

January 27, 2025 at 10 a.m.  
Via Videoconference and PBS North Carolina Livestream

## AGENDA

- A-1. Approval of the Open Session Minutes ..... Kirk Bradley
  - a. November 13, 2024
  - b. December 17, 2024
- A-2. Capital Improvement Projects ..... Katherine Lynn
- A-3. Disposition of Property by Demolition – Appalachian State University ..... Katherine Lynn
- A-4. Disposition of Property by Demolition – East Carolina University ..... Katherine Lynn
- A-5. Amendment to Existing Disposition of Property by Ground Lease –  
North Carolina Agricultural and Technical State University..... Katherine Lynn
- A-6. Acquisition of Property by Deed – NC State University..... Katherine Lynn
- A-7. Acquisition of Property by Lease – NC State University ..... Katherine Lynn
- A-8. Adjourn

## DRAFT MINUTES

November 13, 2024 at 9 a.m.  
Via Videoconference and PBS North Carolina Livestream  
UNC System Office  
223 S. West Street, Board Room (17th Floor)  
Raleigh, North Carolina

This meeting of the Committee on Budget and Finance was presided over by Chair Kirk Bradley. The following committee members, constituting a quorum, were also present in person, via videoconference, or by phone: Lee Barnes, Harry Brown, John Fraley, Reginald Holley, and Art Pope.

Chancellors participating were Kelli Brown, Lee Roberts, and Randy Woodson.

Staff members present included Jennifer Haygood, Brandy Andrews, Katherine Lynn, Aubrey Clark-Brown, and others from the University of North Carolina System Office.

Committee Faculty Assembly advisors present included Jim Westerman.

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### 1. Call to Order and Approval of OPEN Session Minutes (Item A-1)

The chair called the meeting to order at 9 a.m. on Wednesday, November 13, 2024. The open session minutes from the Thursday, October 17, 2024, meeting were approved by unanimous consent.

### 2. 2024 Hurricane Helene Recovery Funding Allocations (Item A-2)

The chair called on Senior Vice President Jennifer Haygood to present the actions taken by the North Carolina General Assembly for the University of North Carolina System on October 24, 2024, in Session Law 2024-53, The Disaster Recovery Act of 2024 — Part II, due to the impacts of Hurricane Helene.

Ms. Haygood recommended that the proposed Hurricane Helene allocations be approved, and the president be authorized to make refinements in the interest of accuracy and completeness. It was also recommended that the president be authorized to seek such concurrence as may be required of the director of the budget in the allocation of funds.

The chair asked for a motion to approve the proposed allocations.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the 2024 Hurricane Helene funding allocations and recommend them to the full Board of Governors for a vote through the consent agenda.

**Motion:** Reginald Holley

**Motion carried**

### **3. Authorization of Delegated Authority — 2024-25 Allocation of Funds (Item A-3)**

Chair Bradley called on Ms. Haygood to explain that each year when the State budget is finalized, the Committee on Budget and Finance recommends allocations of funds made available by the General Assembly to the University of North Carolina Board of Governors. Due to the uncertainty of the 2024-25 State budget finalization, it was recommended that the Board approve authorization of delegated authority to allocate funds made available by the General Assembly if the State budget is ratified prior to the next Board meeting. If this occurs, there will be a specially called meeting, and the entire Board will be invited to participate via Zoom.

The chair asked for a motion to approve the authorization of delegated authority.

**MOTION:** Resolved, that the Committee on Budget and Finance be delegated the authority to allocate the 2024-25 funds made available by the General Assembly, if the State budget is ratified prior to the next Board meeting. There will be a specially called meeting, and the entire Board will be invited to participate via Zoom and recommend it to the full Board of Governors for a vote.

**Motion:** Reginald Holley

**Motion carried**

### **4. Sale of Millennial Campus Bonds — Appalachian State University (Item A-4)**

The chair called on Ms. Haygood to present Appalachian State University's request to issue Millennial Campus revenue bonds in a principal amount not to exceed \$19 million for the costs of the acquisition, construction, and equipping of a new indoor practice facility.

The chair asked for a motion to authorize the sale of the Millennial Campus bonds.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the authorization for the sale of the Millennial Campus bonds for App State and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** Lee Barnes

**Motion carried**

### **5. FY2024-25 State Capital and Infrastructure Fund (SCIF) Maintenance Repair and Renovation (R&R) Capital Projects (Item A-5)**

The chair called on Vice President Katherine Lynn to present the compiled list of priority maintenance R&R projects submitted by each institution to be funded from their allocation of \$50 million from the 2024-25 UNC SCIF R&R funds previously approved by the Board in September 2024.

It is recommended that the Board approve the 2024-25 SCIF maintenance R&R projects for submission to the Fiscal Research Division. It was further recommended that Board delegate to the president the approval to allocate unassigned cost escalation and contingency reserve and to reallocate funds between approved SCIF maintenance R&R projects upon request of the constituent institution. It was also recommended that the Board approve the allocation of \$7.52 million of 2024-25 UNC SCIF R&R funds for new major R&R capital projects and modifications to the previously approved major R&R projects.

The chair asked for a motion to approve the 2024-25 SCIF maintenance R&R capital projects and additional capital project allocations.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the allocation of the FY2024-25 State Capital and Infrastructure Fund (SCIF) Maintenance Repair and Renovation (R&R) Capital Projects and recommend it to the full Board of Governors for a vote through the consent agenda.

**Motion:** John Fraley

**Motion carried**

## **6. Capital Improvement Projects (Item A-6)**

The chair called on Ms. Lynn to present the requests for the authorization of four new capital projects for a total of \$28.5 million at App State, East Carolina University, Fayetteville State University, and NC State University; and three increased authorizations for a total of \$3.5 million at ECU, University of North Carolina at Chapel Hill, and North Carolina School of Science and Mathematics.

The chair asked for a motion to approve the capital improvement projects.

**MOTION:** Resolved, that the Committee on Budget and Finance approve the capital improvement projects and recommend them to the full Board of Governors for a vote through the consent agenda.

**Motion:** Reginald Holley

**Motion carried**

Chair Bradley called on Ms. Haygood to highlight the report on the Faculty Realignment Incentive Program.

## **7. Adjourn (Item A-7)**

There being no further business and without objection, the meeting adjourned at 9:23 a.m.

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Reginald Holley, Secretary

## DRAFT MINUTES

December 17, 2024 at 4 p.m.

Via Videoconference and PBS North Carolina Livestream

This special meeting of the Committee on Budget and Finance was presided over by Chair Kirk Bradley. The following committee members, constituting a quorum, were also present via videoconference or by phone: Lee Barnes, Harry Brown, John Fraley, Reginald Holley, and Art Pope.

Chancellor participating was Randy Woodson. Chancellors Kelli Brown and Lee Roberts were absent.

Staff members present included Jennifer Haygood, Brandy Andrews, Katherine Lynn, Aubrey Clark-Brown, and others from the University of North Carolina System Office.

Committee Faculty Assembly advisors present included Jim Westerman.

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The chair called the special meeting to order at 4 p.m. on Tuesday, December 17, 2024.

