

AGENDA ITEM

10. Authorization of Property Acquisitions and Disposition – (ASU & ECU)..... Will Johnson

Situation: Pursuant to NCGS §116-198.34(5), the Board of Governors of the University of North Carolina has the authority to approve dispositions of Millennial Campus property by lease of 99 years or less, without the approval of the Governor and the Council of State.

Acquisition of real property with a value over \$500,000 requires Board of Governors and Council of State approval.

Background: One UNC institution has requested approval of a 99-year ground lease for land designated as a Millennial property.

Two UNC institutions have requested a total of five property acquisitions: one multiple-property acquisition using available funds and one property acquisition by way of gift.

Assessment: ASU and ECU have requested approval to acquire and/or dispose of real property. These property matters meet the statutory requirements, and it is recommended that the Board of Governors approve these requests.

It is further recommended that the property acquisitions be transmitted to the Council of State for final action.

Action: This item requires a vote by the Committee, with the full Board vote through the Consent Agenda.

Authorization of Property Acquisitions and Disposition – (ASU & ECU)

ISSUE OVERVIEW

UNC institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

Two UNC institutions have requested a total of five property acquisitions: one property acquisition by way of gift and one multiple-property acquisition using available funds.

One UNC institution has requested approval of a property disposition for a 99-year ground lease on land designated as a Millennial property.

APPALACHIAN STATE UNIVERSITY

Property Acquisition

GRANTOR:	Appalachian Regional Healthcare System (ARHS) Properties, Inc.
GRANTEE:	State of NC, Appalachian State University (ASU)
LOCATION:	Deerfield and State Farm Roads, Bone, Watauga County
AREA:	+8.98 acres
CONSIDERATION:	Gift

Property proposed for acquisition is adjacent to the Watauga Medical Center. ASU plans to use the site for the construction of their College of Health Sciences facility. Upon completion of the facility, the grantor has requested the right to lease any then-vacant portion of any existing buildings, not to exceed ten percent (10%) of the gross usable square footage of all buildings. Acquisition of this site will be beneficial to both Appalachian Regional Healthcare System (ARHS) and the University.

EAST CAROLINA UNIVERSITY

Property Acquisition

Property proposed for acquisition is adjacent to the south side of Dowdy Ficklen Football Stadium and is composed of four residential properties contiguous to the stadium. These properties will be part of a future stadium expansion project.

GRANTOR:	East Carolina University Real Estate Foundation, Inc.
GRANTEE:	State of NC, East Carolina University (ECU)
PROPERTY #1:	100 Fieldside Street; 0.48 acres; 2,079 sf house; year built-1963; \$258,588
PROPERTY #2:	102 Fieldside Street; 0.39 acres; 2,000 sf house; year built-1961; \$381,683
PROPERTY #3:	104 Fieldside Street; 0.35 acres; 1,906 sf house; year built-1964; \$267,247
PROPERTY #4:	106 Fieldside Street; 0.42 acres; 1,705 sf house; year built-1963; \$193,774
TOTAL VALUE:	\$1,101,292 (Purchase price and carrying costs per NCDOA PO-1 Form)
SOURCE OF FUNDS:	Auxiliary overhead receipt funds

EAST CAROLINA UNIVERSITY

Property Disposition

Property proposed for disposition by ground lease will be used to develop the ECU Student Services Building designated as Millennial property in uptown Greenville. The Student Services Building will be approximately 70,000 sf. containing admissions, student advising, financial aid, career services, veteran's services, enrollment services, transfer student services, ECU One Card, and Heritage Hall with an adjacent six-level structured parking facility.

LESSOR:	East Carolina University (ECU)
LESSEE:	ECU Real Estate Foundation
LOCATION:	Bordered by Fourth Street, Reade Street, Third Street, and Contanche Street, Greenville, Pitt County
AREA:	+2.5 acres
TERM:	99 years
CONSIDERATION:	Annual lease payment of \$60,000 with CPI increases after year five

RECOMMENDATION

It is recommended that these requests from Appalachian State University and East Carolina University be approved.

This item requires a vote.