



# 2023 MILLENNIAL CAMPUS REPORT

*Committee on Budget and Finance*

*January 24, 2024*

## *What is a Millennial Campus?*

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- All real property **designated by the Board of Governors** as part of a Millennial Campus
- Designation shall be based on the express finding by the Board of Governors that:
  - The institution has the administrative and fiscal capability to create and maintain such a campus
  - The creation of the campus will **enhance the institution's research, teaching, and service missions as well as enhance the economic development of the region served by the institution.**

## ***Millennial Campus Authority***

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In addition to **approving** Millennial Campus designations, the **Board of Governors** approves:

- Location and character of Millennial Campus projects
- Contracts and agreements related to the acquisition and construction of projects
- Issuance of revenue bonds payable with Millennial Campus revenues
- Acquisition and disposal of property by leases

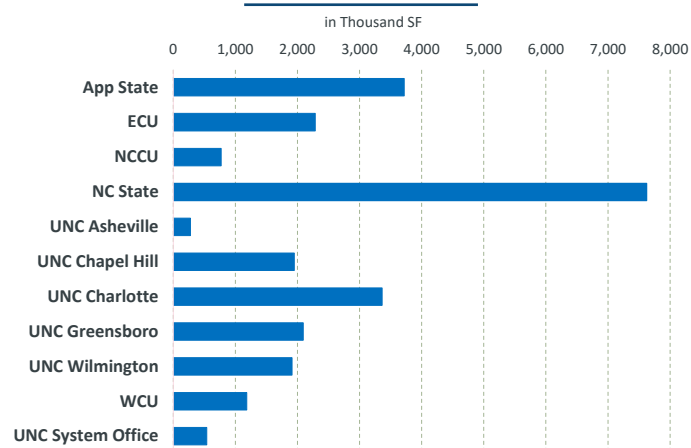
## ***Millennial Campus Policy***

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In April 2022, the Board adopted Section 600.1.6, ***Policy on Millennial Campuses*** which requires institutions with designated millennial campuses to annually report the following:

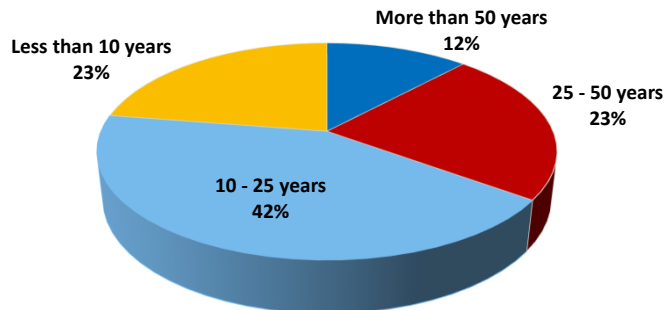
- Location, acreage and buildings on millennial campus property
- Real property transactions
- Capital construction projects and P3 agreements
- Debt issuances
- Financial information

## Building Square Footage by Institution



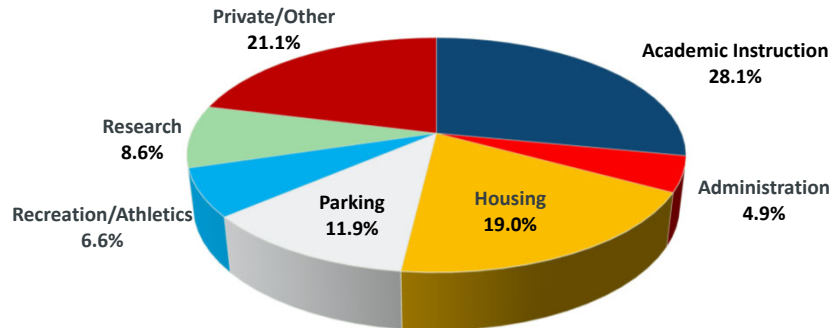
The millennial campuses include over 600 buildings totaling approximately 25.7 million SF.

