

**ECU Board of Trustees
December 13, 2019
Special Called Meeting**

Chairman Vern Davenport called the meeting to order and asked Megan Ayers, Assistant Secretary to the Board of Trustees to call the roll. All members were present either in person or by phone.

Chairman Davenport read the conflict of interest statement. No conflicts were identified.

Chairman Davenport asked for a motion to go into closed session. Colin Johnson moved that I move that the board go in closed session to:

1. To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body;
2. To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment.; and
3. To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease;
4. to prevent the premature disclosure of an honorary degrees, honors, prizes or similar awards

The motion was seconded and approved unanimously, and the board moved into closed session.

Upon resumption of open session, Chairman Davenport called for any actions as a result of closed session.

Max Joyner moved that the board approve the sell via disposition by deed with reversionary interest properties located in ECU Millennial Warehouse District to Elliott Sidewalk Communities for redevelopment and restoration, and to approve the ground lease properties located in ECU Millennial Campus District to Elliott Sidewalk Communities for redevelopment and restoration, as presented in board materials. The motion was seconded by Robert Moore and the motion passed unanimously. This item is listed as "Attachment A."

Max Joyner moved that the board approve the request to ground lease property to Daly Seven, Inc. for a hotel on the campus of East Carolina University as presented in board materials. The motion was seconded by Colin Johnson and approved unanimously. This item is listed as "Attachment B."

There was no further business to come before the board. Chairman Vern Davenport adjourned the meeting.

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ADJOURN

Respectfully Submitted,

Megan Ayers
Assistant Secretary to the Board of Trustees



MEMORANDUM

TO: Sara Thorndike
FROM: Kevin Carraway
DATE: December 11, 2019

SUBJECT: Request ECU Board of Trustees Approval on Two Related Property Matters:
1) Approval to Sell via Disposition by Deed with reversionary interest Properties Located in ECU Millennial Warehouse District to Elliott Sidewalk Communities for Redevelopment and Restoration
2) Approval to Ground Lease Properties Located in ECU Millennial Warehouse District to Elliott Sidewalk Communities for Redevelopment and Restoration

Request ECU Board of Trustees approvals on two related property matters:

1) Request ECU Board of Trustees approval to sell via disposition ECU Properties located at 301 West Tenth Street known as Export Leaf Tobacco building, Prichard Hughes Warehouse - 1003 Clark Street and American Tobacco Company Storage Warehouse #2 - 1104 Clark Street to Elliott Sidewalk Communities (ESC) through a fee simple deed with reversionary interest for a term of eighty (80) years after which the property will automatically revert to ECU.

ESC agrees to pay the \$2,684,000 (appraised value \$2,434,000+\$250,000) for a term of eighty (80) years.

2) Request ECU Board of Trustees approval to ground lease to ESC ECU Properties located at 301 West Tenth Street known as Export Leaf Tobacco building, Prichard Hughes Warehouse - 1003 Clark Street and American Tobacco Company Storage Warehouse #2 - 1104 Clark Street to Elliott Sidewalk Communities (ESC) for a period of 19 years beginning on the date that the property reverts to ECU.

Annual lease payments would be based on the fair market value as determined by the parties in year seventy (70) of the deeded term.

The properties are located within the ECU Millennial Warehouse Campus and are a part of Greenville's National Historic Tobacco District. ECU secured NC Historic Mill Credits that can be transferrable with the sale of the properties to create a public/private partnership. The tax credits will sunset 1/1/2023. During the development phase ESC would be granted the right of first refusal on future ground leases within the Warehouse Millennial District based on fair market value and appropriate approvals.

Elliott Sidewalk Communities was selected through a publicly advertised RFP and they will redevelop the property and take advantage of the NC Mill Credits. ECU intends to lease a portion of the redeveloped property.

