

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**  
**BOARD OF TRUSTEES**  
**FINANCE AND INFRASTRUCTURE COMMITTEE**  
**Wednesday- July 23, 2014**  
**1:00 p.m.**  
**The Carolina Inn- Chancellor's Ballroom West**

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**OPEN SESSION**

**FOR ACTION**

1. Approval of Allocations from the Endowment's Distribution for the Investment Fund (Attachment A)  
*Matthew Fajack, Vice Chancellor for Finance and Administration*
2. Annual Audit Certification Letter Process (Attachment B)  
*Phyllis Petree, Director of Internal Audit*
3. Designer Selections  
  - Campus Sidewalk Improvements (Attachment C)
  - Davis Library Life Safety Improvement Projects (Attachment D)
  - Medical Bimolecular Research Building Energy Conservation (Attachment E)
  - Power Generation and Chilled Water Plants at Manning Steam Plant (Attachment F)*Bruce Runberg, Associate Vice Chancellor for Facilities Services*

**FOR INFORMATION ONLY**

(No formal action is requested at this time)

1. Semi-Annual Capital Report (Attachment G)  
*Bruce Runberg, Associate Vice Chancellor for Facilities Services*
2. Semi-Annual Lease Report (Attachment H)  
*Gordon Merklein, Executive Director for Real Estate Development*
3. Financial Update (Attachment I)  
*Matthew Fajack, Vice Chancellor for Finance and Administration*
4. Development Report (Attachment J)  
*Mark Meares, Director of Corporate and Foundation Relations*
5. Research Computing  
*Chris Kielt, Vice Chancellor for IT and Chief Information Officer*  
*Michael Barker, Associate Vice Chancellor for Research Computing & Learning Technology*

**Committee Members**

**Steve Lerner, Chair**  
**Peter Grauer, Vice Chair**  
**Jefferson (Jeff) Brown**  
**Donald (Don) Williams Curtis**  
**Sallie Shuping-Russell**

*Matthew (Matt) Fajack, Vice Chancellor for Finance and Administration*

## **ATTACHMENT A**

### **TRANSFER TO THE UNIVERSITY OF THE ENDOWMENT'S DISTRIBUTION FROM THE INVESTMENT FUND**

Annually the Chapel Hill Investment Fund authorizes a distribution to its participating investors, including the Endowment Fund. Attachment A is a table showing the proposed June 30, 2014 transfer of that distribution from the Endowment to the University, by category, for expenditure during the 2014-2015 fiscal year as well as a page of explanatory notes. Regulations adopted by the Board of Governors require that the Trustees approve any transfer of Endowment principal or income to the useful possession of the institution. The Board of Trustees of the Endowment Fund approved, by mail ballot, the proposed June 30, 2014 transfer for University expenditure during the 2014-2015 fiscal year.

Exhibit 1 provides a flowchart of the approval process as background information.

### **RECOMMENDED ACTION**

A motion to approve the June 30, 2014 transfer from the Endowment to the University of the amounts shown on Attachment A for University expenditure during the 2014-2015 fiscal year.

**BOARD OF TRUSTEES OF THE ENDOWMENT FUND OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
JUNE 2014 TRANSFERS FOR FISCAL YEAR 2014-2015 EXPENDITURES**

	<b><u>Transfer</u></b> <b><u>June 2014</u></b>
Restricted Funds:	
Kenan Professorships	\$3,060,532
William R. Kenan, Jr. Professorships	2,898,910
Johnston Professorships	3,288,441
Other Professorships	23,170,809
Visiting Professors and Lectures	596,702
Scholarships	6,418,251
Fellowships	2,614,613
Prizes and Awards	693,923
Departmental Uses	8,650,104
Library	3,282,799
Miscellaneous	<u>578,259</u>
Total Restricted	<u>55,253,343</u>
Unrestricted Funds:	
Pogue Fund:	
Development Program	1,435,000
Library Acquisitions	247,700
Approved Research/Study Programs	152,800
Scholarships	539,800
Fellowships	194,400
Chancellor's Fund	<u>479,336</u> (1)
Subtotal - Pogue Fund	<u>3,049,036</u>
Clayton Fund:	
Chancellor's Carolina Scholars Program	867,400
Faculty Research and Study	53,700
Jr. Faculty Development	92,600
Library Acquisitions	57,500
University Research Council	150,000
Scholarships	73,100
Fellowships	58,300
Undergraduate Advising	231,500
Chancellor's Fund	<u>764,682</u> (1)
Subtotal - Clayton Fund	<u>2,348,782</u>
Other Unrestricted	<u>796,031</u>
Total Unrestricted	<u>6,193,849</u>
Grand Total	<u><u>\$61,447,192</u></u>

(1) Some of this allocation has been previously committed by the Chancellor.

## NOTES TO THE PROPOSED ENDOWMENT TRANSFER OF FUNDS JUNE 2014

Consistent with the procedures for implementing the Uniform Prudent Management of Institutional Funds Act (UPMIFA) presented to the Board of Trustees of the Endowment Fund in 2009, the recommended distribution and transfer exclude any invasion of principal. There were no underwater endowments at the end of fiscal year 2013-14, so the distribution and transfer were not reduced from the calculated payout distribution.

The Restricted and Unrestricted Funds amounts are a direct pass through of the approved Investment Fund distribution. The Unrestricted Funds category reflects allocations as recommended by University management to the Board for approval. Unrestricted Funds in the *Pogue Fund – Chancellor's Fund*, the *Clayton Fund - Chancellor's Fund* and the *Other Unrestricted* categories are allocated by the University Budget Committee.

Unspent prior year allocations are not carried forward for use by the campus unit but are available for reallocation by the University's Budget Committee. The recent history of the unrestricted allocations follows:

	2014	2013	2012	2011	2010
<b>Unrestricted Funds:</b>					
<b>Pogue Fund:</b>					
Development Program	\$1,435,000	\$1,435,000	\$1,435,000	\$1,435,000	\$1,435,000
Library Acquisitions	247,700	247,700	247,700	247,700	247,700
Approved Research/Study	152,800	152,800	152,800	152,800	152,800
Scholarships	539,800	539,800	539,800	539,800	539,800
Fellowships	194,400	194,400	194,400	194,400	194,400
Chancellor's Fund / Unallocated	479,336	451,627	445,924	383,858	333,476
<b>Subtotal - Pogue Fund</b>	<b>3,049,036</b>	<b>3,021,327</b>	<b>3,015,624</b>	<b>2,953,558</b>	<b>2,903,176</b>
<b>Clayton Fund:</b>					
Chancellor's Carolina Scholars	867,400	867,400	867,400	867,400	867,400
Faculty Research and Study *	53,700	53,700	-	-	-
Jr. Faculty Development *	92,600	92,600	-	-	-
Library Acquisitions *	57,500	57,500	-	-	-
University Research Council *	150,000	150,000	-	-	-
Scholarships *	73,100	73,100	-	-	-
Fellowships *	58,300	58,300	-	-	-
Undergraduate Advising	231,500	231,500	231,500	231,500	231,500
Chancellor's Fund / Programs	764,682	742,851	1,223,174	1,172,443	1,133,270
<b>Subtotal - Clayton Fund</b>	<b>2,348,782</b>	<b>2,326,951</b>	<b>2,322,074</b>	<b>2,271,343</b>	<b>2,232,170</b>
<b>Other Unrestricted</b>	<b>796,031</b>	<b>791,990</b>	<b>760,979</b>	<b>738,564</b>	<b>723,779</b>
<b>Total</b>	<b>\$6,193,849</b>	<b>\$6,140,268</b>	<b>\$6,098,677</b>	<b>\$5,963,465</b>	<b>\$5,859,125</b>

\* Allocations for Faculty Research and Study, Jr. Faculty Development, Library Acquisitions, University Research Council, Scholarships, and Fellowships are discontinued from the University of North Carolina at Chapel Hill Foundation, Inc. and are recommended to be transferred to the distribution from the *Clayton Fund* for June 2014 as they were for the June 2013 distribution. The change in funding source will allow the Foundation's unrestricted distribution to be allocated for other important needs supporting the University.

**THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
APPROVAL PROCESS FOR ENDOWMENT PAYOUT**

**UNC-CHAPEL HILL FOUNDATION INVESTMENT FUND, INC.**

The Investment Fund's purpose is to support the University by operating an investment fund for charitable, nonprofit foundations, associations, trusts, endowments and funds that are organized and operated primarily to support the University.

Pay its earnings to its participating investors on a total return basis.

Annually authorizes a distribution (or payout) to its participants according to a formula adopted by the Investment Fund Board.

Rate is set a year in advance and is approximately 5% of the Fund.

Distribution is paid to participants on 6/30.

**UNC-CHAPEL HILL FOUNDATION, INC.**

The Foundation's purpose is to aid, support, and promote teaching, research and service in the various educational, scientific, scholarly, professional, artistic and creative endeavors of the University.

Board of Directors approves the transfer of all (or a portion) of its distribution from the Investment Fund to the University for expenditure during the fiscal year (7/1 – 6/30) after the Investment Fund distributes.

The retained portion may be expended by the Foundation on behalf of the University.

Potential expenditures are categorized by donor restrictions (or lack thereof).