### 1. 2024-25 Operating Budget Allocations (Item A-1)

Senior Vice President Jennifer Haygood reminded the committee that during the November 2024 Board meeting, the committee was delegated to approve the budget allocations if State budget adjustments or other funding bills were ratified prior to the next Board meeting. She highlighted the allocations that required Board approval: UNC Performance Funding, UNC Enrollment Loss Mitigation, UNC Building Reserves, and North Carolina Collaboratory. In addition, she gave an overview of the UNC Student Credit Hour Enrollment Change that was approved during the July 2024 Board meeting and several other items that did not require further approval.

**MOTION:** Resolved, that the Committee on Budget and Finance with delegated authority approve the 2024-25 Operating Budget Allocations as outlined.

**Motion:** Harry Brown

**Motion carried**

### 2. Adjourn (Item A-2)

There being no further business and without objection, the meeting adjourned at 4:10 p.m.

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Reginald Holley, Secretary

**AGENDA ITEM**

A-2. Capital Improvement Projects..... Katherine Lynn

- Situation:** Appalachian State University, NC State University, University of North Carolina at Charlotte, University of North Carolina at Greensboro, and University of North Carolina at Pembroke have requested eight new capital improvement projects, and App State, Fayetteville State University, North Carolina Agricultural & Technical State University, North Carolina Central University, NC State, UNC Greensboro, and PBS North Carolina have requested increased authorization for 10 capital improvement projects.
- Background:** The University of North Carolina Board of Governors may authorize capital construction projects at University of North Carolina System institutions using available funds.
- Assessment:** App State, FSU, N.C. A&T, NCCU, NC State, UNC Charlotte, UNC Greensboro, UNC Pembroke, and PBS NC are requesting projects that meet statutory requirements. It is recommended that the Board approve the projects and the method of funding. It is further recommended that these projects be reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.
- Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

**Capital Improvement Projects – Appalachian State University, Fayetteville State University, North Carolina Agricultural & Technical State University, North Carolina Central University, NC State University, University of North Carolina at Charlotte, University of North Carolina at Greensboro, University of North Carolina at Pembroke, and PBS North Carolina**

**ISSUE OVERVIEW**

University of North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with non-appropriated projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

Eight UNC System institutions and one affiliate institution have requested 18 capital improvement projects: eight new projects and 10 projects for increased authorization.

**I. NEW PROJECTS**

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
<b>Appalachian State University</b>					
1.	Legends Building Demolition	\$1,700,000	\$0	\$1,700,000	Trust Funds
<i>App State Subtotal</i>		<i>\$1,700,000</i>	<i>\$0</i>	<i>\$1,700,000</i>	
<b>North Carolina State University</b>					
2.	Glycol Chiller Replacement - Talley Student Union	\$875,000	\$0	\$875,000	Trust Funds
<i>NC State Subtotal</i>		<i>\$875,000</i>	<i>\$0</i>	<i>\$875,000</i>	
<b>University of North Carolina at Charlotte</b>					
3.	Building Envelope Repairs - Multiple Buildings (12 Buildings)	\$1,000,000	\$0	\$1,000,000	Carry-forward
4.	Burson Exterior Bridge Replacement	\$900,000	\$0	\$900,000	Carry-forward
5.	Electrical Grid Automation - Phase 1	\$1,350,000	\$0	\$1,350,000	Carry-forward
6.	Elevator Upgrades - Fretwell Building	\$1,800,000	\$0	\$1,800,000	Carry-forward
<i>UNC Charlotte Subtotal</i>		<i>\$5,050,000</i>	<i>\$0</i>	<i>\$5,050,000</i>	
<b>University of North Carolina at Greensboro</b>					
7.	Tower Village Elevator Replacement	\$950,000	\$0	\$950,000	Trust Funds
<i>UNC Greensboro Subtotal</i>		<i>\$950,000</i>	<i>\$0</i>	<i>\$950,000</i>	
<b>University of North Carolina at Pembroke</b>					
8.	Oxendine Science Data Center Renovation <sup>1</sup>	\$802,500	\$52,500	\$750,000	Carry-forward
<i>UNC Pembroke Subtotal</i>		<i>\$802,500</i>	<i>\$52,500</i>	<i>\$750,000</i>	
<b>Grand Total</b>		<b>\$9,377,500</b>	<b>\$52,500</b>	<b>\$9,325,000</b>	

<sup>1</sup> Previous authorization reflects advance planning authority delegated to Boards of Trustees.

## II. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost	Previous Authorization	Requested Authorization	Funding Source
<b>Appalachian State University</b>					
1.	Duncan Hall Renovation	\$26,700,000	\$26,000,000	\$700,000	SCIF R&R (97%)/ Carry-forward (3%)
2.	Wey Hall Comprehensive Renovation and Modernization	\$25,090,094	\$24,179,094	\$911,000	SCIF R&R (76%)/ Carry-forward (23%)/ Trust Funds (1%)
<i>App State Subtotal</i>		<i>\$51,790,094</i>	<i>\$50,179,094</i>	<i>\$1,611,000</i>	
<b>Fayetteville State University</b>					
3.	Health & Wellness Center	\$13,900,000	\$12,900,000	\$1,000,000	Appropriations (40%)/Trust Funds (53%)/Student Fees (7%)
<i>FSU Subtotal</i>		<i>\$13,900,000</i>	<i>\$12,900,000</i>	<i>\$1,000,000</i>	
<b>North Carolina Agricultural &amp; Technical State University</b>					
4.	Bluford Residence Hall	\$66,130,916	\$64,000,000	\$2,130,916	Trust Funds
5.	New Community and Urban Food Complex	\$13,547,406	\$12,900,000	\$647,406	Trust Funds
6.	Webb Hall Vivarium Renovation	\$14,112,659	\$13,130,692	\$981,967	Trust Funds
<i>N.C. A&amp;T Subtotal</i>		<i>\$93,790,981</i>	<i>\$90,030,692</i>	<i>\$3,760,289</i>	
<b>North Carolina Central University</b>					
7.	Farrison Newton Building - Radio Station Renovation	\$3,031,721	\$2,350,000	\$681,721	Trust Funds
<i>NC Central University Subtotal</i>		<i>\$3,031,721</i>	<i>\$2,350,000</i>	<i>\$681,721</i>	
<b>North Carolina State University</b>					
8.	Utility Plant Capacity Expansion - Yarbrough Chiller Plant	\$9,370,000	\$1,470,939	\$7,899,061	Trust Funds
<i>NC State Subtotal</i>		<i>\$9,370,000</i>	<i>\$1,470,939</i>	<i>\$7,899,061</i>	
<b>University of North Carolina at Greensboro</b>					
9.	Phillips Hawkins and Moore Strong Phased Residence Halls HVAC Replacement	\$10,897,509	\$10,685,509	\$212,000	Trust Funds
<i>UNC Greensboro Subtotal</i>		<i>\$10,897,509</i>	<i>\$10,685,509</i>	<i>\$212,000</i>	
<b>PBS North Carolina</b>					
10.	Tower Lighting/FAA Markers/Tower Elev. Repair	\$2,576,196	\$2,545,881	\$30,315	SCIF R&R (97%)/ Trust Funds (3%)
<i>PBS NC Subtotal</i>		<i>\$2,576,196</i>	<i>\$2,545,881</i>	<i>\$30,315</i>	
<b>Grand Total</b>		<b>\$185,356,501</b>	<b>\$170,162,115</b>	<b>\$15,194,386</b>	

## RECOMMENDATION

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

It is recommended that these projects be authorized and reported to the North Carolina Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.



