

Lease of Housing Space and Parking – The University of North Carolina at Pembroke

In February 2003, the Board of Governors approved a lease for approximately 12 acres of land to The UNCP Foundation, Inc. (the Foundation) for a 30-year term. The Foundation subleased the land to a private developer who financed and constructed 216 beds of student housing. The Foundation, on advice from its financial advisors and attorneys, then purchased the student housing facility from the private developer and constructed 144 additional beds in 2004. Consistent with the rules and regulations of the Department of Administration's Office of State Property, UNCP currently leases the entire six-building apartment complex known as The University Village Apartments and rents the apartments as part of its on-campus housing program.

The Foundation is now planning to construct a new suite-style residence hall facility that will provide an additional 476 beds of student housing and approximately 194 parking spaces. The facility will be built on an available site within the twelve acres originally leased to the Foundation in 2003.

At this time, UNCP requests approval to enter into a long-term lease for the new residence hall facility, including parking when construction is complete, and to extend the existing ground lease to accommodate the proposed financing package. The lease to UNCP, at a term of approximately 25 years, will be at a cost consistent with similar housing and parking rates on campus. Lease payments will be made from housing receipts. It is anticipated that the new housing will be available by fall 2011 to accommodate anticipated enrollment growth.

This project is part of UNCP's Master Plan and was approved by the Board of Trustees. The lease of the facility will be accomplished within the guidelines, procedures, and policies of the North Carolina Department of Administration and the Council of State.

It is recommended that the following resolution, which includes the continuation of the ground lease, be approved and the request of the University of North Carolina at Pembroke be transmitted to the Council of State for final action.

RESOLUTION AUTHORIZING AGREEMENTS RELATED TO THE
CONSTRUCTION OF PRIVATE HOUSING FACILITIES ON THE
CAMPUS OF THE UNIVERSITY OF NORTH CAROLINA AT
PEMBROKE