**UNC-CHAPEL HILL ENDOWMENT FUND**

Pursuant to N.C. statutes and Board of Governors regulations, the Board of Trustees of each constituent UNC institution must establish and maintain an endowment fund for the institution.

Board of Trustees of Endowment Fund approves the transfer of the distribution from the Investment Fund to the University for expenditure during the fiscal year (7/1 – 6/30) after the Investment Fund distributes.

Potential expenditures are categorized by donor restrictions (or lack thereof).

**UNC-CHAPEL HILL BOARD OF TRUSTEES**

Pursuant to Board of Governors regulations, the Board of Trustees must approve the transfer of the distribution from the Endowment to the University.

The Board of Trustees does not approve the Foundation or the Investment Fund actions.

## ATTACHMENT B

*Board of Trustees Audit Committee  
Certification Letter  
July 24, 2014*

Ms. S. Lynne Sanders, CPA  
Associate Vice President for Financial and Compliance Operations  
The University of North Carolina  
140 Friday Center Drive  
Chapel Hill, North Carolina 27517

Dear Ms. Sanders:

In accordance with the Best Financial Practices Guidelines adopted by the Board of Governors in November 2005, I confirm that the Board of Trustees (BOT) Finance and Infrastructure Committee which serves as the Audit Committee of the University of North Carolina at Chapel Hill is in compliance with the following (any exceptions must be identified and explained in an accompanying statement):

1. The BOT Finance and Infrastructure Committee met at least four times this past fiscal year.
2. Reviewed the results of the annual financial audit with representatives of the North Carolina Office of the State Auditor (OSA) and discussed corrective actions, if needed.
3. Reviewed the results of any other audit performed and report/management letter (i.e. investigations, Statewide Federal Compliance Audit Reports, etc.) issued by the OSA with representatives of the State Auditor's Office, the Chief Audit Officer and/or appropriate campus official.
4. For any audit finding contained within a report or management letter issued by the OSA, reviewed the institution's corrective action plan and the report of the internal auditor on whether or not the institution has made satisfactory progress in resolving the deficiencies noted, in accordance with North Carolina General Statute 116-30.1 as amended.
5. Reviewed all audits and management letters of University Associated Entities as defined in Section 600.2.5.2 [R] of the UNC Policy Manual.
6. Received and reviewed quarterly reports from the institution's Chief Audit Officer that, at a minimum, reported material (significant) reportable conditions, the institution's corrective action plan for these conditions and a report once these conditions have been corrected.

Ms. S. Lynne Sanders,  
Associate Vice President for Financial and Compliance Operations  
July 24, 2014  
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7. Received, reviewed, and approved, at the beginning of the audit cycle, the annual audit plan for the internal audit department.
8. Received and reviewed, at the end of the audit cycle, a comparison of the annual audit plan with internal audits performed by the internal audit department.

I further attest the following:

1. The institution's Chief Audit Officer reports directly to the Chancellor with a clear and recognized reporting relationship to the chair of the BOT Finance and Infrastructure Committee.
2. The Finance and Infrastructure Charter (Charter) defines appropriate roles and responsibilities. The current Charter does specifically charge the Finance and Infrastructure Committee with responsibility for assuring that the institution is performing self-assessments of operating risks and evaluations of internal controls on a regular basis. However, this Charter gives the Committee responsibility for assisting the BOT with the: integrity of financial reporting; adequacy and effectiveness of system of internal control; and the independence and performance of external and internal audit functions and advising management in ensuring sound risk management. The Charter will be revised in fiscal year 2015.
3. Internal audit functions are carried out in a way that meets professional standards.
4. The institution's Chief Audit Officer forwarded copies of both the approved audit plan and the summary of internal audit results, including any material reportable conditions and how they were addressed, to UNC General Administration in the prescribed format.

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Chair of BOT Finance and Infrastructure Committee

Note: A summary of these certifications from each campus will be provided annually to the current Audit Committee Chair of the Board of Governors.

## ATTACHMENT C

### **DESIGNER SELECTION – CAMPUS SIDEWALK IMPROVEMENTS**

This project will renovate the existing walks from Davis Library to Bingham Hall including the areas around the Pit.

The project budget is \$1M and will be funded by University funds.

This project was advertised on May 16, 2014. Eight (8) proposals were received. Three (3) firms were interviewed on June 25, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of the three firms in the following priority order:

- |        |     |
|--------|-----|
| 1. XXX | XXX |
| 2. XXX | XXX |
| 3. XXX | XXX |

The firms were selected for their past performance on similar projects, strength of their consultant team, knowledge and experience designing pedestrian improvements and experience with campus projects.

### **RECOMMENDED ACTION**

A motion to approve the three firms in the following priority order:

- |        |     |
|--------|-----|
| 1. XXX | XXX |
| 2. XXX | XXX |
| 3. XXX | XXX |



## **ATTACHMENT D**

### **DESIGNER SELECTION – DAVIS LIBRARY LIFE SAFETY IMPROVEMENTS**

This project will address the life safety code deficiencies, including the installation of a wet pipe sprinkler system for the entire building (430,141 square feet).

The project budget is \$7M and will be funded by University funds.

This project was advertised on May 16, 2014. Sixteen (16) proposals were received. Four (4) firms were interviewed on June 26, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of the three firms in the following priority order:

- |        |     |
|--------|-----|
| 1. XXX | XXX |
| 2. XXX | XXX |
| 3. XXX | XXX |

The firms were selected for their past performance on similar projects, strength of their consultant team, knowledge and experience with life safety projects and with library projects and experience with campus projects.

### **RECOMMENDED ACTION**

A motion to approve the three firms in the following priority order:

- |        |     |
|--------|-----|
| 1. XXX | XXX |
| 2. XXX | XXX |
| 3. XXX | XXX |

## **ATTACHMENT E**

### **DESIGNER SELECTION – MEDICAL BIOMOLECULAR RESEARCH BUILDING ENERGY CONSERVATION**

This project will provide the design and implementation of energy conservation measures in this medical research building.

The project budget is \$1.5M and will be funded by University funds.

This project was advertised on June 24, 2014. Eight (8) proposals were received. Four (4) firms were interviewed on July 10, 2014. Members of the Board of Trustees did not participate in the interviews.

The committee recommended the selection of the three firms in the following priority order:

- |        |     |
|--------|-----|
| 1. XXX | XXX |
| 2. XXX | XXX |
| 3. XXX | XXX |

The firms were selected for their past performance on similar projects, strength of their consultant team and experience with campus projects.

### **RECOMMENDED ACTION**

A motion to approve the three firms in the following priority order:

- |        |     |
|--------|-----|
| 1. XXX | XXX |
| 2. XXX | XXX |
| 3. XXX | XXX |

## **ATTACHMENT F**

### **DESIGNER SELECTION – POWER GENERATION AND CHILLED WATER PLANTS AT MANNING STEAM PLANT**

This project will construct a new steam turbine driven chiller plant of a nominal 10,000 ton capacity and a new 4 megawatt electrical generation plant at the Manning Steam Plant. At the July 2013 Board of Trustees meeting, Sebesta Blomberg & Associates of Durham, NC (since changed to Sebesta, Inc.) was selected as the designer for the project Feasibility Study. The advertisement for design services reserved the ability of the University to retain the same designer for design of the project. A North Carolina affiliate of Sebesta, Inc., SEDC Engineering, P.C. is recommended for selection.

The project budget is \$65M and will be funded by Energy Services receipts.

### **RECOMMENDED ACTION**

A motion to approve SEDC Engineering, P.C. as the designer for this project.



June 12, 2014

Wm. Keith Snead, LEED AP  
The University of North Carolina  
Facilities Planning Office  
103 Airport Drive  
Giles F. Horney Bldg., Rm. 202E  
CB # 1090  
Chapel Hill, NC 27599-1090

Dear Keith:

We are pleased that you will be submitting SEDC's proposal to the UNC Board of Trustees in July. We look forward to continuing our service to the University. This letter is to provide you with a high level organization chart, per your request, along with associated back up information.

The attached organization chart shows our project management personnel along with the primary supporting subcontractors for the project. As you know, Sebesta, Inc. (formerly known as Sebesta Blomberg & Assoc., prior to our name change in March 2014) was able to provide consulting services to UNC at Chapel Hill. To provide detailed engineering design services, the contract will be with SEDC Engineering, P.C., a North Carolina registered professional engineering firm and an affiliate of Sebesta, Inc. SEDC Engineering, P.C. and Sebesta, Inc. have a master services agreement in place which allows employees of Sebesta to provide services at the request of, and under the control of, SEDC as may be required to best serve the needs of clients. This is a very common arrangement that most national engineering services firms utilize in North Carolina. You will note on the organization chart that Randy Lorenz, president of SEDC Engineering, P.C. is shown as Principal in Charge. He is a registered engineer in the State of North Carolina. You will also see that Scott Almond is a registered engineer in the State of North Carolina. He is our resident engineer for SEDC Engineering, P.C. located in our Raleigh office.

In addition, it is our intention is to employ the same core team from Sebesta (via internal contract with SEDC Engineering, P.C.) that served the University of North Carolina at Chapel Hill for the feasibility study. We will also engage additional team members as needed and as shown on the organization chart. The design/construction administration prime contract will be between SEDC Engineering, P.C. and North Carolina Department of Administration. All sub-consultant contracts will be between SEDC Engineering, P.C. and the various sub-consultant firms.