### III. REPORTING

The following projects are being reported to the Board of Governors and Fiscal Research Division in compliance with GS 143C-8-13 (d) which permits chancellors to authorize Repairs and Renovation projects less than \$600,000 in 13 allowable categories with funds available to the constituent institution.

Institution/Project Title		Amount	Fund Source	R&R Category
<b>East Carolina University</b>				
1.	Bate Building Classroom Upgrades Phase 3	\$550,000	Carry-forward	(9) Improvements and renovations to improve use of existing space
2.	Building 141 - PASS (ECU Psychological Assessment) Clinic Relocation	\$500,000	Carry-forward	(9) Improvements and renovations to improve use of existing space
3.	Building 141 - Roof Replacement	\$300,000	Carry-forward	(1) Roof repairs and replacements
4.	Replacement of Obsolete Variable Frequency Drives	\$200,000	Energy Carry-forward	(7) Improvements to existing facilities for energy efficiency
5.	Rawl 105 Project Based Learning (PBL) Classroom Renovation	\$325,000	Carry-forward	(9) Improvements and renovations to improve use of existing space
<b>UNC Charlotte</b>				
6.	College of Science Dean's Suite Renovation	\$600,000	Carry-forward	(9) Improvements and renovations to improve use of existing space
<b>UNC Pembroke</b>				
7.	Jones Health & PE Boiler Replacements	\$195,769	Appropriations	(4) Repairs to, or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems
<b>Western Carolina University</b>				
8.	Hunter Library Humidity Control	\$346,000	Appropriations	(4) Repairs to, or installation of new electrical, plumbing, and heating, ventilating, and air-conditioning systems

**AGENDA ITEM**

A-3. Disposition of Property by Demolition — Appalachian State University ..... Katherine Lynn

**Situation:** The Appalachian State University Board of Trustees requests authorization for disposition of property by demolition of the Legends Building, located at 190 Hardin Street, Boone, North Carolina.

**Background:** The 15,921-square-foot building, constructed in 1965, was converted to a student lounge. The building was constructed over a stormwater culvert that during Hurricane Helene opened a large sinkhole under the building, compromising the building foundation. The building is currently condemned. The insured replacement value is \$5,448,199.

The App State Board of Trustees approved the disposition by demolition on December 5, 2024.

**Assessment:** It is recommended that the disposition by demolition be approved to remove the liability associated with the condemned structure.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## **Disposition of Property by Demolition — Appalachian State University**

### **ISSUE OVERVIEW**

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property.

The Appalachian State University Board of Trustees requests authorization to demolish the Legends Building, located at 190 Hardin Street, Boone, North Carolina. The building was constructed in 1965 and is approximately 15,921 square feet. The insured replacement value is \$5,448,199.

The building was originally constructed as a grocery store and was later converted to a student lounge. The building was constructed over a stormwater culvert that picks up the stormwater from a large watershed. The culvert location was originally a stream and has overtopped and flooded the adjacent Howard Street and the north building entrance during heavy storms. During Hurricane Helene, a large sinkhole opened up under the building, compromising the foundation. The estimated repair cost is \$3.5 million, more than 50 percent of the insured replacement value. The building is condemned and cannot be reoccupied.

The Appalachian State University Board of Trustees approved the disposition by demolition on December 5, 2024.

### **RECOMMENDATION**

It is recommended that the Board of Governors approve this request. This item requires approval by the Council of State.

**STATE OF NORTH CAROLINA  
DEPARTMENT OF ADMINISTRATION  
DISPOSITION OF REAL PROPERTY**

Institution or Agency: Appalachian State University

Date: 12/6/2024

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. Demolition of building only.

This disposition is recommended for the following reasons:

**Building is structurally unsound and has been condemned following Hurricane Helene storm damage.**

Description of Property: *(Attach additional pages if needed.)*

**Note that this request is for the demolition of the building located at 190 Hardin Street, Boone, NC. The real property beneath the building will be retained. The building is listed in the SPO database as "Legends #121" with Asset ID being 14336. Gross square footage is 15,921 GSF.**

Estimated value: Insurance value is \$5,448,199

Where deed is filed, if known: Watauga County

If deed is in the name of agency other than applicant, state the name:

N/A

Rental income, if applicable, and suggested terms:

N/A

Funds from the disposal of this property are recommended for the following use:

N/A

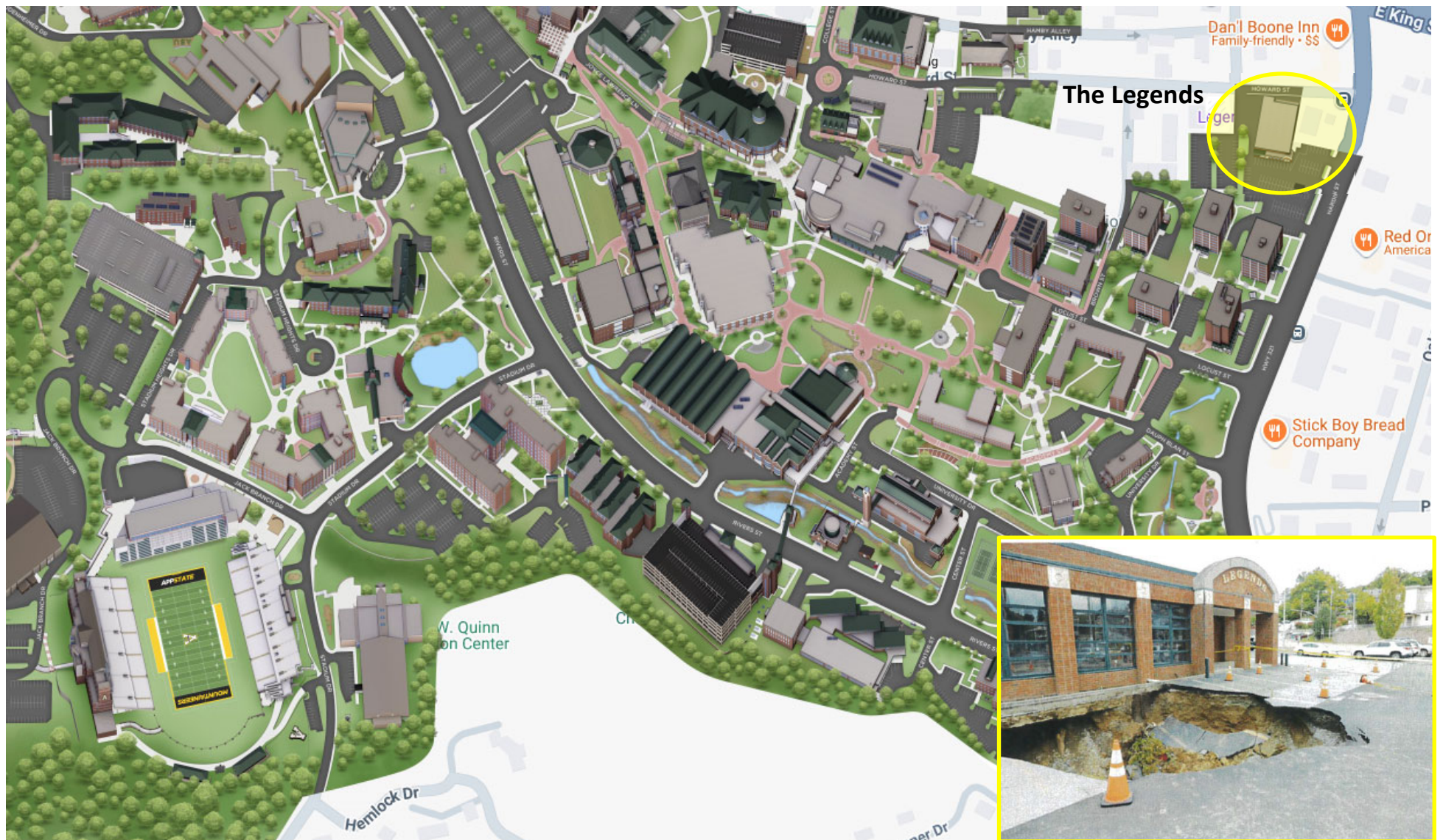
*(Complete if Agency has a Governing Board.)*

