

### **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the terms of the ground lease based on current requirements for student housing bonds and remove restrictive and outdated covenants and requirements.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.

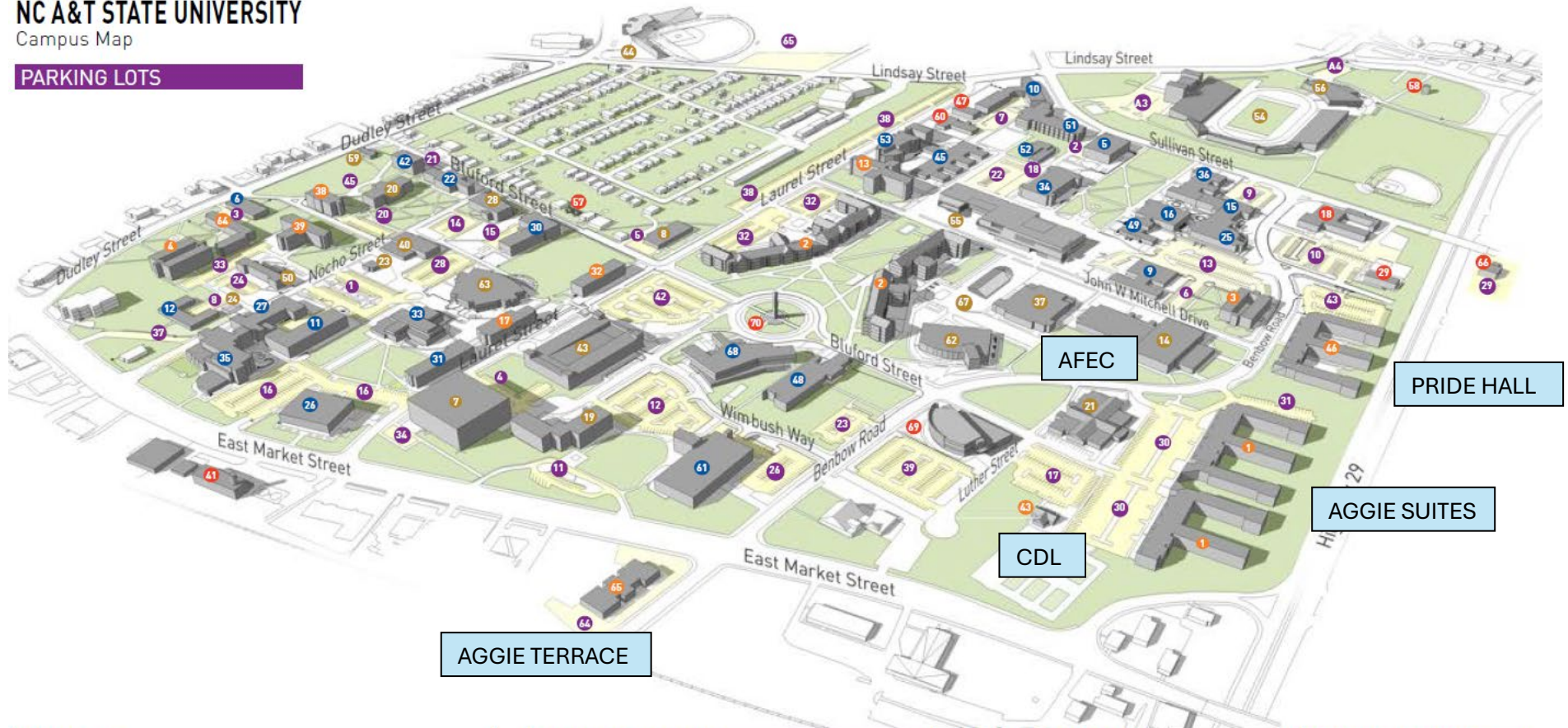
#### **RECOMMENDATION**

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**