In answer to your question regarding our office location, you will recall this was mentioned in my previous email. We recently (April 9, 2014) relocated our office from Durham to a larger facility in Raleigh to accommodate staff additions.

SEDC Engineering, P.C.  
An Affiliate of Sebesta, Inc.  
3737 Glenwood Ave  
Suite 100  
Raleigh, NC 27612

919.573.1886  
[sebesta.com](http://sebesta.com)

Thus, future correspondence will be from:  
SEDC Engineering, PC  
3737 Glenwood Ave, Suite 100  
Raleigh, NC 27612

Please give me a call with any questions (cell 608.215.6456).

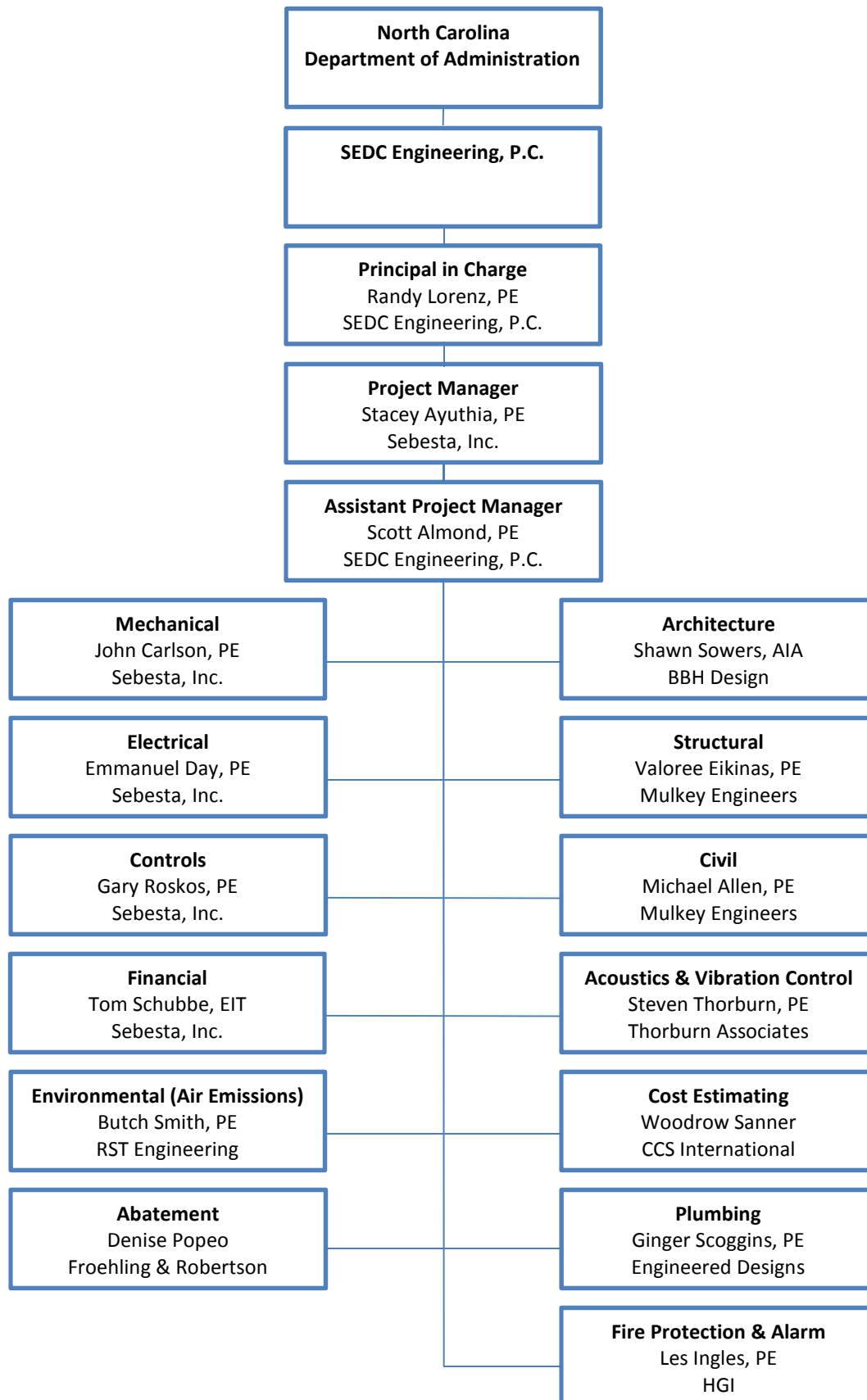
Sincerely,

A handwritten signature in black ink, appearing to read "Stacey Ayuthia".

Stacey Ayuthia, PE, LEED AP

Enclosure:  
Organizational Chart

cc:  
Philip Barner  
Anna Wu  
Masaya Konishi



**STATUS OF CAPITAL IMPROVEMENT PROJECTS  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
FACILITIES SERVICES**

**July 1, 2014**

**PROJECTS COMPLETED SINCE LAST REPORT (JANUARY 2014)**

1. Renovation to Dental School (457)	\$1,250,000
2. Lenoir Hall - Replacement of Air Handling Units (475)	\$750,000
3. Exterior Repairs at Coastal Process & Environment Health Labs (430)	\$800,171
4. Coil Replacement Lineberger and McGavran Halls (550 - Informal)	\$450,000
5. Electric Infrastructure Additions Phase 2 (384)	\$18,000,000
6. Cobb Residence Hall (532)	\$900,000
7. Bell Tower (32)	\$235,015,772
8. Landfill Gas Recovery Project -Gas Collection & Treatment System ( 412)	\$7,900,000
9. Bingham Facility Wastewater System Improvements (441)	\$3,171,381
10. Morehead Planetarium ADA Site Improvement (432)	\$92,903
<b>Total</b>	<b>\$268,330,227</b>

**PROJECTS UNDER CONSTRUCTION:**

1. **Marsico Hall (formerly Imaging Research Building) (378) - \$245,600,000**  
(Funding - Appropriations)  
Construction began June 2009 and beneficial occupancy was granted March 2014. Project completion is expected in October 2014.
2. **Craige Parking Deck Expansion (368) - \$35,711,600**  
(Funding - University Non-Appropriated/Receipts)  
Construction began July 2013 and is 41% complete. Project completion is expected in August 2015.
3. **Cogen Steam Tunnel Rehabilitation (495) - \$6,000,000**  
(Funding - University Non-Appropriated)  
Awaiting construction documents from State Construction Office.
4. **Student Recreation Center and Fetzer Gymnasium (340) - \$3,469,564**  
(Funding - University Non-Appropriated /Repair&Renovation)  
Construction is underway. Project completion date is expected in October 2014.
5. **Berryhill 3<sup>rd</sup> Floor Renovation (508) - \$3,601,000**  
(Funding - University Non-Appropriated)  
Construction is underway and the construction completion date is September 2014.
6. **Davis Library Elevator Upgrades (413) - \$1,231,750**  
(Funding - Repair & Renovations)  
Construction began August 2013 and is 55% complete. Project completion is expected in August 2014.
7. **General Storehouse Roof Replacement (487) - \$879,800**  
(Funding - Repair & Renovation)  
Construction will begin January 2014. Project completion is expected in August 2014.
8. **President's House Renovation - \$900,000**  
(Funding - General Administration)  
Construction began January 2013 and is 98% complete. Project completion is expected in July 2014.

9. **Rizzo Center Phase III (517) - \$36,000,000**  
(Funding - University Non-Appropriated)  
Construction began October 2013 and is 16% complete. Project completion is expected in June 2015.
10. **Vivarium Equipment Replacement and Taylor Hall Comprehensive Renovation (493) - \$5,310,000**  
(Funding - University Non-Appropriated)  
Construction began May 2014 and is 20% complete. Project completion is expected in October 2014.
11. **Mitchell Hall Library Renovations (483) - \$500,000**  
(Funding - Repair and Renovation)  
Construction began January 2013 and is 90% complete. Project completion is expected in July 2014.
12. **West Drive Improvements (492) - \$850,000**  
(Funding - University Non-Appropriated)  
Construction is underway with completion date of July 2014.
13. **Upper Quad HVAC & Window Replacement (469) - \$6,500,000**  
(Funding - University Non-Appropriated)  
Construction underway.
14. **Lighting Upgrades for Parking Decks (464) - \$3,000,000**  
(Funding - University Non-Appropriated)  
Construction documents phase completed and bid underway.

#### **PROJECTS IN DESIGN:**

1. **Renovations to Mary Ellen Jones Building (501) - \$63,681,005**  
(Funding - University Non-Appropriated)  
Project is in design development phase.
2. **Student Housing Phase III (479) - \$30,000,000**  
(Funding - University Non-Appropriated)  
Feasibility study completed. Schematic design underway.
3. **North Chiller Plant Capacity Upgrade (509) - \$4,500,000**  
(Funding - University Non-Appropriated)  
Project is in construction documents phase.
4. **Howell Hall Renovation (503) - \$12,300,000**  
(Funding - University Non-Appropriated/Repair&Renovation )  
Project is in construction documents phase.
5. **Aycock Family Medicine Center Renovation (504) - \$3,600,000**  
(Funding - University Non-Appropriated)  
Project is in construction documents phase.
6. **Burnett Womack CTRC Renovation (505) - \$3,200,000**  
(Funding - University Non-Appropriated)  
Project is in construction documents phase.
7. **Skipper Bowles Drive Repair & Resurface (448) - \$2,100,000**  
(Funding - Appropriated Repair & Renovation)  
Project is in schematic design phase.