Action recommending the above request was taken by the Governing Board of Appalachian State University and is recorded in the minutes thereof on December 5, 2024 (date).

Signature:  
Title:

Heather Numb  
**Interim Chancellor**





**APPALACHIAN STATE UNIVERSITY – THE LEGENDS**

**AGENDA ITEM**

A-4. Disposition of Property by Demolition — East Carolina University ..... Katherine Lynn

**Situation:** The East Carolina University Board of Trustees requests authorization for disposition of property by demolition of W.M. Scales Field House, located at 920 Blackbeard's Alley, Greenville, North Carolina.

**Background:** The 14,349 square feet field house was constructed in 1966, and was used for athletics, offices, and locker rooms. The building is leaking, and the outdated mechanical, electrical, and plumbing systems are at the end of their useful life. The building does not comply with current life safety codes or ADA accessibility guidelines. The insured replacement value is \$6 million.

The ECU Board of Trustees approved the disposition by demolition on November 22, 2024.

**Assessment:** The occupants have been relocated to other buildings, and the building is no longer needed. The demolition will not impact the surrounding structures, and the area will be converted to green space.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## **Disposition of Property by Demolition — East Carolina University**

### **ISSUE OVERVIEW**

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property.

The East Carolina University Board of Trustees requests authorization to demolish the W.M. Scales Field House, located at 920 Blackbeard's Alley, Greenville, North Carolina. The single-story building was constructed in 1966 and is approximately 14,349 square feet. The insured replacement value is \$6 million.

The building was previously used for athletics, offices, and locker rooms. The architectural, mechanical, electrical, and plumbing systems are outdated and at the end of their useful life. The building does not meet current life safety codes or ADA accessibility standards. The building envelope leaks, and the cost of renovation is approximately \$3.6 million, which is 60 percent of the replacement value. The users have been relocated to other buildings, and the building is mostly vacant. Upon demolition, the area will be converted to green space.

The ECU Board of Trustees approved the disposition by demolition on November 22, 2024.

### **RECOMMENDATION**

It is recommended that the Board of Governors approve this request. This item requires approval by the Council of State.

**STATE OF NORTH CAROLINA  
DEPARTMENT OF ADMINISTRATION  
DISPOSITION OF REAL PROPERTY**

Institution or Agency: East Carolina University

Date: November 22, 2024

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. Demolition

This disposition is recommended for the following reasons:

**Demolition in lieu of renovation.**

Description of Property: *(Attach additional pages if needed.)*

**The W.M. Scales Field House located on the southern athletic campus of East Carolina University in Greenville, NC. This single-level, brick masonry facility built in 1966 is one-story without a basement. The building comprise 14,349 SF. The SPO Building Asset ID is 7899/ DAVE Number 038.**

Estimated value: Replacement value \$6 Million

Where deed is filed, if known: Pitt County

If deed is in the name of agency other than applicant, state the name:

N/A

Rental income, if applicable, and suggested terms:


N/A

Funds from the disposal of this property are recommended for the following use:

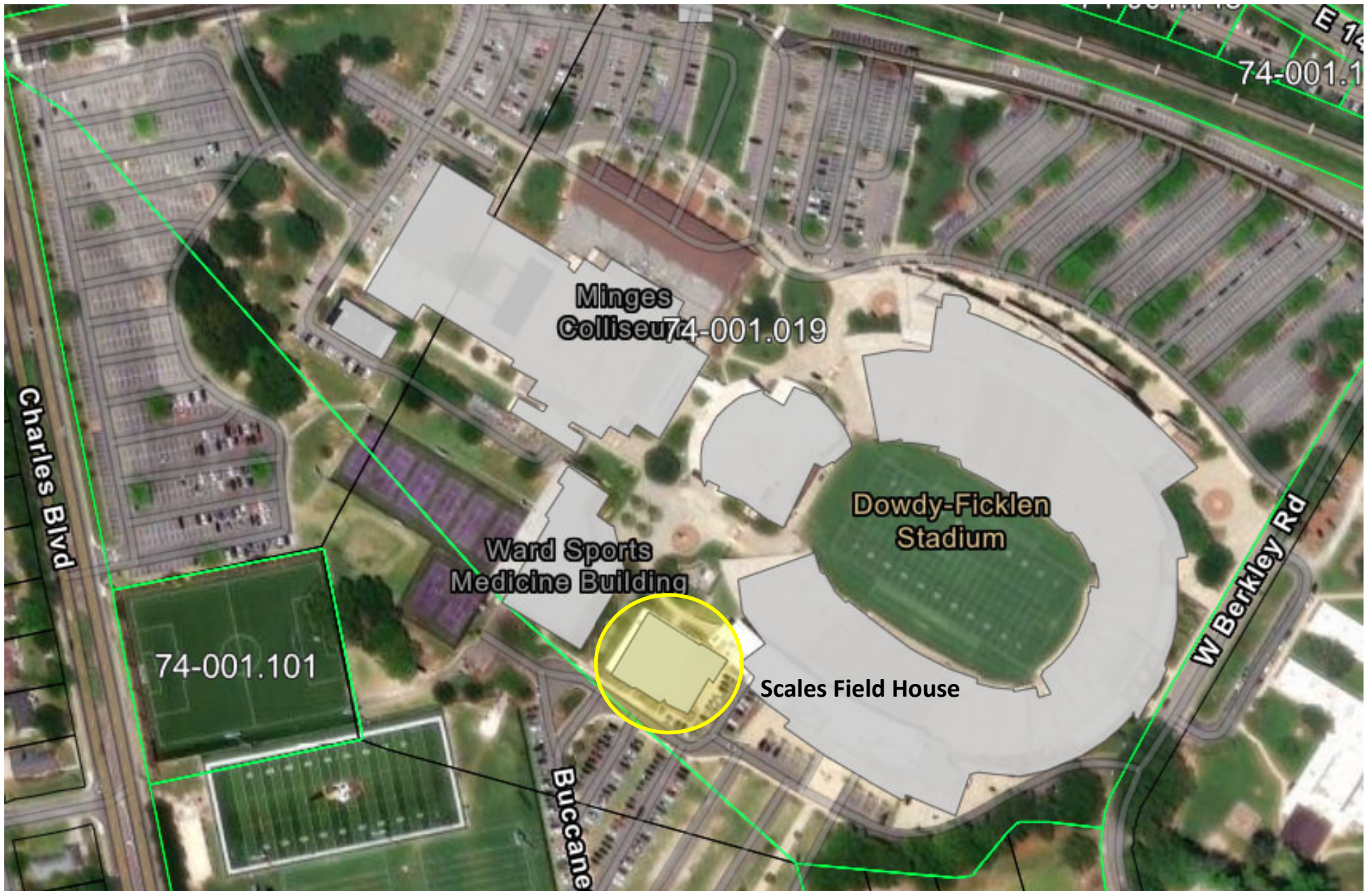
N/A

*(Complete if Agency has a Governing Board.)*

Action recommending the above request was taken by the Governing Board of Trustees and is recorded in the minutes thereof on November 22, 2024 (date)

