



KANSAS BOARD OF REGENTS

July 31, 2017

President John Bardo
1845 Fairmount Street
Wichita, KS 67260-0001

Re: Student Housing in The Flats at Wichita State University

Dear President Bardo:

As required by Board policy on private housing, Section II.E.9., you have requested my approval of an agreement relating to private housing that is for a term of less than one year. The agreement would be a lease by WSU of the building known as The Flats (a new on-campus apartment building) from the developer for that project. The final version of this agreement, though as yet unexecuted, was provided to the Board office on Wednesday, July 26, 2017. The Board's Director of Facilities, Nelda Henning, has reviewed the proposed agreement as well as other information requested from WSU and, in accordance with the Board policy, has recommended approval based on the additional information provided in addition to the terms of the lease agreement. Accordingly, this letter documents my formal approval of the final version of the proposed agreement submitted to the Board office on July 26.

My approval of this proposed agreement is based on its terms and additional information provided by your team, including the following:

- The effective term of the lease agreement will be ten months, from August 1, 2017 through May 31, 2018
- This lease agreement will not be extended past May 31, 2018 without the approval of the full Board of Regents
- WSU is leasing the entire building (177,825 square feet consisting of 286 bedrooms housed within 113 apartment units, interior common and storage areas, an exterior common area that includes a wading pool, and all furnishings provided in the units and at the pool), exclusive of parking lots
- While WSU is not leasing the underground or surface parking lots, it will have the right to use those lots for apartment tenants, employees, and guests (40 spaces in the

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underground lot are being provided at no additional cost; the underground lot will be secured)

- WSU will pay a base rent of \$1,000,160 and, if WSU subleases more than 235 rooms, an additional rent equaling the gross revenue received for those subleases
- WSU Housing will manage the apartments and WSU Parking will manage sale of the parking permits
- All students who signed up for student housing, and were going to be housed at Fairmount Towers, will pay the same price at The Flats that they would have paid at Fairmount; they will not incur an extra costs resulting from the transfer (e.g. a student who signed up for a single room at Fairmount will get a room with a single bed within one of the apartment units at The Flats for the same price they would have paid at Fairmount, \$2,950/semester)
- The Flats will provide a number of features that are not available at Fairmont Towers, including
 - A kitchen in each bedroom suite
 - A washer/dryer in each bedroom suite
 - A bathroom and closet for every bedroom in every suite
 - A furnished common area for each bedroom suite
 - Main campus location
 - Eligibility for parking pass for any green or green/yellow lot on campus
- Rooms/suites at The Flats will be marketed by WSU to students and may also be used to house guests, such as visiting scholars, parents, recruits, etc. and for other education-related uses.

Please let me know if any of these planned arrangements change, or if the terms of the agreement change in any way.

Sincerely,



Blake Flanders, Ph.D.
President and CEO

Cc: David Moses, General Counsel, WSU
Stacia Boden, Associate General Counsel, WSU