

Acquisition of Property by Lease – NC State University

ISSUE OVERVIEW

NC State University is requesting approval of a lease for the 2020-21 academic year to address a current shortfall in available student housing. NC State previously executed similar leases for the 2018-19 and 2019-20 academic years. The lease exceeds the delegated approval authority and requires approval from the Board of Governors.

The proposed lease is for three floors in a private residence hall immediately adjacent to the campus and will provide overflow residential housing for 384 students and six residential advisors. The proposed lease is for the 2020-21 academic year at an annual rent of \$2,489,184. The current student housing rates will cover the cost of the lease. The rooms will provide comparable space at the same rates for students living on campus.

NC State University

Property Acquisition – Lease

LESSOR:	University Towers Operating Partnership, LP, Memphis, Tenn.
LESSEE:	State of North Carolina, NC State University
LOCATION:	111 Friendly Drive, Raleigh, NC
LEASE AMOUNT:	\$2,489,184
DESCRIPTION:	Floors 4, 5, and 6
LEASE TERM:	10 months, August 2020 – May 2021
LEASE EXPIRATION:	May 2021

The lease of this property was approved by the NC State Board of Trustees at its meeting on February 28, 2020.

RECOMMENDATION

It is recommended that the Board of Governors approve this request.