Signature:   
Philip Rogers  
Chancellor





**EAST CAROLINA UNIVERSITY – SCALES FIELD HOUSE**

**AGENDA ITEM**

A-5. Amendment to Existing Disposition of Property by Ground Lease —  
North Carolina Agricultural and Technical State University..... Katherine Lynn

**Situation:** The North Carolina Agricultural and Technical State University Board of Trustees requests authorization to amend the existing disposition of property by ground lease to its foundation.

**Background:** The original ground lease, commencing August 10, 2004, between North Carolina A&T State University and its foundation was for a term of 46.5 years for the purpose of constructing certain improvements. The ground lease included both state-owned and foundation-owned properties that were developed by NC A&T Real Estate Foundation (NCA&T REF) for student housing (Aggie Suites, Aggie Terrace, and Pride Hall), a fitness facility (currently the Child Development Lab (CDL)), and the Alumni-Foundation Event Center (AFEC). N.C. A&T owns the sites of Aggie Suites, Pride Hall, CDL, and AFEC. NCA&T REF owns the site for Aggie Terrace.

NC A&T REF is proposing a 2025 bond issuance to refinance the previous bonds and to provide approximately \$16 million in new money to renovate Aggie Suites, Pride Hall, and AFEC. The existing ground lease will need to be amended to support the proposed 2025 bond. The amendment will:

- Extend the ground lease to support issuing the 2025 bond for a proposed 30-year period. The current ground lease expires in February 2051.
- Restate the terms of the ground lease based on current requirements for student housing bonds and remove restrictive and outdated covenants and requirements.
- Release the foundation-owned property from the ground lease to facilitate redevelopment for better use.

The N.C. A&T Board of Trustees approved amending the existing ground lease on November 8, 2024.

**Assessment:** The amendment and restating of the ground lease is recommended to support the proposed 2025 bond proposed by the NCA&T REF for student housing and associated renovations.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## **Amendment to Existing Disposition of Property by Ground Lease — North Carolina Agricultural and Technical State University**

### **ISSUE OVERVIEW**

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property.

In August 2004, North Carolina Agricultural and Technical State University entered into a ground lease with its foundation, the NC A&T University Foundation, LLC, for the purpose of constructing student housing, a fitness facility, an events center, and other improvements. The ground lease included university-owned and foundation-owned properties. The ground lease term was 46.5 years at a nominal rate of \$1.

The NCA&T Real Estate Foundation (formerly known as the NCA&T University Foundation, LLC) issued bonds in 2004 to construct and acquire student housing (Aggie Suites, Aggie Terrace, and Pride Hall); expand a fitness facility, currently utilized as the Child Development Lab (CDL); and construct the Alumni-Foundation Event Center (AFEC). In 2015, the foundation refinanced the bonds. NC A&T Real Estate Foundation (NCA&T REF) is proposing a 2025 bond to refinance the previous bonds and to provide approximately \$16 million of new money to renovate Aggie Suites, Pride Hall, and the AFEC. In order to support the issuance of the proposed 2025 bond with more favorable terms, it is proposed that the ground lease be amended and restated as follows:

- Extend the ground lease to support issuing the 2025 bond for a proposed 30-year period. The current ground lease expires in February 2051.
- Restate the terms of the ground lease based on current requirements for student housing bonds and remove restrictive and outdated covenants and requirements. The current ground lease includes very restrictive covenants and requirements that are no longer considered necessary for student housing bonds. The restatement of the ground lease would remove unnecessary requirements and update other terms for today's market.
- Release the foundation-owned property from the ground lease to facilitate redevelopment for better use. The ground lease includes five properties: Aggie Suites, Aggie Terrace, Pride Hall, CDL, and AFEC. N.C. A&T owns the sites for Aggie Suites, Pride Hall, CDL, and AFEC. NCA&T REF owns the site for Aggie Terrace. Constructed in 1984, Aggie Terrace includes 78 beds and is nearing the end of its useful life. Excluding Aggie Terrace from the ground lease will allow NCA&T REF to demolish the building. The site is adjacent to other sites owned by NCA&T REF which is proposed for commercial redevelopment (see attachments).

The amendment and restatement of the ground lease will also update the name of the foundation, formerly known as North Carolina A&T University Foundation, LLC, to the Campus Real Estate Holding Corporation, LLC.

The N.C. A&T Board of Trustees approved amending the existing ground lease on November 8, 2024.

### **RECOMMENDATION**

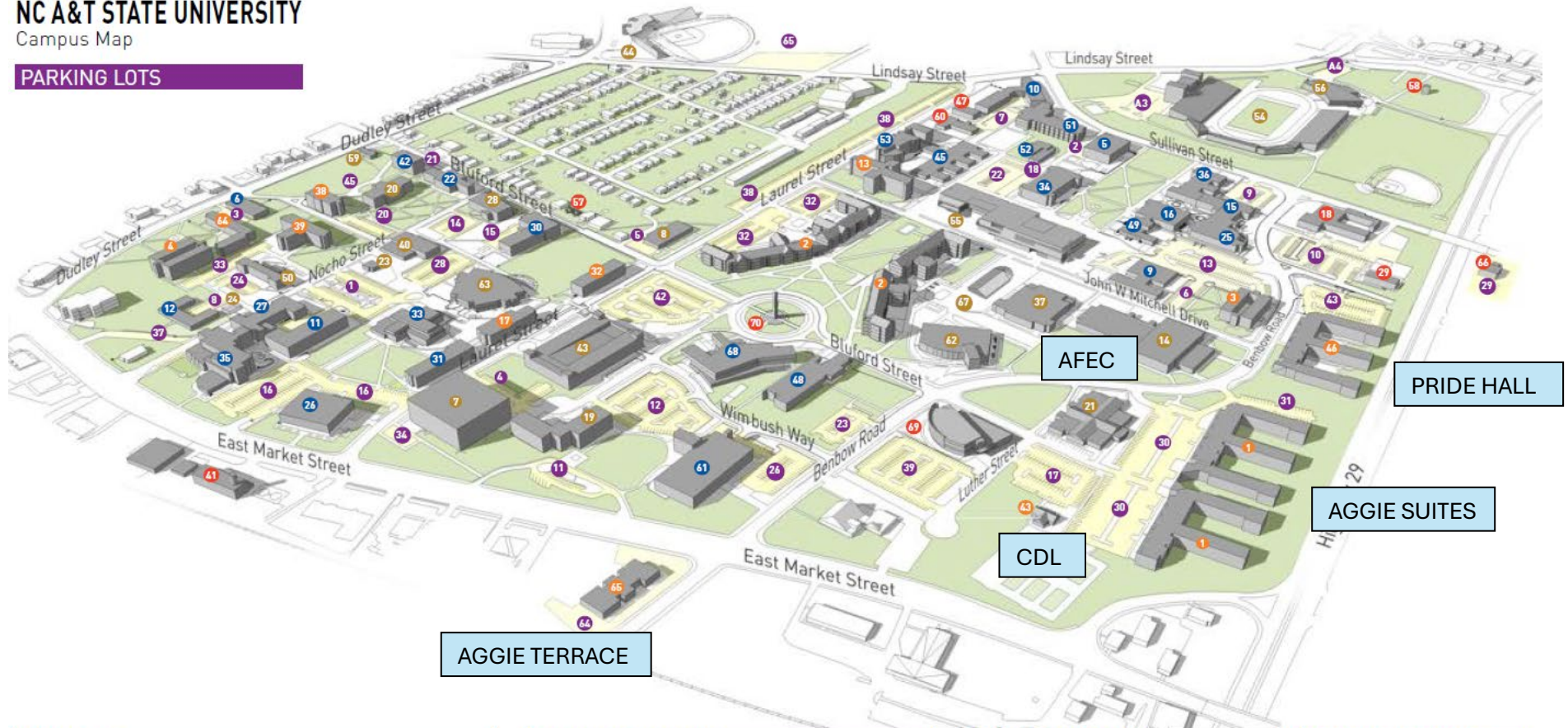
It is recommended that the Board of Governors approve the amendment and restatement of the ground lease. This item also requires approval from the Council of State.



