University Square / Granville Towers

UNC CH Board of Trustees
Audit and Finance Committee
May 25, 2011
Chapel Hill Foundation Real Estate Holdings became the owner of the property on July 1, 2009

Strategic property acquisition

- Adjacent to campus
- At 12 acres, the largest single tract in downtown Chapel Hill
- Support Chapel Hill downtown / Franklin Street revitalization
- Control of student housing at Granville Towers
- Opportunity to provide long-term investment return to the Foundation

Mixed-use redevelopment opportunity

- Housing (student/faculty/staff/market)
- Office (university/institute/market)
- Retail / Entertainment
- Parking

Partnership with Third Party Developer
Property Overview
Property Overview

University Square/Granville Towers

Existing Operations
- University Square
  - 2 – 3+ years
  - Manage existing tenant requirements
  - PR
  - Contingency plan
- Granville Towers
  - Partnership with UNC Housing
  - 10 – 15+ years
  - Property repositioning
  - Building renovations

Redevelopment
- Market Study / Program
- 12-acre Site Master Plan
- Univ Square Redevelopment
- Granv Twrs Redevelopment
- Entitlements / Approvals
- Construction
Existing Operations  

University Square

- Built late 1960s/early 1970s
- 121,300 Square Feet
  - 81,300 SF office
  - 40,000 SF retail
  - 98% occupancy
- 25 tenants
  - 80% office tenants are UNC related
    - Carolina Pop Center & P&A
- Retail Icons
  - Fine Feathers
  - Time Out
  - Chapel Hill Barber Shop
- Challenges
  - Maintain retail occupancy up to time of redevelopment
  - Avoid unnecessary capital expenditures
Existing Operations
Granville

- Built late 1960s/early 1970s
- 1300 student beds
- Marketing, facilities and operations managed by Allen O’Hara / ERT
- Student life managed by Campus Housing (RAs, CDs)
  - Meets UNC on-campus first year living requirement
  - Same student life policies apply as on-campus
- Occupancy
  - 71% occupancy 2009/2010 academic year (time of acquisition)
  - 83% occupancy 2010/2011 academic year
  - 99+% occupancy for 2011/2012 academic year
- Repositioning Efforts
  - Extensive room, hallway and lobby renovations
  - Focused branding and marketing efforts
  - Partnership with UNC Campus Housing
Redevelopment Partners

Development Partner
Cousins Properties
- Founded in 1958, public REIT since 1987
- Diversified Development & Operations Expertise:
  - Office
  - Residential
  - Retail
  - Multi-family

Design Team
Elkus Manfredi
- Founded 1988
- Diversified practice offering Master Planning, Urban Design, Architecture, and Interior Design
- University Experience at Harvard, MIT, Ohio State, University of Southern California, Texas A&M, and Duke
- Edge of Campus Mixed Use Projects at Ohio State, Emerson College, MIT, USC and Franklin & Marshall College
<table>
<thead>
<tr>
<th></th>
<th>Block A</th>
<th>Block B</th>
<th>Block C</th>
<th>Total</th>
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<td>Parking</td>
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<td>142,000</td>
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<td>184,000</td>
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Redevelopment Site Plan

123 West Franklin
Chapel Hill, North Carolina

Cousins

Landscape Plan

February 4, 2013