

APPENDIX D

Disposition of Property and Lease of Housing Space – Winston-Salem State University

In 2001, the Winston-Salem State University Housing Foundation, LLC leased from the State of North Carolina approximately 7.5 acres of land located on the campus of Winston-Salem State University and constructed a new 448-bed student housing.

The University now requests approval to amend the 2001 lease in order to lease to the Foundation approximately six additional acres of State land on the campus of the University, in addition to extending the term of the 2001 lease to a term not to exceed 35 years. The Foundation will construct a new 400-bed student housing facility and refinance the costs of the 2001 project. Upon completion of construction, the new facility and the 2001 project would be leased by the Foundation to the University for a lease term not to exceed 32 years. The cost will be consistent with the current rate structure for comparable residence halls of the University. It is anticipated that the new facility would be available for student occupancy by the fall of 2005. This leasing arrangement will enable the University to meet the long-term projected housing demands associated with campus growth to 6,000 students by 2010. University residence halls had an occupancy rate of 99% for the 2003-2004 school year. Lease payments would be made from student housing receipts.

The lease of State land and the lease of the new 400 beds will be accomplished within the guidelines, procedures, and policies of the North Carolina Department of Administration and the Council of State. Construction documents for the new facility will be reviewed by the Office of State Construction and the Department of Insurance.

The financing of the construction of the new facility and the refinancing of the 2001 project will be accomplished through the use of the proceeds of tax-exempt, long-term indebtedness.

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It is requested that the Board of Governors adopt the following Resolution and that Winston-Salem State University's request be transmitted to the Council of State for final action:

A RESOLUTION AUTHORIZING AGREEMENTS RELATED TO
THE CONSTRUCTION OF PRIVATE HOUSING FACILITIES ON
THE CAMPUS OF WINSTON-SALEM STATE UNIVERSITY.