8. **Hill Hall Renovation (502) - \$15,386,340**  
(Funding - University Non-Appropriated, Gifts, and Repair&Renovation)  
Project is in schematic design phase.
9. **Improvement to Pedestrian, Bicycle & Vehicular Access to an Area between Franklin Street and Cameron Avenue , Porthole Alley (531) - \$1,350,000**  
(Funding - University Non-Appropriated)  
Project is in schematic design phase.
10. **Rosenau Hall, Beard Hall and Old Clinic Building Roof Repairs and Fall Protection Installation (523) - \$485,000**  
(Funding - University Non-Appropriated)  
Project is in schematic design/design development phase.
11. **Public Safety and Giles Horney Buildings Roof Replacements and Fall Protection Installation (522) - \$715,000**  
(Funding - Appropriated Repair & Renovation and University Non-Appropriated)  
Project is in schematic design/design development phase.
12. **Morehead Chemistry Building Roof Replacement and Fall Protection Installation (521) - \$663,000**  
(Funding - Repair & Renovation)  
Project is in schematic design/design development phase.
13. **McGavran Greenberg Roof Replacement (519) - \$762,000**  
(Funding - Repair & Renovation)  
Project is in schematic design/design development phase.
14. **208 West Franklin Street Renovation (513) - \$3,800,000**  
(Funding - University Non-Appropriated)  
Project is in schematic design phase.
15. **Hamilton Hall Envelope Restoration (516) - \$1,500,000**  
(Funding - University Non-Appropriated)  
Feasibility study underway.
16. **Campus Way Finding Signage (514) - \$500,000**  
(Funding - University Non-Appropriated)  
Project is in schematic design phase.
17. **South Road Street Improvements ( 536) - \$675,000**  
(Funding - University Non-Appropriated)  
Project is in feasibility study phase.
18. **Campus wide Sidewalk Improvements for Pit Area Walkway (538) - \$1,000,000**  
(Funding - University Non-Appropriated)  
Awaiting July BOT designer approval.
19. **Cogeneration Environmental Site Investigation/Remediation (467) - \$750,000**  
(Funding - University Non-Appropriated)  
Project is in feasibility study phase.
20. **Campus Recreation Master Plan (535) - \$200,000**  
(Funding - University Non-Appropriated)  
Project is in feasibility study phase.

21. **Davis Library Sprinklers and Fire Alarm Panel Replacement (551) - \$7,500,000**  
(Funding - University Non-Appropriated)  
Awaiting July BOT designer approval.
22. **Kenan Lab - Energy Conservation (543) - \$1,000,000**  
(Funding - University Non-Appropriated)  
Advertised for design services.
23. **N Branch Stormwater Trunkline Improvements (552) - \$2,614,675**  
(Funding - University Non-Appropriated)  
Project is in construction documents phase.
24. **Medical Biomolecular Research Building - Energy Conservation (553) - \$1,500,000**  
(Funding - University Non-Appropriated)  
Awaiting July BOT designer approval.
25. **Power Generation & Chilled Water Plant Addition (547) - \$65,000,000**  
(Funding - University Non-Appropriated)  
Project is in feasibility study phase.
26. **HVAC Controls Upgrade - Energy Efficiency in Hanes, Mitchell, Swain and Steele Halls (542) - \$463,000**  
(Funding - State Appropriated 1292 Funds)  
Project is in feasibility study phase.
27. **Sitterson Bus Stop (541) - \$250,000**  
(Funding - University Non-Appropriated)  
Project is in schematic design/design development phase.
28. **Stadium Drive Road Improvements (537) - \$150,000**  
(Funding - University Non-Appropriated)  
Designer selection underway.
29. **Ridge Road Pedestrian Safety Zones- Advance Planning (540) - \$200,000**  
(Funding - University Non-Appropriated)  
Project is in feasibility study phase.
30. **Davis Library Roof Replacement West Sector (524) - \$305,000**  
(Funding - University Non-Appropriated)  
Project is in construction documents phase.
31. **School of Law at Carolina North - \$5,500,000**  
(Funding - State Appropriation)  
Programming phase completed. Awaiting approval to complete advance planning.
32. **Carolina North Infrastructure - Phase I - \$25,000,000**  
(Funding - University Non-Appropriated)  
Design development phase completed. Awaiting approval to complete advance planning.
33. **Railroad Sidings - \$3,000,000**  
(Funding - University Non-Appropriated)  
Project is in feasibility study phase.

34. **Medical Education Building - \$1,000,000**  
**(Funding - University Non-Appropriated)**  
 Programming phase completed. Awaiting approval to complete advance planning.
  
35. **Alternative/Renewable Energy Study - \$3,693,572**  
**(Funding - University Non-Appropriated/Receipts)**  
 Feasibility studies completed June 2014.
  
36. **Old Sanitary Landfill Remediation at Carolina North - \$500,000**  
**(Funding - State Appropriation)**  
 Site characterization report completed. Project to develop remediation strategies.
  
37. **Stormwater Master Plan Ph II - \$800,000**  
**(Funding - University Non-Appropriated)**  
 Feasibility study completed. Awaiting further funding.
  
38. **Davis Library – 1<sup>st</sup> and 2<sup>nd</sup> Floor renovations - \$450,000**  
**(Funding - Repair and Renovations)**  
 Programming study completed. Awaiting construction funding.
  
39. **Carolina North Collaborative Science Building - \$95,700,000**  
**Funding - University Non-Appropriated)**  
 Design development phase completed. Awaiting approval to complete advance planning.
  
40. **Wilson Library Egress - Phase II - \$12,000,000**  
**(Funding - University Non-Appropriated)**  
 Construction documents completed. Awaiting construction funding.
  
41. **ITS Manning UPS Upgrade - \$3,000,000**  
**(Funding - University Non-Appropriated)**  
 Feasibility study completed. Awaiting construction funding.
  
42. **School of Dentistry Vacuum System Feasibility Study - \$50,000**  
**(Funding - University Non-Appropriated)**  
 Awaiting construction funding.

**SUMMARY OF MAJOR CAPITAL IMPROVEMENT ACTIVITY:**

	<u>No. of Projects</u>	<u>Dollar Value</u>
Completed since 1/2014	10	\$ 268,330,227
Under Construction	14	\$ 349,553,714
In Design	42	\$ 376,843,592

**HISTORICAL RECORD OF ACTIVITY:**

<u>UNDER CONSTRUCTION</u>			<u>IN DESIGN</u>	
<u>Date</u>	<u>No. of Projects</u>	<u>Dollar Value</u>	<u>No. of Projects</u>	<u>Dollar Value</u>
Dec. 1983	10	\$ 62,326,000	8	\$ 18,645,000
Jun. 1984	10	\$ 66,858,320	11	\$ 14,956,950
Oct. 1984	13	\$ 77,924,820	16	\$ 28,455,450
Jun. 1985	15	\$ 75,753,450	18	\$ 57,302,500
Feb. 1986	13	\$ 67,684,000	30	\$190,990,620
Aug. 1986	11	\$ 61,093,000	25	\$191,213,620
Feb. 1987	14	\$ 39,924,000	27	\$183,061,220
Aug. 1987	13	\$ 26,817,520	25	\$210,316,100
Feb. 1988	12	\$ 42,354,520	26	\$222,477,900
Aug. 1988	14	\$ 61,721,870	34	\$254,328,430
Feb. 1989	15	\$157,882,770	40	\$168,321,630
Aug. 1989	20	\$158,003,370	29	\$170,550,730
Feb. 1990	18	\$153,331,770	34	\$174,785,500
Aug. 1990	14	\$161,479,980	29	\$165,398,600
Feb. 1991	10	\$191,489,780	26	\$147,486,500
Aug. 1991	11	\$202,564,380	28	\$132,000,800
Jan. 1992	9	\$193,656,480	31	\$123,015,800
Aug 1992	16	\$196,850,380	25	\$132,470,400
Jan 1993	15	\$178,790,400	27	\$137,062,000
July 1993	9	\$ 91,072,000	21	\$121,141,100
Jan 1994	6	\$ 90,707,300	33	\$154,615,300
July 1994	15	\$101,999,300	28	\$147,370,700
Jan 1995	13	\$ 66,320,700	52	\$175,385,600
July 1995	14	\$101,192,800	46	\$164,311,800
Jan 1996	11	\$ 89,901,800	67	\$246,980,600
July 1996	17	\$ 92,701,100	61	\$299,168,300
Jan. 1997	19	\$131,072,400	63	\$282,872,700
July 1997	37	\$235,425,600	44	\$223,235,350
Jan 1998	33	\$158,837,100	50	\$278,691,575
July 1998	36	\$183,705,300	43	\$285,946,375
Jan 1999	26	\$153,298,200	42	\$314,955,275
July 1999	20	\$175,689,300	44	\$374,499,175
Jan 2000	18	\$173,787,000	38	\$380,677,875
July 2000	20	\$171,732,100	44	\$402,994,475
Jan 2001	20	\$265,311,575	56	\$255,342,400
July 2001	30	\$277,577,875	57	\$509,245,260
Jan 2002	28	\$282,315,475	51	\$533,569,700
July 2002	25	\$297,186,000	51	\$533,569,700
Jan 2003	18	\$246,220,200	52	\$700,266,390
July 2003	15	\$239,095,165	58	\$677,135,478
Jan 2004	18	\$345,073,797	59	\$607,602,868
July 2004	24	\$435,597,765	61	\$837,011,823
Jan 2005	32	\$540,484,649	77	\$997,282,175
July 2005	42	\$604,951,066	62	\$848,018,466
Jan 2006	39	\$606,059,278	50	\$681,154,808
July 2006	36	\$753,387,157	55	\$697,916,808
Jan 2007	39	\$493,513,761	60	\$729,086,980
July 2007	38	\$559,519,076	50	\$586,321,980
Jan 2008	29	\$510,723,322	46	\$733,693,000
July 2008	27	\$570,815,114	51	\$715,328,000
Jan 2009	25	\$429,973,546	47	\$906,213,000
July 2009	24	\$633,089,281	40	\$577,740,422
Jan 2010	18	\$600,252,605	22	\$409,120,032
July 2010	18	\$618,429,022	32	\$539,620,032
Jan 2011	15	\$605,745,206	30	\$474,190,032
July 2011	19	\$802,905,823	28	\$292,000,000
Jan 2012	15	\$742,125,183	28	\$313,100,000
July 2012	17	\$655,508,823	31	\$309,600,000
Jan 2013	12	\$550,585,206	34	\$389,726,000
July 2013	10	\$311,575,000	34	\$334,449,095
Jan 2014	9	\$338,372,095	45	\$337,177,000
July 2014	14	\$349,553,714	42	\$376,843,592