## Building Square Footage by Age



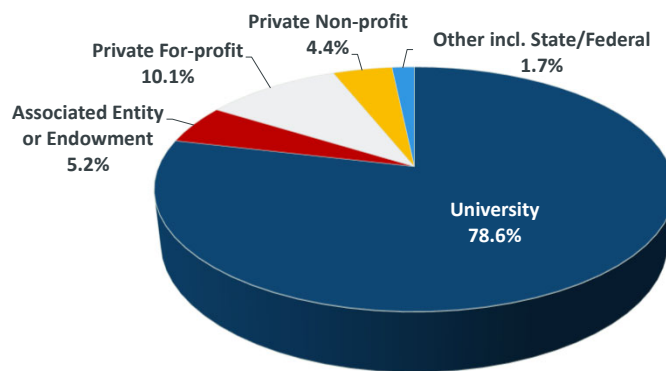
Approximately 35 percent of the buildings are 25 years or older and an additional 41 percent are 10 to 25 years old.

## Primary Building Use by Category





Academic instruction, housing, and parking are the primary uses by the institutions. Private/other uses include buildings for state and federal use.

## Building Ownership



The majority of the buildings are owned by the university, or approximately 79 percent.

QUESTIONS?

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## 2023 Millennial Campus Report

### ISSUE OVERVIEW

G.S. 116—198.34(8a) and (8b) provides the University of North Carolina Board of Governors the authority to designate real property and appurtenant facilities to be included as part of a millennial campus to support the institution's research, teaching and service missions as well as enhance the economic development of the region.

The Board of Governors adopted Section 600.1.6 of the UNC Policy Manual, *Policy on Millennial Campuses*, on April 7, 2022. The policy requires submittal of a comprehensive annual report on millennial campus activities including the following:

- the location and acreage of millennial campus property,
- real property transactions,
- buildings,
- capital projects,
- public-private partnership (P3) agreements,
- debt issuances, and
- financial information.

The 2023 Millennial Campus Report includes an executive summary and compilation of the millennial campus activities for the University of North Carolina System as of June 30, 2023.

The report includes specific information on the acreage and buildings located on the millennial campuses designated at each institution. The report revealed two discrepancies in the total acreage at two institutions as listed below:

- Appalachian State University – In September 2015, the Board approved an expansion to the millennial campus designation of approximately 50 acres. The actual acreage of the tract of land was 76.98 acres. The correct total acreage is 582.7 acres.
- Western Carolina University – In May 2018, the Board approved an expansion to the millennial campus designation, but the acreage was not provided. The correct total acreage is 792.79 acres.

The report also provides definitive boundaries for the Centennial Campus at NC State University and the Horace Williams Campus at the University of North Carolina at Chapel Hill as follows:

- NC State University – The Centennial Campus was established by statute and did not include the actual acreage. The correct total acreage, including Board-approved modifications, is 1,329.0 acres.
- University of North Carolina at Chapel Hill – The Horace Williams Campus was established by statute and did not include the actual acreage. The correct total acreage, including Board-approved modifications, is 1,197.80 acres.

It is recommended that the Board accept the report and the information included as the basis for future amendments or revisions to the millennial campus designations.

**RECOMMENDATION**

The 2023 Millennial Campus Report corrects the acreage designations as provided above and provides specific total acreage for the Centennial Campus at NC State University and the Horace Williams Campus at the University of North Carolina at Chapel Hill. It is recommended that the Board of Governors accept the 2023 Millennial Campus Report and approve the information included as the basis for future amendments and revision to millennial campus designations.



