



UNC GREENSBORO

University Space and Property Review Committee May 26, 2026

Action Item

Lease Acquisition from Union Square Campus, Inc. at 124 East Gate City Blvd., Greensboro

Background Information

For the past ten years, UNC Greensboro has been leasing space from Union Square Campus, Inc. (Landlord) at Union Square Campus, located at 124 East Gate City Boulevard, Greensboro. The current lease expires June 30, 2026, and will transition into a month-to-month holdover period with permission from the Landlord. Union Square Campus, a four-story building in Downtown Greensboro, was conceived and constructed as a joint venture to support nursing instruction for UNCG, NC A&T, GTCC and Cone Health. Each partner has a separate lease with the Landlord for their respective square footage within the building (84,440 SF). UNCG was allocated 26,413 square feet of space within the building or 32.7% of the total and pays a pro rata lease rental. The building includes classrooms, labs, study areas, common areas, an auditorium, and a state-of-the-art simulation center.

All the initial partners have benefited from the space and wish to enter another 10-year lease substantially similar to the current lease. The proposed lease is a full-service gross lease, with property management contracted to Gateway Research Park. The capital cost to construct the building was debt financed by the Landlord and paid down using rental payments from the partners. The Landlord is in the process of refinancing its outstanding debt service, and the final lease rate will be dependent upon the refinance interest rate secured. As such UNCG's annual rental rate in year one will range between \$804,000 (\$30.44 / SF at a 6% rate) and \$833,000 (\$31.54 / SF at a 7% rate), plus 3% annual escalations thereafter. The current annual rental rate is \$775,500, so this represents an increase between 3.7% and 7.4% from the current level.

Authority

The UNC Board of Governors adopted a resolution on delegation of leasing authority on November 13, 1981, and approved *Additional Delegated Authority* for UNC Greensboro to authorize the acquisition and disposition of real property through lease and non-lease transactions consistent with G.S. 116-31.12, UNC Policy 600.1.3 and 600.1.3[R] on February 24, 2022. UNC policy 600.1.3[R], as amended on November 24, 2025, grants authorization to the Board of Trustees to approve lease acquisitions and dispositions with annual rental not to exceed \$1,999,999 and a term not to exceed 10 years. The provisions of this lease fall within this delegated authority and require no further approval by the Board of Governors or its president, nor the State Property Office or the Council of State.

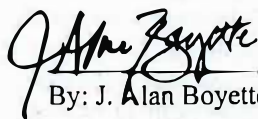
Per UNC Policy 600.1.3[R], acquisition of property by lease of \$100,000 or more in annual rental and a term of ten years or less requires solicitation and advertisement, unless the UNC System Office waives this requirement in favor of a *strategic lease*. Since a lease acquisition of this specific property is necessary and appropriate to take full advantage of the opportunities of strategic importance to UNCG, it is recommended that the Chancellor request a *strategic lease*, based on the attached justification.

Recommended Actions

Authorize a 10-year full-service gross lease acquisition with Union Square Campus, Inc. with rental in year one not to exceed \$833,000.00 and with 3% annual rental escalations thereafter.

Recommend that the chancellor request from the UNC System Office a waiver from the solicitation and advertisement requirement in favor of a *strategic lease*.

USPRC Approval

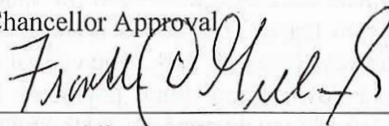


By: J. Alan Boyette

Executive Vice Chancellor/ Provost

Date: May 26, 2026

Chancellor Approval



By: Franklin D. Gilliam, Jr.

Chancellor

Date:

6/1/26