During the same period we have completed 506 major capital improvement projects with a total in-place cost of \$3,748,247,396.

**Bell Tower Project Breakdown:**

Genome Sciences Building	\$160,956,000
Central Park	1,153,000
Stormwater Mitigation	4,300,000
Parking Deck	28,087,000
Chiller Plant Improvements	33,618,000
South Road Pedestrian Bridge (design)	449,000
Medical Office Building Site Preparation	3,146,000
Pedestrian Bridge from Deck to Medical Drive	1,287,000
Gilsulate Project	488,772
Reclaim Water	1,531,000
<b>TOTAL</b>	<b>\$235,015,772</b>

# Lease Report

Board of Trustees  
The University of North Carolina at Chapel Hill

July 23, 2014

## Review of the Types of Leases Held by The University of North Carolina at Chapel Hill

### I. Lease Acquisitions (Space Leased to the University by Others)

#### A. Office Space Leases

- 380,089 square feet of office space leased to the University with annual rent payments of \$7,845,485.50 (representing 3.87% decrease in leased square feet and 3.99% decrease in annual rent payments since the last lease report in January, 2014)
- 63,471 square feet of office space (included in the above-referenced 380,089 square feet) leased to the University in Endowment owned buildings with annual rent payments of \$1,352,567.01 (representing no change in leased square feet and a 3.17% increase in annual rent payments since last lease report in January, 2014)

#### B. Miscellaneous Leases

- Leases to the University with annual rent payments of \$348,400.21
- 13 additional apartment leases are reported in this category

#### C. Storage Space Leases

- 2,680 square feet of storage space leased to the University with annual rent payments of \$15,921.96 (representing 4.69% increase in leased square feet and 12.27% increase in annual rental payments since the last lease report in January, 2014)

### II. Lease Dispositions (Space Leased by the University to Others)

#### A. Rental Houses

- 21 houses (22 leases) with projected annual rent receipts of \$340,802.00 (representing a 3.09% increase in annual rent receipts since the last lease report in January, 2014)

#### B. Rental Buildings

- 2 buildings with annual rent receipts of \$5,409,721.00 (representing no change in annual rent receipts since the last lease report in January, 2014)

#### C. Land Leases

- 78.08 acres of land leased with nominal rent receipts (representing no change in land leased and no change in nominal annual rent receipts since the last lease report in January, 2014)

The University of North Carolina at Chapel Hill  
Office Space Leased to UNC-CH Chapel Hill within Chapel Hill/Carrboro  
As of July 1, 2014

Owner/Lessor		Lessee Division	Department	Lessee Classification	Funding Source	Location	Lease End Date	Sq Ft	Annual Rent	\$ Per Sq Ft	Renewal Options
1	Ambient Air, LLC	Health Affairs	SPH, Dept. of Epidemiology	Research Program	100% C/G	116-A South Merritt Mill	12/31/2014	2,400	\$ 43,800.00	\$ 18.25	Two 1 yr w/2% inc
2	Carr Mill Mall Limited Partnership	Health Affairs	Lineberger Cancer Center (5,373 sq ft)	Research Programs	53 % Trust Funds 47% F & A Funds	101 E. Weaver Street	2/28/2015	10,185	\$ 190,160.00	\$ 18.67	None
		Health Affairs	Scales (2,536 sq ft)								
		Health Affairs	SOM, Infectious Diseases (126 sf)								
		Health Affairs	Child Medical (2,150 sq ft)								

		Health Affairs									
3	Europa Center, LLC	University Administration	College of Arts & Sciences, Deans Office	University Support	100% Dept. OH	100 Europa Drive	3/31/2015	4,284	\$ 81,396.00	\$ 19.00	Two 1 yr w/2.5% inc
4	137 East Franklin Street LP	Academic Affairs	OVC-Office Research Communication	University Support	100% F & A	136 E. Rosemary Street	4/30/2015	1,073	\$ 24,031.70	\$ 22.40	One 1 yr w/ 2.5% inc
5	First State Investors	University Administration	Ackland Museum Store/ Equal Opportunity/ADA	University Support	100% F & A	100 East Frankin Street	5/30/2015	5,788	\$ 134,463.12	\$ 23.23	None
6	137 East Franklin Street LP	Health Affairs	SPH, Dept. of Epidemiology	Research Program	100% F & A	137 E. Franklin Street	5/31/2015	12,193	\$ 269,011.27	\$ 22.06	Two 1 yr w/ 2.5% inc
7	137 East Franklin Street LP	Health Affairs	Office of University Counsel	University Support	100% Departmental Overhead Funds	137 East Franklin Street	6/30/2015	264	\$6,600.00	\$ 25.00	None
8	Board of Trustees of Endowment Fund	See Page 5	See Page 5	See Page 5	See Page 5	720, 725, 730 MLK Blvd	6/30/2015	63,471	\$ 1,352,567.01	\$ 21.31	None
9	137 East Franklin Street LP	University Administration	UNC-CH Research Compliance Program	University Support	100% F & A	137 E. Franklin Street	6/30/2015	220	\$ 4,900.08	\$ 22.27	None
10	137 East Franklin Street LP	University Administration	UNC-CH Research Compliance Program	University Support	100% F & A	137 E. Franklin Street	6/30/2015	1,037	\$ 23,097.36	\$ 22.27	None
11	* Carr Mill Mall Limited Partnership	Health Affairs	Lineberger Cancer Ctr	Research Program	100% Trust Funds	200 N. Greensboro Street	6/30/2015	1,355	\$ 23,861.55	\$ 17.61	None
12	137 East Franklin Street LP	University Administration	Office of Research Information Systems	Public Service	100% F & A	136 E. Rosemary Street	7/31/2015	2,686	\$ 58,957.70	\$ 21.95	One 1 yr w/2.5% inc
13	* 137 East Franklin Street LP	Health Affairs	Carolina Population Center	Research Program	100% F & A	136 E. Rosemary Street	7/31/2015	9,085	\$ 198,507.25	\$ 21.85	Two 1 yr w/2.5 % inc
14	137 East Franklin Street LP	University Administration	Equal Opportunity/ADA Office	University Support	100% F & A	136 E. Rosemary Street	7/31/2015	1,829	\$ 40,149.58	\$ 21.95	Two 1 yr w/ 2.5% inc
15	* Legacy Real Property Group	Health Affairs	OB-GYN, Horizon Program	Clinical Program	80% F & A Funds 20% Trust Funds	123 & 127 Kingston Drive	7/31/2015	10,000	\$ 125,000.00	\$ 12.50	None
16	West Franklin Preservation Ltd. Partnership	Health Affairs	Carolina Population Center	Research Program	90% F & A 10% Trust Funds	206 West Franklin Street	11/30/2015	11,600	\$ 197,142.00	\$ 16.99	Two 1 yr w/ 3% inc
17	* 137 East Franklin Street LP	University Administration	Office of Research Information Systems	Public Service	100% F & A	136 E. Rosemary Street	11/30/2015	3,150	\$ 70,483.61	\$ 22.38	None
18	137 East Franklin Street LP	Health Affairs	SPH, Collaborative Studies Coordinating Ctr	Research Program	100% F & A	137 E. Rosemary Street	12/31/2015	17,218	\$ 405,384.90	\$ 23.54	Four 6 mth w/2.5% inc
19	* 137 East Franklin Street LP	University Administration	Office of Sponsored Research	University Support	100% Dept. Overhead Funds	137 E. Franklin Street	12/31/2015	996	\$ 22,291.20	\$ 22.38	One 1 yr w/ 2.5% inc
20	* Phillip D. Pearsall	Health Affairs	SPH, Department of Nutrition	Research Program	100% F & A	800 Eastowne Drive	12/31/2015	3,186	\$ 45,258.57	\$ 14.21	One 1 yr w/3% inc
21	* Carr Mill Mall Limited Partnership	Health Affairs	Department of Cardiology, Dr. Adams	Research Program		200 North Greensboro St.	2/29/2016	549	\$ 9,470.25	\$ 17.25	None
22	Europa Center, LLC	Academic Affairs	Morehead Planetarium & Science Ctr	University Support	100% Trust Funds	100 Europa Drive	3/31/2016	1,000	\$ 12,000.00	\$ 12.00	One 2 yr w/no inc
23	Carr Mill Mall Limited Partnership	University Administration	University Advancement	University Support	100% F & A	200 N. Greensboro Street	5/16/2016	1,812	\$ 31,257.00	\$ 17.25	None
24	137 East Franklin Street LP	Health Affairs	SOM, Health Behavior and Health Education	Research Program	100% Trust Funds	136 E. Rosemary Street	7/31/2016	2,014	\$ 44,207.30	\$ 21.95	Two 2 yr w/2.5% inc
25	Carr Mill Mall Limited Partnership	Health Affairs	Medical Allied Health	Clinical Program	100% F & A	200 N. Greensboro Street	8/31/2016	1,803	\$ 31,101.75	\$ 17.25	Two 1 yr w/2% inc.
26	* 137 East Franklin Street LP	Health Affairs	SPH, Injury Prevention Research Center	Research Program	42% F & A 58% Trust Funds	136 E. Rosemary Street	9/30/2016	6,555	\$ 152,666.00	\$ 23.29	One 3yr w/2.5%
27	Sheryl-Mar, LLC	Health Affairs	Frank Porter Graham Child Development Institute	Research Program	100% F & A	521 South Greensboro St.	12/31/2016	23,532	\$ 499,349.04	\$ 21.22	Two 1 yr w/ 3% inc
28	Madison Partners, LLC	Health Affairs	Carolina Population Center	Research Program	100% F & A	211-B West Cameron St.	2/28/2017	5,730	\$ 101,707.50	\$ 17.75	Two 1 yr w/2% inc
29	* Europa Center, LLC	University Administration	Office of Technology Development	University Support	100% Trust Funds	100 Europa Drive, Ste.430	5/31/2017	3,759	\$71,421.00	\$ 19.00	Two 1 yr w/2.5% inc
30	600 Franklin Square, LLC	Health Affairs	Dept. of Psychology, PEP Lab	Research Program	100% F & A Funds	1829 E. Franklin Street	6/30/2017	2,435	\$ 45,656.25	\$ 18.75	Two 1 yr w/2% Inc
31	Riddle Properties, Inc.	Academic Affairs	Center for Developmental Science	Research Program	100% F & A	100 E. Franklin Street	9/30/2017	11,026	\$ 249,900.00	\$ 22.66	One 5 yr w/2% inc
32	DDRM Meadowmont Village Center, LLC	Health Affairs	Carolina Population Center	Research Program	100% F & A	400 Meadowmont Village Circle	11/30/2017	15,524	\$ 372,576.00	\$ 24.00	One 5 yr w/3% inc