**REPORT: 2023 MILLENNIAL CAMPUS REPORT**

January 24, 2024

University of North Carolina System  
Raleigh, North Carolina



## Millennial Campus Authority

The concept of millennial campuses as a special property designation for the University of North Carolina System began with the allocation of 355 acres of the Dorothea Dix Hospital property to NC State University in 1984 by Gov. Jim Hunt. The following year, Gov. James Martin expanded the allocation by an additional 450 acres. In 1987, General Statute 116 Article 21B specifically identified the property as NC State University's Centennial Campus and created the Horace Williams Campus at the University of North Carolina at Chapel Hill. The statute granted specific property acquisition, disposition, and leasing parameters, debt financing, and treatment of revenues for projects in these special districts. In 2000, revisions to the statute provided the University of North Carolina Board of Governors the authority to expand these provisions by designating millennial campuses at other UNC System institutions. For this report, the Centennial Campus at NC State and the Horace Williams Campus at UNC-Chapel Hill are included with the Board-designated millennial campuses because of the similar characteristics and authorities granted.

By statute, the designation of a millennial campus includes:

“... all real property and appurtenant facilities designated by the Board of Governors as part of a Millennial Campus of a constituent institution of The University of North Carolina other than North Carolina State University or the University of North Carolina at Chapel Hill. The properties designated by the Board of Governors do not have to be contiguous with the constituent institution to be designated as part of the institution's Millennial Campus.” (G.S. 116-198.33 (4b))

The statute further requires the Board of Governors to ascertain that institutions seeking establishment of a millennial campus have administrative and fiscal capabilities and to determine that a millennial campus will “enhance the institution's research, teaching, and service missions as well as enhance the economic development of the region served by the institution.” (G.S. 116-198.34 (8b)) Millennial campus designations may include buildings, auxiliary structures, infrastructure, utilities, parking, and real property.

Further revisions to G.S. 116-198 and 116-36.5 modified the millennial campus provisions to include the following:

- Delegates authority to the Board of Governors to approve property acquisitions by lease for periods of 10 years or less or dispositions of 99 years or less without additional approval by the Governor and Council of State. (G.S. 116-198.34)
- Delegates authority to the Board of Governors to issue revenue bonds not exceeding 40 years for Millennial Campus projects, subject to approval of the Director of the Budget. (G.S. 116-198.35)
- Requires funds received through development of Millennial Campuses remain in a special continuing, non-reverting institutional trust fund at the relevant institution, to be used for further development of that Millennial Campus, including operational development. (G.S. 116-36.5)
- Exempts millennial funds, similar to institutional trust funds, from the State Budget Act. (G.S. 143C)

- Provides relief from restrictions on the sale of merchandise or services by governmental units that would otherwise be in competition with private enterprise and the citizens of the state. (G.S. 68-58 (b) (8) g. h., and i., also known as The Umstead Act)

For institutions without a designated millennial campus and areas outside of the millennial campus designation, the following requirements apply:

- Governor and Council of State approval for all property transactions, including leases for 10 years and less, and acquisitions, dispositions, and easements unless the Board of Governors has specifically approved additional delegated real property authority to the institution.
- Statutory approval for debt financing from non-appropriated funds.
- Moneys received from state real property leases, sales, or other property transactions revert to the State's general fund.
- Sales of goods and services in competition with citizens of the state is prohibited, with only specific exceptions involving serving university students, employees, their families, and guests.

## **Adoption of Millennial Campus Policy**

On April 7, 2022, the University of North Carolina Board of Governors adopted Section 600.1.6 of the UNC Policy Manual, *Policy on Millennial Campuses*. The policy defines the Board's authority in support of G.S. 116-198.31 and clarifies the Board's authority over millennial campus designation, as well as approvals related to issuing debt, acquisition and disposition of real property, capital projects, public-private partnership projects (P3 projects), and other related matters at the Centennial Campus, the Horace Williams Campus, and designated millennial campuses. The policy also includes an annual reporting requirement on millennial campus activities, including debt issuance, real property transactions, millennial campus real property and capital assets, and status of capital projects. The full text of the policy is available [here](#).

The UNC Policy Manual, Section 600.1, *Real Property*, includes policy and guidelines for real property transactions and capital improvement projects, which also apply to millennial campuses.

## **Millennial Campus Designations**

UNC System institutions have requested approval from the Board of Governors for millennial campus designation or expansions numerous times in the years since the statute first defined the concept. Institutions have been motivated by desires to partner with private industry in providing research and educational opportunities for students, provide service to industry, strengthen the institution's relationship with and the fabric of the local community, and enhance economic development.

