

Disposition of Property and Lease of Housing Space – Appalachian State University

In August 2009, the Board of Governors approved Appalachian State University's request to lease State land to the Appalachian Student Housing Corporation (ASHC) for the purpose of constructing student housing. ASU also requested approval to enter into a long-term lease to acquire up to 400 beds of student housing from ASHC.

The Board approved the lease of approximately 4.7 acres of land on campus to ASHC to construct up to 400 beds which would then be leased back to ASU at a projected cost of \$910,000 (\$2,275 per bed) per year for a lease term not to exceed 30 years. The cost charged to students would be consistent with the current rate structure for comparable ASU housing. The facility would be built on the site of the current Mountaineer Apartment complex that would be demolished (nine buildings, 90 apartments, built in 1973). It was anticipated that the leased housing would be available by Fall of 2011. ASU's residence halls had 100% occupancy in 2008-09. Lease payments would be funded from student housing receipts.

ASU's Board of Trustees has now requested that the Board of Governors approve: (1) the use of a wholly-owned subsidiary of ASHC (a single-member LLC to be created by ASHC) to consummate the transactions described above, (2) an increase in the number of beds in the facility to be leased to 460, and (3) the authorization of agreements related to the construction of the facility.

It is recommended that the request and the following resolution be approved.

RESOLUTION AUTHORIZING AGREEMENTS RELATED TO THE
CONSTRUCTION OF PRIVATE HOUSING FACILITIES ON THE
CAMPUS OF APPALACHIAN STATE UNIVERSITY