

APPENDIX W

Lease of Student Housing – Fayetteville State University

The Board of Trustees of Fayetteville State University has requested permission to lease space to accommodate approximately 190 students and resident assistants for the nine-month academic year for the next five years, beginning in the fall of 2006. The leased space will be fully furnished and include standard utilities.

Fayetteville State University has experienced enrollment growth over the last few years by more than 12%, which has increased the demand for on-campus housing. As a result of student body growth, FSU has also experienced an increase in faculty. Ongoing construction projects throughout campus have displaced faculty from their offices. In an effort to meet the needs for faculty office space, Joyner Residence Hall will be taken off line and converted to faculty offices in the fall of 2006, causing the loss of 85 beds. The university housing program will need leased space to house displaced students from Joyner Hall as well as anticipated additional students.

Fayetteville State University seeks to enter into a lease with the Fayetteville State University Housing Foundation, LLC for a five-year lease for a large portion of University Place Apartments located at 1316 Coley Drive in Fayetteville. The lease will be for 190 beds and will cost \$570,000 per year (\$1,500 per bed per semester) or \$2,850,000 for the five-year lease period. The rental rates charged to students will be consistent with equivalent on-campus housing so that no additional cost will be incurred by FSU. Lease payments will be met from student housing receipts derived from the University Place project.

The acquisition of the 190 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.