The flexibility afforded by a millennial campus designation has permitted a variety of project approaches, tailored to suit the needs of the institutions and their specific projects. Projects have included a range of solutions from an industry leasing space in a university-owned building to ground leases with facilities constructed by other partners. Privatized student housing has been a part of millennial campuses at

Appalachian State University, North Carolina Central University, and University of North Carolina Wilmington in the form of public-private partnerships.

The institutions with millennial campus designations and the UNC System are listed below:

Institution	Acreage (approx.)	Date Authorized	Additional Authorizations
Appalachian State University	582.73	2002	2015, 2016, 2018, 2021
East Carolina University	536.05	2015	2018
NC Central University	30.60	2018	
NC State University	1329.00	1987	1998, 2004, 2010, 2022
UNC Asheville	210.17	2021	
UNC-Chapel Hill	1197.80	1987	2020
UNC Charlotte	377.37	2002	2007, 2014, 2023
UNC Greensboro	71.71	2017	2017
UNC Wilmington	249.80	2007	2018, 2021
Western Carolina University	792.79	2006	2008, 2018, 2019
UNC System	269.0	2003	2022
<b>TOTAL</b>	<b>5647.02</b>		

Maps showing the locations, acreage and buildings on each millennial campus are included in **Appendix A**. Several campuses have designated millennial campus zones for specific uses within their overall millennial campus and these are noted on the campus maps.