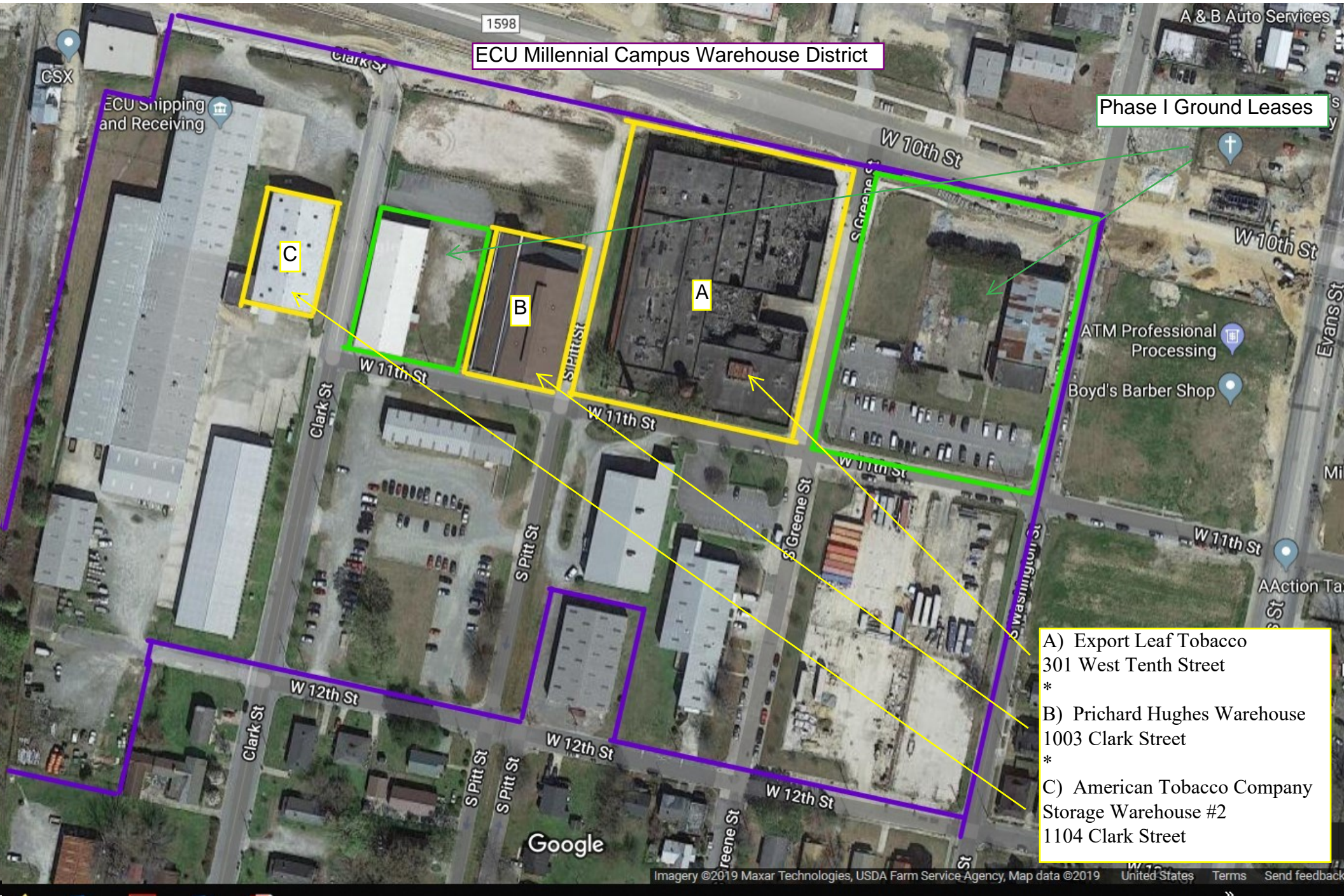
ECU shall deposit the receipts of sale in the ECU Millennial Campus Account.

This sale is contingent on approvals from UNC Board of Governors, Joint Commission on Governmental Operations, and the Council of State. The ground lease is contingent on approval from UNC Board of Governors.

Attachments (1) Map

cc: B. Bagnell
 C. Carter
 T. Walton

ECU Board of Trustees Property Transaction Reference



ECU Millennial Campus Warehouse District

Phase I Ground Leases

- A) Export Leaf Tobacco
301 West Tenth Street
*
- B) Prichard Hughes Warehouse
1003 Clark Street
*
- C) American Tobacco Company
Storage Warehouse #2
1104 Clark Street



MEMORANDUM

TO: Sara Thorndike

FROM: Kevin Carraway

DATE: December 11, 2019

SUBJECT: Request ECU Board of Trustees Approval to Ground Lease Property to Daly Seven, Inc. for a Hotel on the Campus of East Carolina University

Request ECU Board of Trustees approval to grant a sixty-five (65) year ground lease with one (1), thirty-four (34) year optional extension of University owned property known in the Pitt County deed book as tax parcel 29290 (survey attached) to Daly Seven, Inc. for construction of a University themed hotel.

The annual lease shall be paid in annual installments per the following schedule.