33	137 East Franklin Street LP	University Administration	Ombuds Office	University Support	100% F & A	137 E. Franklin Street	3/31/2018	1,823	\$ 44,845.80	\$ 24.60	One 5 yr w/2.5% inc
34	* Europa Center, LLC	Health Affairs	Institute for the Environment	University Support	100% Trust Funds	100 Europa Drive	3/31/2018	12,104	\$ 220,898.00	\$ 18.25	Two 1 yr w/2.5% inc
35	Madison Partners, LLC	Academic Affairs	Graduate Student Center	University Support	100% F & A	211-A West Cameron Ave	4/30/2018	2,797	\$ 47,828.70	\$ 17.10	Two 1 yr w/2% inc

The University of North Carolina at Chapel Hill  
Office Space Leased to UNC-CH Chapel Hill within Chapel Hill/Carrboro  
As of July 1, 2014

36	Venable Group, LLC	Health Affairs	SOM, Emergency Medicine	Research Program	25% Trust Funds 65% C/G	100 Market Street	6/30/2018	5,176	\$ 117,288.16	\$ 22.66	One 5 yr w 3% inc
37	Carr Mill Mall Limited Partnership	Health Affairs	Lineberger Cancer Ctr	Research Program	100% Trust Funds	200 N. Greensboro Street	10/31/2018	6,862	\$ 144,102.00	\$ 21.00	One 5 yr w/2% inc
38	Stone Launis Associates, LLC	Health Affairs	SOM, Women's Health Research/Child Maltreatment	Research Program	100% Departmental Overhead	104 Market Street	11/30/2018	5,840	\$ 143,080.00	\$ 24.50	One 5 yr w/3%
39	FIGCH, LLC	Health Affairs	Carolina Population Center	Research Program	100 F & A	308 West Rosemary Street	11/30/2018	5,333	\$ 130,658.50	\$ 24.50	One 5 yr w/
40	* Madison Partners, LLC	University Administration	Center for Public Service	University Support	100% F & A	205 Wilson Street	7/31/2019	1,955	\$ 40,057.95	\$ 20.49	Two 1 yr w/2% inc
41	Cedar Plank, LLC	Health Affairs	SOM, CIDD	Research Program	100% Trust Funds	101 Renee Lynn Court	9/30/2020	17,824	\$ 443,096.40	\$ 24.86	Two 5 yr w 3% inc
42	Cedar Plank, LLC	Health Affairs	SOM, TEACCH	Research Program	100% Trust Funds	100 Renee Lynn Court	6/30/2022	16,701	\$ 403,086.54	\$ 24.13	Two 5 yr w 3% inc
43	Sheryl-Mar, LLC	Health Affairs	Frank Porter Graham Child Development Institute	Research Program	100% F & A	517 South Greensboro St.	12/31/2023	24,418	\$ 502,522.44	\$ 20.58	None
								<b>338,592</b>	<b>\$ 7,175,839.48</b>	<b>\$ 20.58</b>	

Notes:

1. Leases executed or renewed since last report (1/2014) are denoted by an asterisk (\*). During this time, the amount of office space leased in Chapel Hill/Carrboro decreased by 14,264 square feet. The average cost per square foot decreased from \$20.69 per square foot to \$20.58 per square foot.
2. Amounts shown for Annual Rent and \$ Per Square Foot are based on amounts currently being paid. Most leases include provisions for annual rent increases based on a fixed schedule or increases in building operating costs.
3. Utilities and Janitorial are paid by the Lessor for all leases shown except for lease #1, #27, #29, #36, #38, #39, 38, #41, #42 and #43
4. Janitorial services are provided at the Lessor's cost for all leases shown except #5, #28, #31 and #40.
5. Utilities are paid by the Lessor for all leases shown except for lease #1

The University of North Carolina at Chapel Hill  
Office Space Leased to UNC-CH Outside of Chapel Hill/Carrboro As  
of July 1, 2014

		Owner/Lessor	Lessee Division	Department	Lessee Classification	Lessee Source of Funding	Location	Lease End Date	Building Sq Ft	Annual Rent	\$ Per Sq ft
1	*	The Kinston Enterprise Center	Health Affairs	HPDP-Healthy Heart Lenoir Project	Research Program	100% Contract & Grants	Kinston	12/31/2014	824	\$3,750.00	\$10.40
2		Fortune's Ridge Associates Limited Partnership	Health Affairs	SOM. CCDP/CASTLE	Clinical Program	70% Foundation Funds 30% Trust Funds	Durham	12/31/2014	5,149	\$98,139.94	\$19.06
3	*	Fortune's Ridge Associates Limited Partnership	Health Affairs	SOM. CCDP/CASTLE	Clinical Program	50% Foundation Funds 50% Trust Funds	Durham	12/28/2014	1,180	\$12,000.00	\$10.17
4		East Park Associates, LLC	Health Affairs	SOM, Charlotte TEACCH Program	Clinical Program	100% State Funds	Charlotte	4/30/2015	2,990	\$52,615.34	\$17.60
5	*	East Park Associates, LLC	Health Affairs	SOM, Charlotte TEACCH Program	Clinical Program	50% Dept. Trust Funds 50% Clinical Funds	Charlotte	4/30/2015	1,289	\$18,905.40	\$17.60
6		HKL Commercial, LLC c/o James Little Real Estate	Health Affairs	SOM, Thurston Arthritis Center	Clinical Program	100% Contracts & Grants	Smithfield	6/30/2015	2,776	\$33,312.00	\$12.00
7	*	Edgemont Tenant LLC	Academic Affairs	School of Journalism/Mass Communication	Academic Program	100% State Funds	Durham	6/30/2014	167	\$1.00	\$0.00
8		Wainwright Property Management, LLC	Health Affairs	SOM, Greenville TEACCH Program	Clinical Program	100% State Funds	Greenville	7/31/2015	2,800	\$29,400.00	\$10.50
9	*	Partnership For Children of Cumberland Co.	Health Affairs	SOM, Fayetteville TEACCH Program	Clinical Program	100% State Funds	Fayetteville	2/28/2016	786	\$12,756.00	\$16.23
10		31 College Place, LLC	Health Affairs	SOM, Asheville TEACCH Program	Clinical Program	100% State Funds	Asheville	1/31/2017	3,540	\$49,560.00	\$14.00
11		Abinto Corporation	Health Affairs	SOM, Wilmington TEACCH Program	Clinical Program	100% State Funds	Wilmington	1/31/2018	3,353	\$56,382.55	\$16.82
12		Abinto Corporation	Health Affairs	SOM, Wilmington TEACCH Program	Clinical Program	100% State Funds	Wilmington	1/31/2018	689	\$11,193.67	\$16.25
13		Beacon Ventures	Health Affairs	Hunt Institute	Research Program	100% State Funds	Durham	3/31/2018	4,527	\$108,648.00	\$24.00
14		Keystone 630 TT, LLC	Health Affairs	Institute of Medicine/Sheps	Research Program	50% Trust Funds 50% F & A	Durham	4/30/2018	4,328	\$95,378.30	\$22.04
15		Self-Help Ventures Fund	Health Affairs	SOM, Infectious Diseases	Clinical Program	100% State Funds	Durham	4/30/2018	1,472	\$29,348.82	\$19.94
16		Revolution Tenant, LLC	Health Affairs	SOM, Greensboro TEACCH Program	Clinical Program	100% State Funds	Greensboro	4/30/2018	3,800	\$52,326.00	\$13.77
17		Blue Ridge Plaza, Associates	Health Affairs	SOM, Infectious Diseases	Clinical Program	15% Contracts & Grants 85% Dept. Overhead	Raleigh	7/31/2018	1,827	\$35,929.00	\$19.67
									<b>41,497</b>	<b>\$669,646.02</b>	<b>\$16.26</b>