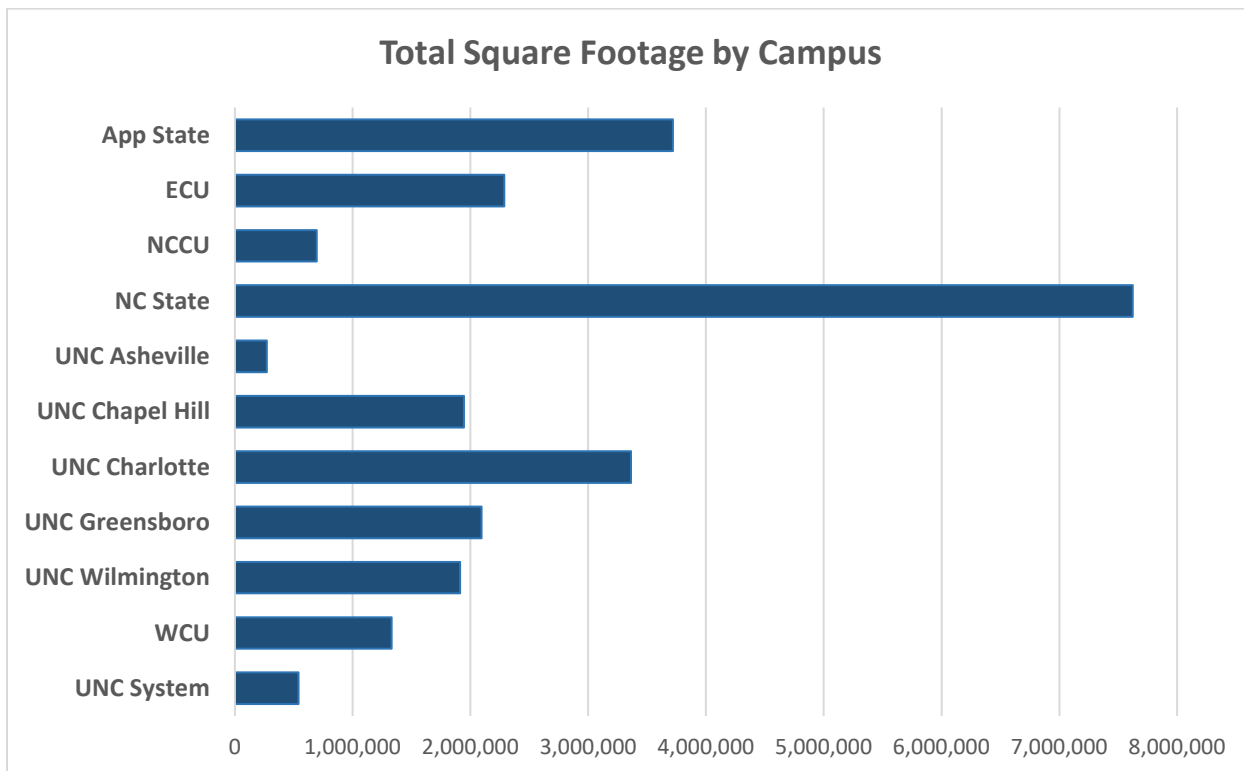
## Real Property Transactions

Each campus submitted a list of real property transactions, including leases, acquisitions, and dispositions, that were active or completed before June 30, 2023. The summary of all real property transactions on all millennial campuses is included in **Appendix B**.

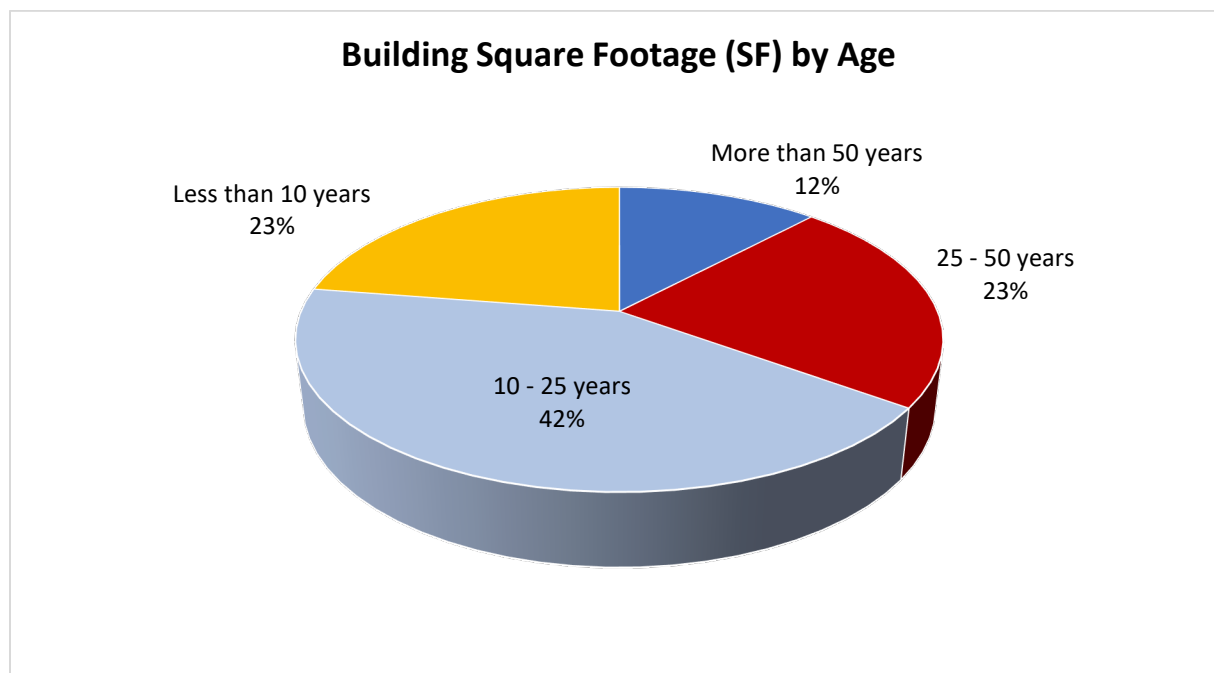
## Buildings

The millennial campuses include over 600 buildings totaling approximately 25.7 million square feet. The tables below show the number of buildings and square feet for each millennial campus.