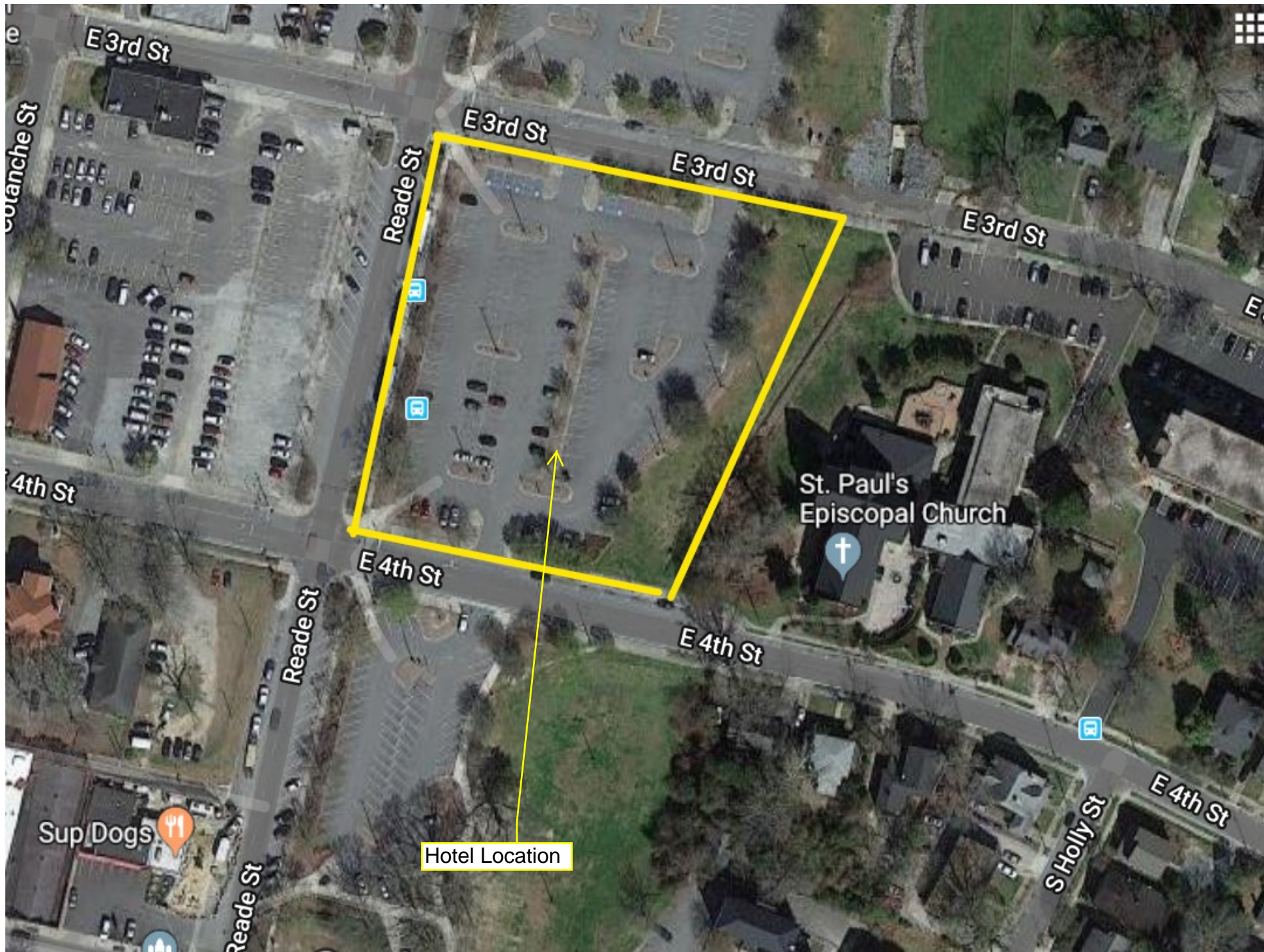
Year 1-2: \$87,500, Year 3-64: \$65,000. Beginning in Year 5, the University would receive bonus rent. The bonus rent would equal 8% of any room revenue over \$4.4 million (assuming Year 4 room revenue is within 10 percent of \$4.4 million). This bonus rent revenue threshold will be adjusted annually to mirror percent increase in annual room revenue of the hotel. The bonus rent will not be paid in any year where occupancy for the hotel drops below 68 percent.

Daly Seven was selected through a publicly advertised qualification-based process and they will construct an ECU themed hotel.

The property is on ECU's Millennial Campus and the ground lease is contingent on UNC Board of Governors' approval in accordance with G.S.116-98.34 granting UNC Board of Governors expanded leasing authority on Millennial Campuses.

Attachment (1) Map

cc: B. Bagnell
C. Carter
T. Walton



Hotel Location

St. Paul's
Episcopal Church

Sup/Dogs

E 3rd St

E 3rd St

E 3rd St

E 3rd St

4th St

E 4th St

E 4th St

E 4th St

Reade St

Reade St

Reade St

S Holly St

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