

## **Disposition of Property by Ground Lease – The University of North Carolina System Office**

### **ISSUE OVERVIEW**

The University of North Carolina System Office (UNC System Office) is requesting approval to ground lease approximately eight acres, located at 910 Raleigh Road, Chapel Hill, NC to the University of North Carolina Foundation (UNC Foundation), or its subsidiary. The ground lease will be for a 99-year term at an annual lease rate of \$1.

The property consists of two parcels of approximately eight acres and includes two structures of approximately 80,640 gross square footage (GSF). The buildings have been vacant since November 2021 when the UNC System Office staff were consolidated into one building at 140 Friday Center Drive.

The disposition by ground lease to the UNC Foundation, or its subsidiary, will facilitate opportunities for the productive and efficient use of this property. Substantial Board of Governors safeguards would remain. Pursuant to recent updates to the UNC Policy Manual and regulation, the Board must approve any material change to state property, including property held by an associated entity, foundation, or endowment board.

### **RECOMMENDATION**

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