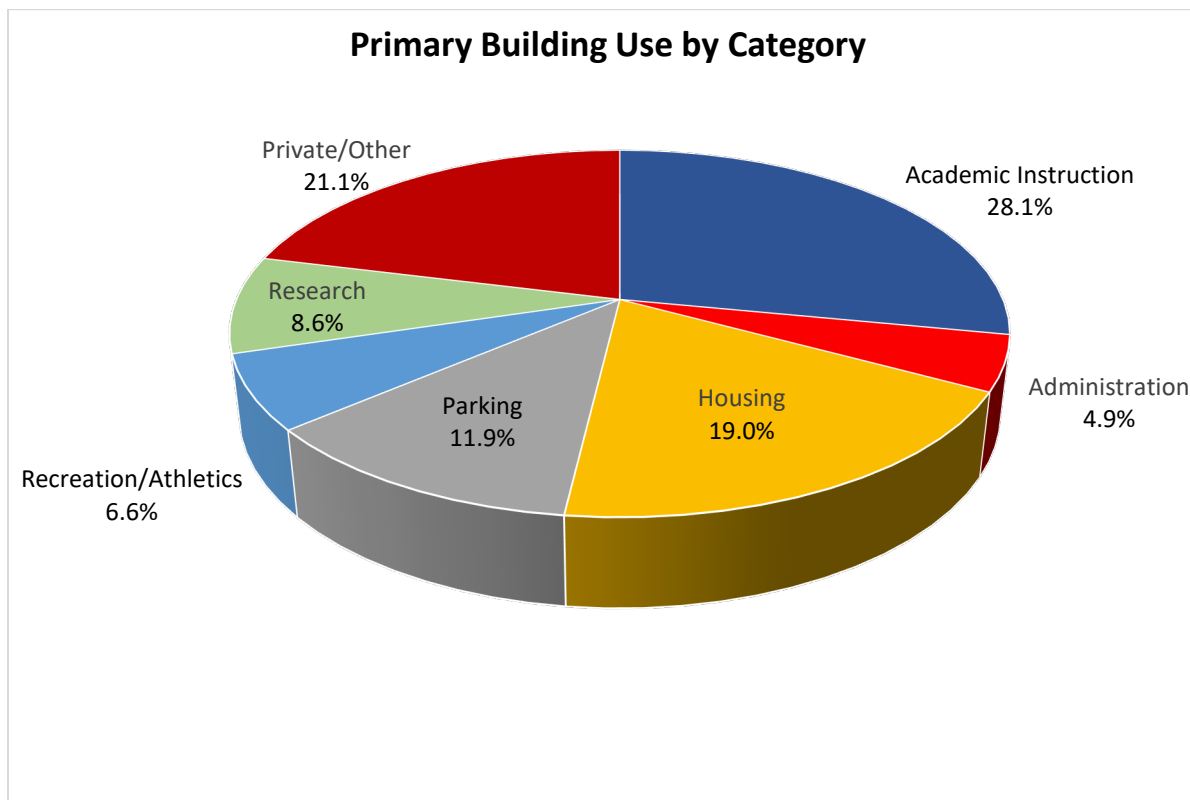
Institution	Number of Buildings	Estimated Total Square Feet (SF)
Appalachian State University	80	3,718,196
East Carolina University	55	2,286,739
NC Central University	12	771,392
NC State University	134	7,623,837
UNC Asheville	29	277,825
UNC-Chapel Hill	117	1,950,057
UNC Charlotte	76	3,362,722
UNC Greensboro	42	2,094,081
UNC Wilmington	46	1,913,291
Western Carolina University	17	1,183,190
UNC System	16	540,336
<b>TOTAL</b>	<b>624</b>	<b>25,721,666</b>



The institutions reported the age of the buildings located on millennial campuses. As shown below, approximately 35 percent of the buildings are 25 years or older and an additional 41 percent are 10 to 25 years old.



