

## AGENDA ITEM

A-5. Disposition and Acquisition of Property by Lease – UNCG ..... Will Johnson

**Situation:** The Trustees of The University of North Carolina at Greensboro requests authorization to enter into a long-term lease of the property at 840 Neal Street with the Capital Facilities Foundation, Inc.

**Background:** The Capital Facilities Foundation, Inc. (CFF), a North Carolina nonprofit corporation wholly controlled by UNCG, has identified property owned by UNCG at 840 Neal Street, commonly known as the Salvation Army Boys and Girls Club, to renovate to accommodate the programmatic needs of identified administrative units. This property will be developed in support of space needs related to moving university staff in the existing McIver building to allow for its demolition and construction of the new Nursing and Instructional Building as part of the Connect NC 2015 bond program.

**Assessment:** UNCG has requested approval to lease this State property asset to the CFF for the purpose of a construction renovation project undertaken to create administrative space. The University also requests approval to enter into a long-term lease to acquire the improved property asset when construction is complete.

Under the lease, UNCG will operate and manage the facility part of the University's administrative space. The Capital Facilities Foundation Inc. will secure financing for acquisition and renovation using UNCG's commitment to lease the project.

**Action:** This item requires a vote by the Committee, with the full Board vote through the Consent Agenda.

## **Disposition and Acquisition of Property by Lease – UNCG**

### **ISSUE OVERVIEW**

UNC institutions are required to request authority from the Board of Governors to proceed with certain acquisitions and dispositions of real property.

### **THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO Disposition of Property by Ground Lease**

LESSOR:	State of NC, The University of North Carolina at Greensboro
LESSEE:	Capital Facilities Foundation, Inc. (CFF)
LOCATION:	840 Neal Street, Greensboro, Guilford County, North Carolina
SIZE/USE:	Building 1: 9,662 GSF; Building 2: 23,328 GSF
RENOVATION COST:	\$4,900,000 (\$135.28/GSF)
TERM:	30 Years

### **THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO Acquisition of Property by Lease**

LESSOR:	Capital Facilities Foundation, Inc. (CFF)
LESSEE:	State of NC, The University of North Carolina at Greensboro
LOCATION:	840 Neal Street, Greensboro, Guilford County, North Carolina
SIZE/USE:	Building 1: 9,662 GSF; Building 2: 23,328 GSF
TERM:	30 Years
VALUE:	Base Rental will be the amount of the debt service payments on the financing; CFF will assign its rights to Base Rentals under the Lease to the lender.