

## **APPENDIX F**

### **Disposition of Property and Disposition by Lease – Fayetteville State University**

Fayetteville State University has requested approval of the disposition of the existing Chancellor's residence and the option to lease land to the Fayetteville State University Foundation for the purpose of constructing a new Chancellor's residence.

The current Chancellor's residence no longer meets the needs of the University. The University plans to sell the residence, seek authority to retain the proceeds from the sale, and apply the proceeds towards the cost of a new residence. The Foundation would either construct or acquire a residence that would later be gifted to the University. If the decision is made to construct a residence on the FSU campus, the State would lease land on campus to the Foundation for the construction period and the Foundation would be responsible for the construction process. After the completion of construction, the lease would expire and FSU would assume ownership and responsibility for the facility. If the decision is made for the Foundation to purchase a residence, the University would accept the new residence as a gift-in-place from the Foundation. Whether the residence is constructed on campus or purchased, before FSU accepts responsibility for the residence the Foundation would be reimbursed an amount equal to the proceeds from the sale of the current residence.

It is recommended that the request for disposition of the current Chancellor's residence be approved and transmitted to the Council of State for final action. If the decision is made to construction a residence on campus, it is recommended that the lease of land to the Foundation be approved and transmitted to the Council of State for final action. If the decision is made to acquire a residence, it is recommended that the residence be accepted as a gift-in-place from the Foundation. It is further recommended that the necessary steps be taken to assure that the proceeds from the sale of the current residence be retained by the University and be used to offset the total cost of the new residence.