

Acquisition of Space by Lease – North Carolina State University

The Board of Trustees of North Carolina State University has requested approval to lease an additional 12,500 square feet of space in the Centennial Biomedical Campus Flexible Laboratory Building (CBC Flex) that is being constructed to support the research activities of the College of Veterinary Medicine (CVM).

Currently wet lab space available for research activities on the Centennial Biomedical Campus is 100% occupied. Additional research space is needed to attract and retain quality faculty for the CVM and to compete for research grants on the national level. Being built by the CBC Flex Lab LLC by Capital Associates Management, LLC (Thomas R. Huff, Manager) of Cary, North Carolina, the CBC Flex building will provide 45,000 square feet of new wet lab and research space on land owned by the State of North Carolina for NCSU. NCSU has designated the CVM as the anchor tenant for this facility. In 2007, after receiving needed approvals, the CVM committed to lease 10,000 square feet in the new building. At this time, the CVM is seeking to lease an additional 12,500 square feet to support its research activities.

The cost of the 22,500 square-foot lease is expected not to exceed an initial full service rate of \$787,500 annually (\$35 per square-foot per year) including a \$50 per square-foot tenant improvement allowance. The lease will be for an initial term not to exceed ten years. Lease payments will be paid from Facilities and Administrative receipts.

This lease will be accomplished consistent with the guidelines, procedures, and policies of the North Carolina Department of Administration and executed by NCSU as authorized by UNC Board of Governors Policy 600.1.3.1.

It is recommended that the request of the Board of Trustees be approved.