

Exchange of Property for Ground Lease of Property – North Carolina State University

The Board of Trustees of North Carolina State University has requested approval to exchange state-owned property for a ground lease of a parcel on the Carteret Community College campus for the construction of housing at NCSU's Center for Marine Sciences and Technology (CMAST).

The four-story CMAST building was constructed on property leased from Carteret Community College in Morehead City. Since the beginning, NCSU has planned to provide temporary housing accommodations for students, visiting professors, and other researchers.

In 2005, the Board of Governors authorized NCSU, through the North Carolina Agricultural Foundation, Inc., to purchase property within walking distance of CMAST. After working with elected officials from Morehead City and the adjacent property owners, NCSU has concluded it would be in the best interest of all parties to site the two-story, 16 unit housing structure on land owned by the community college rather than on the land purchased in 2005. NCSU is now requesting approval to exchange, under a 99-year ground lease, the previously purchased property for a same-sized parcel offered by Carteret Community College to be used as the site for the housing facility.

The property to be transferred to Carteret Community College was purchased for \$200,000. The value of the property would constitute NCSU's total lease payment for the 99-year term of the lease. The property and any improvements would revert to Carteret Community College at the end of the 99 years.

It is recommended that the request of the Board of Trustees be approved and transmitted to the Council of State for final action.