NOTES:

1. Leases executed or renewed since the last report (1/14) are denoted with an asterisk (\*). During this time, the amount of sq ft outside Chapel Hill/Carrboro decreased by 1,025 sq. feet. The average cost per square foot decreased from \$16.40 per sq. foot. to \$16.26 per sq. foot and represents a 2.41% decrease in leased square feet since last lease report in January, 2014.
2. Amounts shown for Annual Rent and \$ Per Square Foot are based on amounts currently being paid. Most leases include a provision for annual rent increases based on a fixed schedule or increases in building operating costs.
3. Utilities and janitorial services are provided by the Lessor for all leases except #11 and #12.
4. Janitorial services not included in #1, #2, and #3.
5. Utilities not included in #7.

Item #1- Extended lease for 5 months to complete the research project. Rental amount shown is for 5 months.

Item # 5 Charlotte TEACCH 1289 sf - \$ amount showing is for a 10 month lease

The University of North Carolina at Chapel Hill  
Endowment Owned Buildings on MLK Jr. Blvd. Office Space Leased to UNC-CH  
As of July 1, 2014

Lessor	Lessee Division	Lessee Department (Program)	Lessee Classification	Lessee Source of Funds	Square Feet	Annual Rent	\$ Per Square Ft
Endowment Fund	Health Affairs	School of Public Health (Institute on Aging)	Research Program	72.5% F & A 27.5% Trust Funds	5,162	\$110,002.22	\$21.31
Endowment Fund	Health Affairs	Office of Clinical Trials	Research Program	100% F & A	4,188	\$89,246.28	\$21.31
Endowment Fund	Health Affairs	School of Public Health (Biostatistics Dept., Survey Res. Unit)	Research Program	100% F & A	5,811	\$123,832.41	\$21.31
Endowment Fund	Health Affairs	Cecil G. Sheps Center For Health Services Research	Research Program	100% F & A	34,777	\$741,097.87	\$21.31
Endowment Fund	Health Affairs	Highway Safety Research Center	Research Program	87% F & A 13% Trust Funds	13,533	\$288,388.23	\$21.31
<b>Total 720, 725, 730 Martin Luther King Jr. Blvd</b>					<b>63,471</b>	<b>\$1,352,567.01</b>	<b>\$21.31</b>

The University of North Carolina at Chapel Hill  
Miscellaneous Leases to the University  
As of July 1, 2014

Owner/Lessor			Lessee Division	Department	Type	Location	Lease End Date	Sq Ft or Acres	Annual Rent
1		Carolina Telephone and Telegraph Company	University Admin	WUNC Radio	Tower & Roof Top	Dare County (See Note 1)	Mth-to-Mth	0	\$0.00
2		Sunstone Apartments, LLC	Health Affairs	OB-GYN, Horizon Program	Apartments	Carrboro (See Note 3)	7/31/2014	17,083 sq. ft.	\$206,880.00
3	*	Kingswood Apartments	Health Affairs	OB-GYN, Horizon Program	Apartments	Chapel Hill (see Note 3)	7/31/2014	7,887 sq. ft.	\$80,700.00
4	*	Loretta Malcolm	Health Affairs	SPH, Environmental Sciences & Engineering	Land	Chatham	6/30/2015	2 acres	\$3,025.00
5	*	Chapel Hill Group Limited Partnership	Health Affairs	SOM, Dermatology	Apartment	Carrboro	6/30/2015	759 sq. ft.	\$7,500.00
6	*	Kingswood Apartments	Health Affairs	OB-GYN, Horizon Program	Apartment	Chapel Hill (see Note 3)	7/31/2015	2,400 sq. ft.	\$23,220.00
7		GTP Acquisition Partner II, LLC	University Admin	WUNC Radio	Tower & Roof Top	Edgecombe County (See Note 1)	12/31/2017	100 sq. ft.	\$18,627.21
8		Chapel Hill City Board of Education	Health Affairs	Frank Porter Graham Child Development Institute	Land	Chapel Hill	9/17/2019	10.81 acres	\$0.00
9	*	Secretary of the Army	University Admin	University of North Carolina	Land	Kerr Lake (see Note 2)	12/31/2020	230 acres	\$0.00
10		RDU International	Health Affairs	AHEC Facility	Land	RDU - Durham	7/31/2031	70,390 sq. ft.	\$8,448.00

**\$348,400.21**

\* Leases executed or renewed since the last report (1/2014) are denoted with an asterisk (\*).

1. Tower, rooftop and associated land space to locate FM broadcast antenna and transmitter.

2. 32 individual apartment leases for the OB-Gyn, Horizon Program. Items 2,3,6

3. Item #9- Use of space for picnics, boating, camping, swimming and nature studies or current and retired University employees, University Hospital employees and General Administration employees.

The University of North Carolina at Chapel Hill  
Lease Summary Storage Space Leases

As of July 1, 2014

	Owner/Lessor	Department	Storage Type	Lease End Date	Building Sq Ft	Annual Rent
1	Charlotte East, LLC	Charlotte TEACCH Center	Mini	9/30/2014	472	\$ 4,005.96
2 *	Starpoint, Inc.	Highway Safety Research Center	Mini	4/30/2015	200	\$ 1,680.00
3 *	Starpoint, Inc.	Carolina Higher Education Opportunity Programs(CHEOP)	Mini	7/31/2016	120	\$ 1,740.00
4 *	Yarboro & Hessee Warehouses, LLC	Ackland Art	Bulk	7/31/2014	1,888	\$ 8,496.00
					<b>2,680</b>	<b>\$15,921.96</b>

Notes:

\* Leases executed or renewed since the last report (1/14) are denoted with an asterisk (\*).

The University of North Carolina at Chapel Hill  
Summary of Lease Dispositions  
As of July 1, 2014

