

11. Disposition of Real Property by Lease - NCSU Will Johnson

Situation: North Carolina State University has requested approval to lease approximately 130 acres of State of North Carolina land comprising Spring Hill on Centennial Campus to the Board of Trustees of the Endowment Fund for North Carolina State University. Once the property is leased to the Endowment Fund, the fund would have the ability to enter into subleases without further statutory, policy, or regulatory approval.

Background: Through reallocation of state property in 2000, NCSU acquired 130 acres of land east of Centennial Parkway known as Spring Hill, formerly a portion of Dorothea Dix Hospital Campus. The land has been incorporated into Centennial Campus Precinct, sharing the mission and goals with the rest of Centennial Campus.

The 99-year ground lease would be executed in accordance with the existing statutory authority for disposition of property by lease at Millennial Campuses.

Assessment: 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.

Action: This item requires a vote.

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The 99-year ground lease of approximately 130 acres of State of North Carolina land comprising Spring Hill on Centennial Campus to the Board of Trustees of the Endowment Fund for North Carolina State University would facilitate private development of office and laboratory buildings in the fulfillment of the mission of Centennial Campus. The acreage could accommodate many separate privately-funded developments for years to come.

The Board of Trustees approved this disposition of real property by lease at its meeting on September 9, 2015.

The Board of Governors possesses the authority, by statute, to approve the disposition of Millennial Campus property by lease, up to 99 years, without the approval of the Governor and the Council of State.

It is recommended that this request to execute the ground lease agreement between NCSU and the Endowment Fund for North Carolina State University be approved.