# NC A&T STATE UNIVERSITY

Campus Map

## PARKING LOTS



### ACADEMIC

- 5... Barnes Hall - Lot 2
- 6... Benbow Hall - Lot 3
- 9... Campbell Hall - Lot 6
- 10... Carver Hall - Lot 7
- 11... Cherry Hall
- 12... Coltrane Hall - Lots 8, 37
- 15... Craig Hall - Lot 9
- 16... Crosby Hall - Lot 13
- 22... Frazier Hall - Lot 21
- 25... General Classroom Building - Lot 13
- 26... Gibbs Hall - Lot 16
- 27... Graham Hall - Lot 8
- 30... Hines Hall - Lot 15
- 31... Hodgin Hall - Lot 16
- 33... Fort/ IRC
- 34... Marteena Hall - Lot 18
- 35... McNair Hall - Lot 16
- 36... Merrick Hall - Lot 9
- 42... Noble Hall - Lot 21
- 45... Price Hall - Lot 22
- 48... Proctor Hall - Lot 23
- 49... Paul Robeson Theater
- 51... Academic Science Building
- 52... Sockwell Hall
- 53... Smith Technology Center
- 61... Webb Hall - Lot 26
- 68... Academic Classroom

### STUDENT SUPPORT

- 7... Bluford Library - Lots 4, 34
- 8... Brown Hall - Lot 5
- 14... Corbett Sports Center
- 19... Dowdy Building - Lots 11, 12
- 21... Event Center - Lot 17
- 20... Dudley Building / University Galleries - Lot 45
- 23... Garrett House
- 24... Gear Up - Lot 8
- 28... Harrison Auditorium - Lot 14
- 37... Moore Gym - Lot 19
- 43... Parking Deck
- 44... War Memorial Stadium - Lot 65
- 50... Sebastian Center - Lot 24
- 54... Aggie Stadium - Lots A3, A4
- 55... New Student Center (Under Construction)
- 56... Bryan Fitness and Wellness Center
- 59... The Oaks
- 62... Wellness Center
- 63... Williams Dining Hall - Lot 28
- 67... Aggie Dome

### CAMPUS HOUSING

- 1... Aggie Suites - Lots 30, 31
- 2... Aggie Village - Lot 32
- 3... Alex Haley Hall - Lot 6
- 4... Barbee Hall - Lot 33
- 13... Cooper Hall
- 17... Curtis Hall
- 32... Holland Hall
- 38... Morrison Hall
- 39... Morrow Hall
- 45... Pride Hall - Lot 43
- 64... Vanstory Hall - Lot 33
- 65... Aggie Terrace - Lot 47

### CAMPUS SUPPORT

- 18... DeHuguley Building - Lot 10
- 29... Hazardous Materials Building
- 41... T.E. Neal Heating Plant
- 43... Child Development Lab
- 47... Reid Greenhouse
- 57... Switch Station
- 58... Tower Facility
- 60... Ward Hall - Lot 7
- 66... DeHuguley Annex - Lot 29
- 69... New Health Center - Lot 39
- 70... Clock Tower (Under Construction)

[Revised July 31, 2015]

## ATTACHMENT A – LOCATION MAP





**ATTACHMENT B – UNIVERSITY PROPERTY**

**AGENDA ITEM**

A-6. Acquisition of Property by Deed — NC State University..... Katherine Lynn

**Situation:** NC State University Board of Trustees requests authorization to acquire property by deed of approximately 8.13 acres, including two buildings of approximately 18,800 gross square feet (SF), located at 101 and 115 Petfinder Lane, Raleigh, North Carolina.

**Background:** NC State is requesting approval to purchase property that will provide permanent bus maintenance and operations facilities for the Wolfline, NC State's transit service. The property includes an 8,300 square feet (SF) office building and a 10,500 SF warehouse. The property includes adequate space for the current operations, provides opportunities for expansion, and is located within five miles of campus. The purchase price is \$6.1 million and will be paid from transportation reserve funds.

NC State's bus maintenance and operations facilities are currently located on leased property, which includes approximately 4.5 acres. The leased facility is too small to accommodate the fleet and does not provide any room for expansion. The current lease will expire in 2029.

The NC State Board of Trustees approved the acquisition by lease on November 22, 2024.

**Assessment:** It is recommended that the acquisition by deed be approved to support the relocation of the bus maintenance and operations facility.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## **Acquisition of Property by Deed — NC State University**

### **ISSUE OVERVIEW**

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property.

The NC State University Board of Trustees requests authorization for the acquisition of property by deed of approximately 8.13 acres, including two buildings of approximately 18,800 gross square feet (SF), located at 101 and 115 Petfinder Lane, Raleigh, North Carolina.

The existing 8,300 SF office building and 10,500 SF warehouse will be used for the bus maintenance and operations facility for the Wolfline, NC State's transit service. The property is appropriately zoned and is located within five miles of NC State's campus. The Wolfline transit service is currently located in a leased facility consisting of approximately 4.5 acres, which is too small to accommodate the fleet or support any expansion. The acquisition will also provide a stable long-term facility for the university's transit system within reasonable proximity to the campus. The purchase price is \$6.1 million and will be paid from transportation reserve funds.

The two buildings located on the property are currently individually leased. The lease terms will be confirmed and negotiated as part of the due diligence process. NC State's lease for the current Wolfline transit center location will expire in 2029.

The NC State Board of Trustees approved the acquisition by deed on November 22, 2024.

### **RECOMMENDATION**

It is recommended that the Board of Governors approve the request for acquisition of property by deed. This item also requires approval from the Council of State.

