

**Board of Trustees
The University of North Carolina at Greensboro
September 11, 2015**

Information Item

INFO-9

Annual Report on Property Purchased and/or Leased July 1, 2014 through June 30, 2015

Background Information

The Board of Governors at its meeting on November 13, 1981 adopted a resolution on delegation of leasing authority within the University. The resolution reaffirmed the authorization to each Board of Trustees to delegate to its Chancellor some authority to acquire or dispose of real property. This Board at its meeting on June 15, 1994 took that action. The Board also directed that a report on properties purchased or leased in the previous fiscal year be presented by the Vice Chancellor for Business Affairs to the Board at its fall meeting.

The UNCG Board of Trustees, at its meeting on November 21, 1985 authorized the administration to pursue acquisition of all land not owned as of that date (which was within the boundaries of the campus as proposed in the Long Range Master Plan) and to request funding from the Board of Governors for this purpose. On February 20, 2014, the Board of Trustees approved the 2013 Campus Master Plan Update and with that approval, reaffirmed the authorization to acquire land to expand the campus as proposed in the updated Master Plan.

In order to fulfill our reporting requirements and to keep the Board updated on land purchases and lease arrangements during the July 1, 2014 through June 30, 2015 fiscal year, we provide this report and the following information:

Property Acquisition by Deed

All property acquisitions for the benefit of UNCG are transacted through the Department of Administration's State Property Office. UNCG's Office of Property Acquisition and Leasing (PAL) serves as a conduit between the University and State. The University submits a request to the State Property Office for acquisition by deed for property purchased under the Chancellor's delegated authority or Board of Trustees approval, as required. UNCG also sends a request to UNC General Administration requesting approval under the President's delegated authority, or the Board of Governors, if required. Following approval by the President and/or Board of Governors, the State Property Office takes UNCG's request to the Governor and his Council of State for approval. Following all approvals, the State Property Office moves forward with the transaction.

Properties Purchased Between July 1, 2014 and June 30, 2015

During this reporting period, no properties were purchased by the State of North Carolina on behalf of UNCG.

Property Acquisition by Lease

UNCG departments or affiliated entities needing space first work with the Office of Space Management to determine what type and size space is needed and if suitable space is available in University-owned property. If the programmatic needs cannot be met in campus controlled space, the requestor is directed to the Property Acquisition and Leasing Office.

Similar to acquisition by deed, UNCG works closely with the State Property Office on acquisitions by lease. Property Acquisition and Leasing (PAL) locates spaces for the requestor to visit based on a determination of needs. When a satisfactory location is found, PAL determines which of the following two lease categories apply and proceeds accordingly:

1. **Agency Lease** – This lease type falls under the Chancellor's delegated authority. The parameters of an Agency Lease are that the lease term is under three years in length, including any renewal options and the annual lease rate is under \$5,000. For an Agency Lease, PAL negotiates the terms and rate of the lease, taking into consideration the type of space, location, and amenities included. Funding is then certified and approved by the Vice Chancellor over the requesting division and the Chancellor authorizes the University to proceed under his/her delegated authority. Following a safety inspection conducted by UNCG using the Department of Insurance's form, PAL writes a lease using the template approved by the State Property Office. The lease is then executed by the Lessor and UNCG's Vice Chancellor for Business Affairs.
2. **Department of Administration Lease** – This lease type also falls under the Chancellor's delegated authority. The parameters of a Department of Administration Lease are that the term is under three years in length, including any renewal options and the annual lease rate is between \$5,000 and \$25,000. As with an Agency Lease, UNCG locates appropriate space and negotiates the terms and rate of the lease. Funding is then certified and approved by the Vice Chancellor over the requesting division and the Chancellor authorizes the University to proceed under his/her delegated authority. Following a safety inspection conducted by UNCG using the Department of Insurance's form, all information is sent to the State Property Office where a lease is generated and signed by the Lessor and the Secretary of the Department of Administration.

Leases with a term over three years or with an annual rate over \$25,000 are outside of the Chancellor's delegated authority and require Board of Trustees approval, followed by a competitive bidding process.

Properties Leased Between July 1, 2014 and June 30, 2015

By delegation of this Board, the Chancellor has authority to lease space costing up to \$25,000 per year and for less than a 3-year period.

Four such leases were executed during this reporting period.

1. **Lease Type:** Agency
Lessee: UNCG Department of Social Work (for the benefit of STF- AmeriCorps Thriving Families Program)
Lessor: YES Companies, LLC
Location: 4100 U.S. Highway 29 North, Lot 34, Greensboro, NC

Lease Term: This is the first 1-year renewal option for 10/1/14 through 9/30/15. There is one 1-year renewal option remaining.

Space: 1,054 net square feet

Rate: \$5,000 annually

Funding: Non-State Funds (Grants)

2. Lease Type: Agency

Lessee: UNCG Parking Operations

Lessor: Frazier Family Partners, LLC

Location: 1621 Spring Garden Street, Greensboro, NC

Lease Term: One-year period beginning 8/16/14 through 8/15/15. There are two 1-year renewal options available.

Space: 50 parking spaces

Rate: \$5,000 annually

Funding: Non-State Funds (Auxiliary Receipts)

3. Lease Type: Agency

Lessee: UNCG Housing & Residence Life

Lessor: Capital Facilities Foundation, Inc.

Location: 1023 W. Gate City Boulevard, Greensboro, NC

Lease Term: This is the first 1-year renewal option for 6/1/15 through 5/31/16. There is one 1-year renewal option remaining.

Space: Approximately 55 parking spaces

Rate: \$0

4. Lease Type: Department of Administration

Lessee: SERVE Center at UNCG

Lessor: Mechanics and Farmers Bank

Location: 2634 Durham-Chapel Hill Boulevard, Durham, NC

Lease Term: The lease is for a two-year period beginning 7/1/14 through 6/30/16. There is one 1-year renewal option available.

Space: 1,218 net square feet

Rate: \$17,052 for the first year and \$17,344 for the second year

Funding: Non-State Funds (Grants)

No leases in the category requiring competitive bidding were executed during this reporting period.



Charles A. Maimone,
Vice Chancellor for Business Affairs