

Out-Lease of Space – North Carolina State University

In 1998, the General Assembly passed House Bill 1737 to provide North Carolina State University with expanded flexibility for the development of the Centennial Campus. One of the changes included in the Bill enabled the Board of Governors to approve certain out-leases of space on the Centennial Campus and then report the leases to the Council of State rather than secure the approval of the Council of State in advance. This change provided the University with the ability to execute leases in a shorter time period than had previously been possible. Once the Board had approved a lease, the Vice President for Finance was authorized to execute the lease on behalf of the Chairman of the Board of Governors.

The Board of Trustees of North Carolina State University has requested approval of the out-lease of space to MeadWestvaco Corporation. The lease will provide MeadWestvaco approximately 65,840 usable square feet of space on the Centennial Campus with a term of two years and an option to renew for up to twelve additional one-month periods. The initial annual rent will be \$19.80 per square foot, including estimated building operating costs, to be adjusted annually thereafter by increases in the CPI.

It is recommended that the request of the Board of Trustees be approved and reported to the Council of State.