**ACQUISITION  
OF REAL PROPERTY  
PURCHASE**

**GRANTOR** Triangle Real Estate Holdings, LLC

**GRANTEE** The State of North Carolina, NC State University

**LOCATION** 101 Petfinder Lane, Raleigh, NC, 27603 and 115 Petfinder Lane, Raleigh, NC, 27603

**SIZE** Approximately 8.13 acres, improved with an office and industrial building of approximately 18,800 gross square feet.

**RATE** \$6,100,000

**TERM** Perpetual

**USE** This Property will provide a stable and long-term facility in support of NC State University's transit system (bus maintenance and operations). The location of this facility is roughly 5 miles from the university and is located to limit time and mileage for out of services busses. The facility also offers adequate space for storage and maintenance of busses and can accommodate growth, as needed.



PO-1

Original and one copy to  
State Property Office

**STATE OF NORTH CAROLINA  
DEPARTMENT OF ADMINISTRATION  
RALEIGH**

**\*ACQUISITION OF REAL PROPERTY**

**Institution or Agency:** North Carolina State University

**Date:** November 1, 2024

**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):**

101 & 115 Petfinder Lane, Raleigh, NC

**This Property is needed for the following reasons and purposes:** (attach additional sheets if necessary).

This Property will provide a stable and long-term facility in support of NC State University's transit system (bus maintenance and operations). The location of this facility is roughly 5 miles from the university and is located to limit time and mileage for out of services busses. The facility also offers adequate space for storage and maintenance of busses and can accommodate growth, as needed.

**Name and Address of Present Owner:**

Triangle Real Estate Holdings, LLC

~~101 Petfinder Lane, Raleigh, NC, 27603 and 115 Petfinder Lane, Raleigh, NC, 27603~~

2514 Nash Street, Wilson NC 27896

**Description of Property:** (attach additional sheets if necessary).

All parcels of land located at 101 Petfinder Lane, Raleigh, NC and 115 Petfinder Lane, Raleigh, NC, together with buildings and improvements, containing approximately 8.13 acres, with the buildings having a combined 18,800 square feet.

**Term:** Perpetual

**Acquisition Price:** \$6,100,000.00

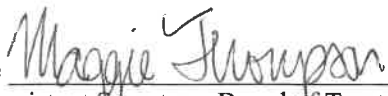
**Funding:** Transportation Reserve Funds

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 requirements of your agency? If so, give details. **No.**

Action, recommending the above request, was taken by the Board of Trustees and is recorded in the minutes thereof on November 22, 2024.

Signature

  
Assistant Secretary, Board of Trustees

\*The term "real property" includes timber rights, mineral rights, etc. (GS 146-64)

TRANSMITTAL OF REQUEST FOR ACQUISITION/DISPOSITION OF REAL  
PROPERTY

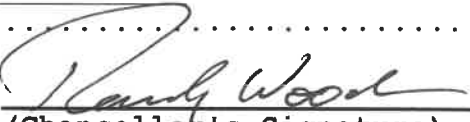
Form  
Number: ~~PO-2~~ PO-1

Preparation  
Date: November 1, 2024

**Request:** Approval for acquisition by purchase of real property located at 101 & 115 Petfinder Lane, Raleigh NC in support of NC State University's transit system (bus maintenance and operations).

Institution NORTH CAROLINA STATE UNIVERSITY

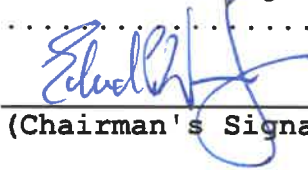
RECOMMENDED BY CHANCELLOR, NCSU

  
(Chancellor's Signature)

RECOMMENDED BY COMMITTEE ON  
BUILDINGS AND PROPERTY

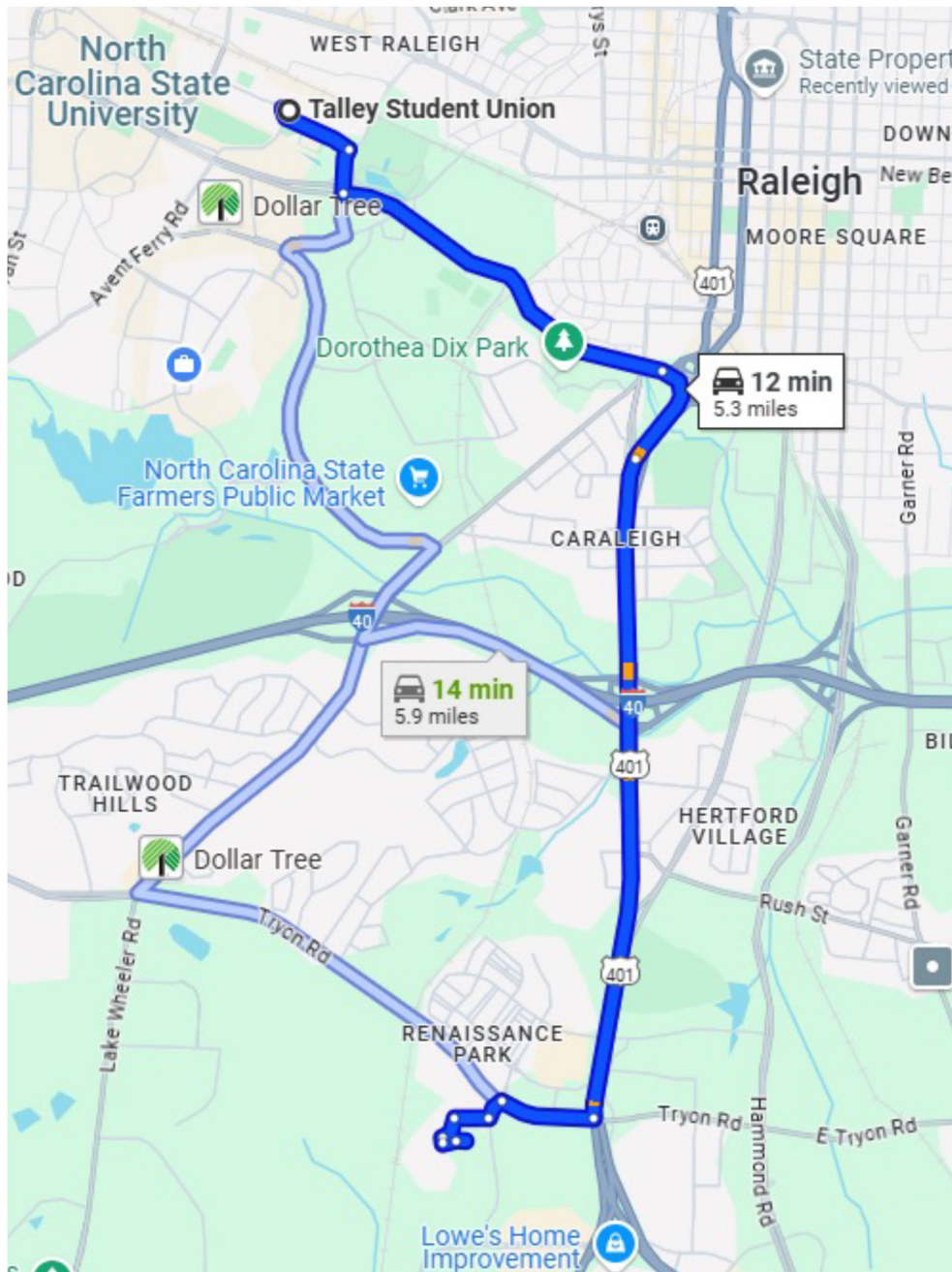
  
(Chairman's Signature)

RECOMMENDED BY BOARD OF TRUSTEES,  
NCSU

  
(Chairman's Signature)

RECOMMENDED BY BOARD OF GOVERNORS

\_\_\_\_\_  
(Secretary's Signature)



**NC STATE UNIVERSITY – BUS MAINTENANCE FACILITY**





**NC STATE UNIVERSITY – BUS MAINTENANCE FACILITY**

**AGENDA ITEM**

A-7. Acquisition of Property by Lease — NC State University ..... Katherine Lynn

**Situation:** NC State University Board of Trustees requests authorization to acquire property by lease of approximately 40,035 square feet in the Center for Technology and Innovation, 1010 Main Campus Drive, Raleigh, North Carolina, on the Centennial Campus.