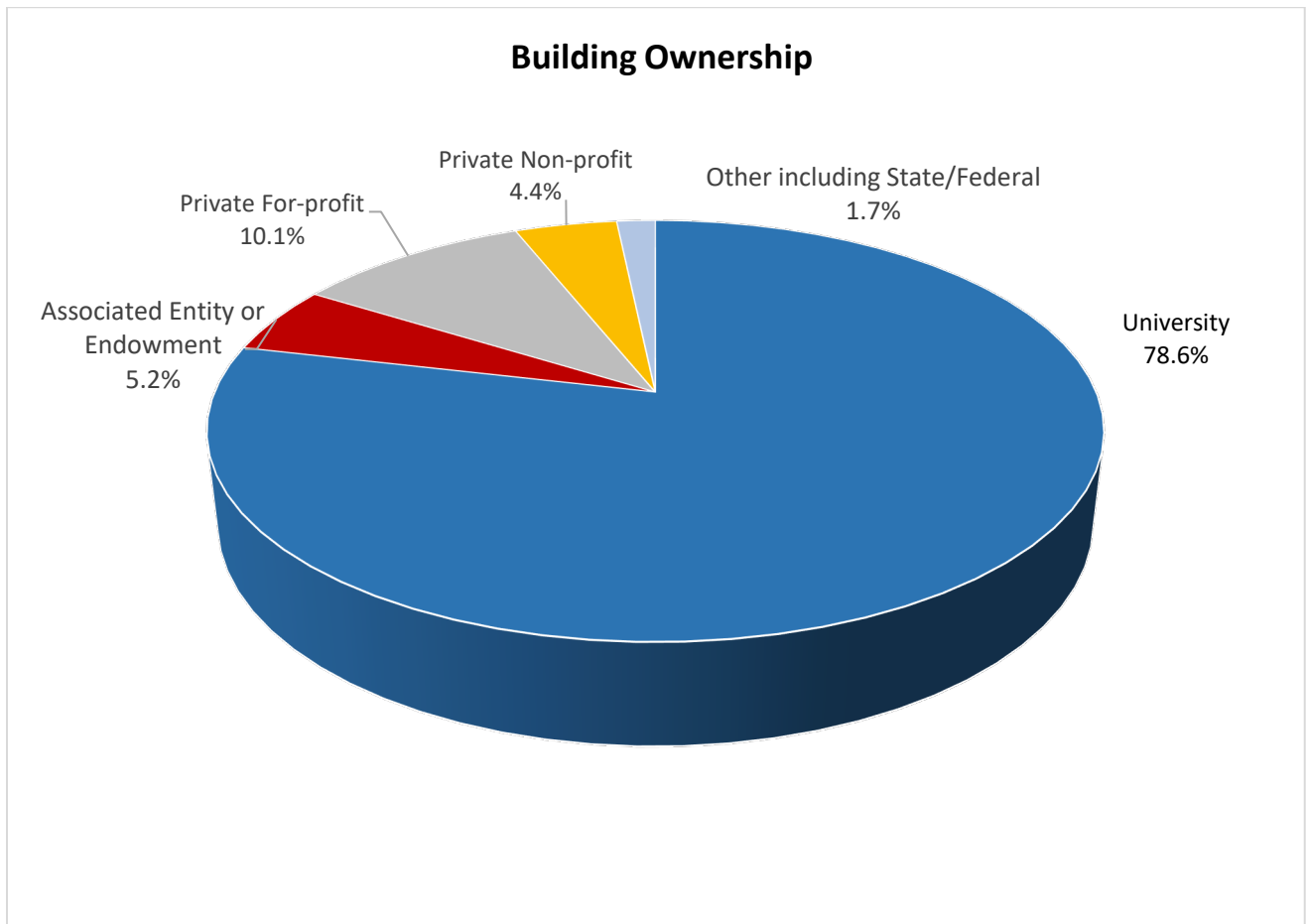
The institutions also reported the primary and secondary uses of the buildings located on millennial campuses. Systemwide, academic instruction, housing, and parking were the predominant uses, but the primary uses varied at each institution. The chart below illustrates the primary uses systemwide.



The table below provides a breakdown of the square footage by primary uses for each millennial campus.

