

Acquisition of Property by Lease – North Carolina State University

The Board of Trustees of North Carolina State University has requested the approval of an acquisition by lease between NCSU and Keystone Corporation, LLC.

The property is needed to accommodate the Distance Education and Learning Technology Applications (DELTA) administrative offices and outlying DELTA operational units currently located in Partners I, D.H. Hill Library, and Venture Center Complex by consolidating the program into a single office space located in the Center for Technology and Innovation at 2401 Research Drive on NCSU's Centennial Campus. DELTA's administrative offices currently occupy 11,754 SF in Venture Center Complex on NCSU's Centennial Campus under a lease that will expire October 12, 2016.

N.C. State is expected to lease 18,623 SF at \$29.50 per square foot for the initial year (year 1). This equals an approximate initial year rent of \$549,378.50. The lease term will be seven years, with one three-year renewal option, both initial term and renewal option increasing by not more than 3% annually. Keystone Corporation is also offering the first three months rent-free, an approximately \$137,345 in savings, equating to lowering the year one rate to \$25.44 per square foot.

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

Form PO-1
Original and one copy to
to State Property Office

STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
RALEIGH

* ACQUISITION OF REAL PROPERTY

Institution or Agency: North Carolina State University

Date: January 6, 2016

The Department of Administration is requested, as provided by GS 146-22 et seq. to acquire the real property herein described by (purchase), (lease), (rental), or (other specify):

This Property is needed for the following reasons and purposes: (attach additional sheets if necessary). To accommodate the Distance Education and Learning Technology Applications (DELTA) administrative offices and outlying DELTA operational units in Partners I and DH Hill Library. DELTA's administrative offices currently occupy 11,754 sq. ft. in Venture Center complex on NC State's Centennial Campus under a lease that will expire October 12, 2016. The program's current need cannot be met at this location. Approval of a new lease is requested so that the program can consolidate operations and outlying units at one location. Lease specifications for this need were prepared and a request for proposals was published.

Name and Address of Present Owner: Keystone Corporation
5410 Trinity Road, Suite 215
Raleigh, NC 27609

Description of Property: (attach additional sheets if necessary). ±16,196 net sq. ft. (±18,623 rentable sq. ft.) of office space at 2401 Research Drive on NC State's Centennial Campus, Raleigh, NC

Term: Seven (7) years with one three (3) year renewal option. Lease term to commence on or about December 15, 2016.

Rental price (if applicable): \$29.50 per rentable sq. ft. (year 1) increasing by no more than 3% annually

Funds for the acquisition of this property are available in our budget under Code:

Item: **Other:**

In the event the above described real property is not acquired, is there other real property available, owned by the State or otherwise, that you believe would, if acquired, fulfill the requirement of your agency? If so, give details. None

Action, recommending the above request, was taken by the Buildings and Property Committee of the Board of Trustees and is recorded in the minutes thereof on 2.18.16 (Date).

Signature W. R. Wood
Chancellor

**ACQUISITION
OF REAL PROPERTY**

Lease

LESSEE State of North Carolina for North Carolina State University

LESSOR Keystone Corporation

LOCATION 2401 Research Dr., Raleigh, NC - NC State University's Centennial Campus

SIZE ±16,196 net sq. ft. (±18,623 rentable sq. ft.) of office space

RATE \$29.50 per rentable sq. ft. (year one) increasing annually by no more than 3%

TERM Seven (7) years with one three (3) year renewal option. Lease term to commence on or about December 15, 2016.

USE Space is needed to accommodate the Distance Education and Learning Technology Applications (DELTA) administrative offices and outlying DELTA operational units currently located in Partners I and DH Hill Library.

APPENDIX J



