Action Item

BAC-4    Authorization of project and ground Lease for Salvation Army Boys and Girls Club

Background Information

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 and, subsequently, accommodate the programmatic needs of identified administrative units. The location of the proposed project is consistent with UNCG’s adopted guiding principles governing space management. The total budget for the project is $4.9 million. When completed, this project will serve as administrative space for approximately 100 staff members who will require office space which cannot be accommodated within the existing campus facilities.

The property at 840 Neal Street is being 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. This property requires renovation to accommodate the programmatic needs of the functions proposed for the facility. Following the state capital improvement process would not support the completion of the project within the required time frame. The CFF will secure financing for construction using UNCG’s commitment to ground lease / lease back the project.

BAC-4.1    Ground Lease

Requirement

In accordance with the legislation contained in North Carolina General Statutes concerning the acquisition and leasing of property, action is needed by the Board of Trustees to proceed.

Recommended Action

The Board of Trustees of The University of North Carolina at Greensboro authorizes the University administration to proceed with this project and to approve the resolution that allows UNCG to enter into a 30 year ground lease and lease back arrangement with the CFF for 840 Neal Street.
Further, the Board authorizes the administration to seek approvals from the President/Board of Governors and work with the State Property Office as required under State law and Board of Governors regulations. Under these terms, the University would ground lease the state property to the CFF for renovation and lease back the project from CFF. The University will pay to the CFF rental for these facilities in an amount sufficient to totally amortize only the improvements of the project or, upon future approval of the UNCG Board of Trustees, purchase the improvements from the CFF.

Charles Mamoine
Vice Chancellor for Business Affairs