**Background:** In December 2023, NC State entered into a two-year sublease agreement for leased space to accommodate staff and faculty displaced due to the unanticipated closure of Poe Hall in November 2023. The existing sublease agreement will expire in August 2025, but NC State continues to need the space until the work on Poe Hall is completed. The lease provides administrative space for staff, faculty, and students and some limited instruction space. The proposed lease term is for 62 months, with two one-year options to renew. The annual rental rate is \$33.06 per rentable square foot, or approximately \$1.32 million with an annual escalation rate of 3.25 percent.

The NC State Board of Trustees approved the acquisition by lease on November 22, 2024.

**Assessment:** It is recommended that the acquisition by lease be approved to provide temporary space to support the replacement of Poe Hall.

**Action:** This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.

## **Acquisition of Property by Lease — NC State University**

### **ISSUE OVERVIEW**

The University of the North Carolina System institutions are required to request authority from the University of North Carolina Board of Governors to proceed with certain acquisitions and dispositions of real property. The NC State University Board of Trustees requests authorization for the acquisition of property by lease of approximately 40,035 square feet in the Center for Technology and Innovation, 1010 Main Campus Drive, Raleigh, North Carolina, on the Centennial Campus.

In December 2023, NC State entered into a two-year sublease agreement for Class A office space to accommodate staff and faculty displaced due to the unanticipated closure of Poe Hall in November 2023. The existing sublease agreement will expire in August 2025, but NC State will need the space until the work on Poe Hall is completed. The lease for the second and third floors provides administrative space for staff, faculty, and students and some limited instruction space. The annual rental rate is \$33.06 per rentable square foot, or \$1,323,557 with an annual escalation rate of 3.25 percent. The proposed lease term is for 62 months from September 1, 2025, to October 31, 2030, with two one-year options to renew at 3.0 percent escalation.

The lessor is VTR LS CTI, LP. The lease is full service and includes utilities, janitorial services, and required maintenance. Additionally, the lessor will replace the carpet and repaint or provide turnkey improvements of equal value up to \$300,000, at the tenant's election. Funding for the lease payments will be from appropriated funds.

The NC State Board of Trustees approved the acquisition by lease on November 22, 2024.

### **RECOMMENDATION**

It is recommended that the Board of Governors approve the request for acquisition of property by lease.

**ACQUISITION  
OF REAL PROPERTY**

**ACQUISITION OF REAL PROPERTY BY LEASE**

**LESSOR** VTR LS CTI, LP limited partnership and is managed by Ventas, Inc

**LESSEE** The State of North Carolina, North Carolina State University

**LOCATION** 1010 Main Campus Drive (Center for Technology and Innovation), second and third floors, Raleigh NC, 27606, Wake County

**SIZE** Approximately 40,035 RSF of office space

**RATE** Year 1 Rent of \$33.06 per rentable SF, full service; annual rent escalation of approximately 3.25%.

**TERM** Term of sixty-two (62) months; September 1, 2025 – October 31, 2030.  
Two (2) Tenant options to renew for 12 months each at a 3% escalation.

**USE** Requesting acquisition to continue to accommodate the office space needs of university personnel displaced from main campus.

Form PO-1  
Rev. 10/01  
Original and one copy to State Property Office

**STATE OF NORTH CAROLINA  
DEPARTMENT OF ADMINISTRATION**

**\*ACQUISITION OF REAL PROPERTY**

Institution or Agency: North Carolina State University

Date: November 21, 2024

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). **lease**

**This Property is needed for the following reasons and purposes:** North Carolina State University requests permission to acquire space by lease to accommodate the office and administrative needs of personnel being displaced from Poe Hall.

**Name and Address of Present Owner:**

VTR LS CTI, LP, a Delaware limited partnership and is managed by Ventas, Inc based in Louisville, Kentucky.

**Description of Property:** Approximately 40,035 rentable square feet located at the Center for Technology and Innovation, 1010 Main Campus Drive, second and third floors. Given the location, this transaction is considered a site-specific, strategic location in accordance with UNC Policy Manual 600.1.3.1[R]

**Term:** Lease term of sixty-two (62) months; September 1, 2025 through October 31, 2030. Two (2), one-year options to renew beyond the initial term, at a fixed 3% increase, if exercised at NC State's election.

**Rental price (if applicable):**

- Year 1 rental rate of \$33.06 per rentable SF, full service; annual rent escalation of approximately 3.25% per year
- Full-service rent includes utilities, janitorial services, and required maintenance; excludes internet and Premises security.
- Landlord will replace the carpet and repaint the Premises or provide turnkey improvements of equal value (\$300,000) at Tenant election.

**Funding:** Central University Funding

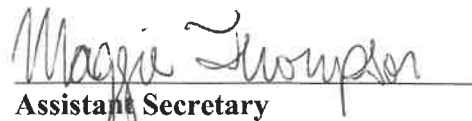
**Item:**

**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 requirements of your agency? If so, give details.** No.

*(Complete if Agency has a Governing Board.)*

Action recommending the above request was taken by the Governing **Board of Trustees** and is recorded in the minutes thereof on 11/21/24 (date).

Signature:  
Title:

  
**Assistant Secretary  
Board of Trustees**

\*The term "real property" includes timber rights, mineral rights, etc. (GS §146-64)



TRANSMITTAL OF REQUEST FOR ACQUISITION/DISPOSITION OF REAL  
PROPERTY

Form  
Number: PO-1

Preparation  
Date: November 21, 2024

**Request:** Acquisition Lease of approximately 40,035 rentable square feet of office space located at the Center for Technology and Innovation on Centennial Campus.

Institution NORTH CAROLINA STATE UNIVERSITY

RECOMMENDED BY CHANCELLOR, NCSU

W.R. Wood  
(Chancellor's Signature)

RECOMMENDED BY COMMITTEE ON  
BUILDINGS AND PROPERTY

Timothy L. Dwyer  
(Chairman's Signature)

RECOMMENDED BY BOARD OF TRUSTEES,  
NCSU

Edward J. F.  
(Chairman's Signature)

RECOMMENDED BY BOARD OF GOVERNORS

(Secretary's Signature)

# Acquisition by Lease

Center for Technology and  
Innovation  
(Centennial Campus)



1010 Main Campus Drive  
Centennial Campus, Raleigh, NC 27606