	Location	Lessee's Name	Sq Ft	Monthly Rent	Annual Rent	Lease End Date
<b>I. Rental Houses</b>						
1	University Lake (Lake Warden's House)	OWASA	1,080	\$0.00	\$1.00	Mth to Mth
2	Horace Williams House	Preservation Chapel Hill	2,600	\$0.00	\$1.00	Mth to Mth
3	114A Chase Avenue, Chapel Hill	Skyler Wason & Dana Falkenberg	1,100	\$1,100.00	\$13,200.00	7/31/2014
	114B Chase Avenue, Chapel Hill	Daniel Moseley	780	\$600.00	\$7,200.00	12/31/2014
4	1404 Mason Farm Road, Chapel Hill	Scott & Kelly Wentland	1,775	\$1,450.00	\$17,400.00	3/31/2015
5	12276 US Highway 15-501 North, Chapel Hill	Marquis & Anita Bright	1,300	\$1,200.00	\$14,400.00	4/30/2015
6	1500 Mason Farm Road, Chapel Hill	Jeremy & Guenieve Moulton	2,429	\$1,425.00	\$17,100.00	5/31/2015
7	307 W Cameron Ave, Chapel Hill	Dennis Miller	2,936	\$2,075.00	\$24,900.00	5/31/2015
8	1309 Homestead Road, Chapel Hill	Kelly Glosson	1,649	\$1,500.00	\$18,000.00	5/31/2015
9	1450 Mason Farm Place, Chapel Hill	David Demers	3,196	\$1,450.00	\$17,400.00	3/31/2016
10	1303 Mason Farm Road, Chapel Hill	Lyneise Williams	2,314	\$1,550.00	\$18,600.00	4/30/2016
11	1307 Mason Farm Road, Chapel Hill	Eric McAfee	3,010	\$1,550.00	\$18,600.00	4/30/2016
12	620 Park Place, Chapel Hill	Freddie Kiger	1,400	\$1,475.00	\$17,700.00	5/31/2016
13	2311 Homestead Road, Chapel Hill	Michael & Denise Lopez	2,306	\$1,500.00	\$18,000.00	5/31/2016
14	6627 Maynard Farm Road, Chapel Hill	Arthur Menius	1,846	\$1,350.00	\$16,200.00	5/31/2016
15	107 Chase Avenue, Chapel Hill	Harper Wilson	2,500	\$1,500.00	\$18,000.00	5/31/2016
16	109 Chase Ave, Chapel Hill	Vicky Lent	2,324	\$1,500.00	\$18,000.00	5/31/2016
17	1301 Mason Farm Road, Chapel Hill	Michael Smith & Leigh Hall	2,609	\$1,450.00	\$17,400.00	3/31/2017
18	1506 Mason Farm Road	Barbara Whitman	3,200	\$1,650.00	\$19,800.00	4/30/2017
19	6703 Maynard Farm Road, Chapel Hill	David Nichols	3,461	\$1,450.00	\$17,400.00	4/30/2017
20	301 Chase Avenue, Chapel Hill	Stephen Seiberling	1,940	\$1,275.00	\$15,300.00	5/31/2017
21	218 Wilson Street, Chapel Hill	Steve Dobbins	1,500	\$1,350.00	\$16,200.00	7/31/2017
			<b>47,255</b>	<b>\$28,400.00</b>	<b>\$340,802.00</b>	
<b>II. Rental Buildings</b>						
	Location	Lessee's Name		Monthly Rent	Annual Rent	Lease End Date

1	Mason Farm Road, Chapel Hill	Environmental Protection Agency	66,000	\$450,810.00	\$5,409,720.00	1/31/2015
2	Carolina Inn, Chapel Hill NC	BOT of the Endowment Fund	118,780	\$0.00	\$1.00	6/30/2041
			<b>184,780</b>	<b>\$450,810.00</b>	<b>\$5,409,721.00</b>	

Notes

Items 1, 2, working on new leases

The University of North Carolina at Chapel Hill  
Summary of Lease Dispositions  
As of July 1, 2014

	Location	Lessee's Name	Land Acreage	Annual Rent	Lease End Date
<b>III. Land Leases</b>					
1	Chapel Hill-Carrboro Bikeway	Town of Carrboro	0.70	\$1.00	mth-mth
2	University Lake	Orange Water and Sewer Authority	9.30	\$0.00	8/8/2016
3	Park & Ride Lot near University Lake, Carrboro	Town of Chapel Hill	7.00	\$1.00	5/19/2019
4	Old Mason Farm Road	Family House at UNC Hospitals	5.83	\$1.00	5/31/2031
5	Smith Middle School Playing Fields	Orange Co., NC	16.60	\$0.00	7/13/2031
6	UNC-CH campus -George Watts Hill Alumni Center	General Alumni Association	4.10	\$1.00	10/1/2034
7	101 Old Mason Farm Road	Ronald McDonald House of Chapel Hill	2.04	\$1.00	10/31/2035
8	208 Finley Golf Course Rd	Beta Xi Chapter, Kappa Psi Pharmaceutical Frat.	1.38	\$0.00	8/5/2068
9	Barbee Chapel Rd	UNC Faculty Staff Recreation Association, Inc.	28.00	\$0.00	7/7/2075
10	222 Finley Golf Course Rd.	North Carolina High School Athletic Association	1.45	\$1.00	5/13/2088
11	1411 Homestead Road, Chapel Hill	Town of Carrboro	1.68	\$1.00	11/30/2105
			<b>78.08</b>	<b>\$7.00</b>	

	Location	Lessee's Name	Land Acreage	Annual Rent	Lease End Date
<b>IV. Miscellaneous Leases</b>					
1	Horace Williams Airport (South of Runway 27)	US Dept. of Trans., Federal Aviation Admin.	N/A	\$0.00	9/30/2015

Notes





THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

Attachment I

# *Division of Finance and Administration*

## Financial Update



Matt Fajack  
Vice Chancellor for Finance and Administration  
July 23, 2014



## Revenue Actuals Comparison (Dollars in Thousands)

	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2013-2014
	July-May Actual	July-May Actual	July-May Actual	July-May % of Variance
<b>Revenues:</b>				
State Appropriations	\$352,990	\$408,103	\$402,169	(1)%
Tuition and Fees	369,605	413,008	456,506	11%
Governmental Contracts and Grants	1,058,397	1,117,057	1,090,146	(2)%
Non-Governmental Con. And Grants	197,638	195,863	189,821	(3)%
Gifts	255,056	228,408	231,916	2%
Sales and Services	733,515	741,054	774,301	4%
Investment and Endowment Income	94,691	95,957	107,098	12%
Other Sources	57,240	91,054	73,859	(19)%
<b>Total Revenues</b>	<b>\$3,119,132</b>	<b>\$3,290,504</b>	<b>\$3,325,816</b>	



## Expense Actuals Comparison (Dollars in Thousands)

	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2013-2014
	July-May Actual	July-May Actual	July-May Actual	July-May % of Variance
<b>Expenses/Transfers/Other</b>				
<b>Instruction</b>	\$630,395	\$616,058	\$627,940	2%
<b>Organized Research</b>	577,454	646,646	644,586	0%
<b>Public Service</b>	115,192	123,682	123,702	0%
<b>Student Services</b>	23,730	25,071	28,286	13%
<b>Student Financial Aid</b>	294,453	319,781	343,703	7%
<b>Academic Support</b>	89,952	97,072	100,299	3%
<b>Institutional Support</b>	81,208	92,468	107,628	16%
<b>Physical Plant Operations</b>	119,507	125,277	132,801	6%
<b>Auxiliary Enterprise &amp; Internal Services</b>	325,900	356,427	364,664	2%
<b>Professional Clinical Services</b>	358,578	374,079	396,170	6%
<b>Transfers &amp; Internal Deductions</b>	48,611	102,135	132,531	30%
<b>Total Expenses, Transfers &amp; Other</b>	\$2,664,980	\$2,878,696	\$3,002,310	



# General Assembly State Budget Process

- In **2013** the General Assembly established a biennial state budget for the **2013/14** and **2014/15** fiscal years
  - ❖ The enacted net reduction in state appropriation for Chapel Hill's 2014/15 fiscal year budget was approximately **(\$15 Million)**
- In **2014** the General Assembly is modifying the previously enacted budget for the **2014/15** fiscal year
  - ❖ The estimated **additional** change in state appropriation for Chapel Hill's **2014/15** fiscal year budget ranges from a **(\$26 Million)** reduction to a \$3.3 Million addition.



# General Assembly State Budget Process

- The actual net change in state appropriation for **2014/15** will be a combination of what the General Assembly enacted in 2013 and will enact in 2014
- Additional steps in the state budget process
  - ❖ The Conference Committee of the General Assembly negotiates a state budget
  - ❖ The General Assembly approves the state budget
  - ❖ The Governor signs the state budget
  - ❖ The Board of Governors distributes the state budget



# 2014 Legislative Session Proposed Changes For FY 2014/15 Budget (Dollars in Millions)

	GOV	SENATE	HOUSE
<b>2014 Session-Proposed</b>			
<b>Salary Increases</b>	<b>TBD</b>	<b>\$3.47</b>	<b>TBD</b>
<b>Management Flex</b>	<b>(10.35)</b>	<b>0</b>	<b>(4.34)</b>
<b>Centers and Institutes</b>	<b>(5.78)</b>	<b>0</b>	<b>0</b>
<b>Negative Adjustment Factor</b>	<b>(0.15)</b>	<b>(0.15)</b>	<b>(0.15)</b>
<b>Full Time Academic Scholarships</b>	<b>(6.94)</b>	<b>0</b>	<b>0</b>
<b>Utility</b>	<b>(2.42)</b>	<b>0</b>	<b>0</b>
<b>EPA Non-Faculty</b>	<b>(0.49)</b>	<b>0</b>	<b>0</b>
<b>2014 Session-Proposed Total</b>	<b>(\$26.13)</b>	<b>\$3.32</b>	<b>(\$4.49)</b>

	GOV	SENATE	HOUSE
<b>BOG Discretion</b>			
<b>Kanapolis Support</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>
<b>NR UG Tuition Revenue</b>	<b>\$12.30</b>	<b>\$12.30</b>	<b>\$10.57</b>



# Development Report

## FY 2014 Final (Estimated Final)

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Cash Received:	6/30/14	6/30/13	Variance	% Change
Gifts	\$158,124,366	\$125,930,090	\$32,194,276	26%
Grants	\$139,365,502	\$146,837,096	(\$7,471,594)	-5%
<b>Total Cash Received:</b>	\$297,489,868	\$272,767,186	\$24,722,682	9%
<b>New Cash and Commitments:</b>				
	\$310,017,745	\$284,279,400	\$25,738,345	9%
<b>In the Pipeline:</b>				
	<b>Prospect</b>	<b>Intent</b>	<b>Proposal</b>	
	\$114,864,856	\$283,600,918	\$271,432,956	