated change in the use of UNC Bond Program funds.

The lease for approximately 12 acres of land would be to the UNCP Foundation, Inc. for a 30-year term. The Foundation would sublease the land to a private developer to finance and construct high-quality apartments to provide up to 350 beds of student housing. After construction, UNCP would, consistent with the rules and regulations of the Department of Administration's Office of State Property, sublease the apartment complex and rent the apartments as part of its on-campus housing program. The cost to students will be consistent with rents charged at other on-campus residence halls. It is anticipated that the leased housing would be available by Fall 2003 and would allow the University to reduce a projected shortage of student housing. Lease payments would be made from student housing receipts.

Additionally, a secondary benefit of the lease proposal is the ability to reallocate \$7,165,000 of funding available from the 2000 higher education bonds from a residence hall project to construct a general-purpose classroom building. Within the last four years, UNCP's enrollment has grown by 44.7%, exceeding all expectations. General classroom space is a pressing need on campus. The University requests authority to use the \$7,165,000 designated for the residence hall to proceed with advance planning and construction of a general classroom building.

It is recommended that the University's request to enter into a lease with the UNCP Foundation and the University's request to reallocate UNC Bond Program funds from a 200-bed residence hall to a general classroom building be approved and transmitted to the Council of State (approval of the lease) and the General Assembly (approval of the change in bond funds) for final action.