Institution	Academic Instruction	Admin	Housing	Parking	Recreation/ Athletics	Research	Private/ Other	TOTAL
App State	1,010,848	59,388	1,458,655	468,632	360,373	316	359,984	3,718,196
ECU	1,186,985	81,051	-	-	76,258	239,747	702,428	2,286,739
NCCU	76,608	2,612	514,186	25,080	144,386	-	8,520	771,392
NC State	1,125,263	339,584	551,270	975,164	4,640	1,483,220	3,144,696	7,623,837
UNCA	34,697	50,421	2,779	64,242	5,027	-	120,659	277,825
UNC-CH	19,371	384,885	760,364	-	-	288,411	497,026	1,950,057
UNCC	1,905,648	2,258	-	973,090	448,491	-	33,235	3,362,722
UNCG	724,461	69,402	596,854	234,101	231,460	15,753	221,050	2,094,081
UNCW	548,818	34,236	595,165	308,801	197,566	165,386	63,319	1,913,291
WCU	480,840	76,883	399,289	-	219,113	-	7,065	1,183,190
UNC System	105,100	148,392	-	-	-	17,031	269,913	540,336
<b>TOTAL</b>	<b>7,218,539</b>	<b>1,249,112</b>	<b>4,879,562</b>	<b>3,049,110</b>	<b>1,687,584</b>	<b>2,209,864</b>	<b>5,427,895</b>	<b>25,721,666</b>

The institutions reported on the ownership of buildings located on millennial campuses. The chart below shows building ownership by category and approximately 79 percent of all buildings are university owned.



The table below indicates the square footage on each millennial campus by ownership category.

Institution	University Owned	AE or Endowment	Private For-profit	Private Non-profit	Other incl. State/Federal	TOTAL
App State	3,060,596	265,089	-	392,511	-	3,718,196
ECU	2,127,945	44,178	-	114,616	-	2,286,739
NCCU	551,708	219,684	-	-	-	771,392
NC State	4,948,811	43,313	2,155,387	60,417	415,909	7,623,837
UNCA	258,610	15,315	-	3,900	-	277,825
UNC-CH	1,950,057	-	-	-	-	1,950,057
UNCC	3,351,351	-	-	-	11,371	3,362,722
UNCG	2,026,949	67,132	-	-	-	2,094,081
UNCW	869,506	600,909	-	442,876	-	1,913,291
WCU	783,901	8,935	200,000	117,534	-	1,183,190
UNC System	299,530	-	240,806	-	-	540,336
<b>TOTAL</b>	<b>20,228,964</b>	<b>1,337,555</b>	<b>2,596,193</b>	<b>1,131,674</b>	<b>427,280</b>	<b>25,721,666</b>

A list of all buildings and additional details for each millennial campus are included in **Appendix C**.

Institutions were also asked to report on capital construction projects and public-private partnership (P3) projects active as of June 30, 2023. The capital construction projects and P3 projects are contracts executed with the university as the owner. There are close to 50 active construction projects totaling approximately \$505 million. In addition, there are 13 P3 projects, which are primarily housing projects. A list of construction projects by campus is included in **Appendix D** and the list of P3 projects is included in **Appendix E**.

## **Debt and Financial Statements**

The institutions submitted financial information including debt issuances and financial statements for the millennial campuses. A summary of debt issuances by campus is included at Appendix F.

G.S. 116-36.5 requires money received from the lease or rental of real property on a millennial campus to be placed in a special trust fund. The millennial campuses were asked to submit financial statements as of June 30, 2023.

The financial statements that were received are included in **Appendix G**.

## **Summary**

The 2023 Millennial Campus Report is the first annual report that focuses solely on the assets and activity on the millennial campuses established within the UNC System. The report provides a comprehensive summary of millennial campuses assets and activities as of June 30, 2023, and establishes a baseline for comparison of future transactions. Such information will help inform the future decisions of the institutions and leverage the ability to utilize millennial campuses to strengthen and reinforce the academic and research missions.