

## APPENDIX B

### Modification of Lease for Student Housing – Fayetteville State University

The Board of Trustees of Fayetteville State University has requested permission to modify a lease approved in June 2006. The modified lease would rent all 341 beds at University Place Apartments (up from 190 beds currently being leased) for a five-year term beginning in the fall of 2007 with one, five-year renewal option. The leased space would be fully furnished and include standard utilities.

Fayetteville State University has experienced continued enrollment growth and is projecting a 2% increase for fall 2007. Because of this growth, the housing program will need additional leased space to house the anticipated additional demand for on-campus housing. To meet this demand, FSU seeks to enter into a lease with the Fayetteville State University Housing Foundation, LLC for all the beds at University Place Apartments located at 1316 Coley Drive in Fayetteville. The modified term of the lease will be for a five-year initial term beginning the fall of 2007 with one, five-year renewal option.

The lease will be for 341 beds and will cost \$1,497,000 per year (or \$2,195 per bed per semester). The rental rates charged to students will be consistent with equivalent on-campus housing. Lease payments will be met from student housing receipts. The lease modification for the acquisition of the 341 beds will be accomplished within the guidelines, procedures, and policies of the North Carolina Department of Administration and will be subject to approval by the Council of State.

It is recommended that the request of the FSU Board of Trustees be approved and transmitted to the Council of State for final action.