

**Submitted by: William Decatur, Vice President, Finance and Business Operations**

**AUTHORIZATION FOR THE CONDITIONAL REIMBURSEMENT OF CERTAIN EXPENDITURES TO BE INCURRED BY CORVIAS CAMPUS LIVING, LLC FOR THE CONSTRUCTION OF ON-CAMPUS STUDENT HOUSING FACILITIES**

**Recommendation**

It is recommended that the Board of Governors authorize that the president, or his designee, to enter into an agreement to guarantee to reimburse Corvias Campus Living, LLC for fifty percent (50%) of construction costs incurred during the time prior to the date of financial close in the event that the initial project indebtedness is not obtained.

**Background**

At the September 23, 2016 Board of Governors meeting, the Board approved the formation of the partnership with Corvias Campus Living, LLC. Included in this partnership is the Anthony Wayne Drive student housing project which consists of the construction of two new apartment buildings on Anthony Wayne Drive, the demolition of the Helen L. DeRoy Apartments, and the renovation of Chatsworth Apartments.

To ensure that this project will be complete by August, 2018 construction must start the first week of May, 2017. Corvias Campus Living, LLC has agreed to advance all costs of construction incurred prior to the date of the bond issuance so that the project will be complete on time.

Corvias Campus Living, LLC has asked for a guarantee that in the event that the initial project indebtedness is not obtained for any reason that the Board will agree to reimburse Corvias for fifty percent (50%) of the construction costs incurred during this period.

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RESOLUTION OF THE BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY  
AUTHORIZING THE CONDITIONAL REIMBURSEMENT OF CERTAIN EXPENDITURES  
TO BE INCURRED BY CORVIAS CAMPUS LIVING, LLC FOR  
THE CONSTRUCTION OF ON-CAMPUS STUDENT HOUSING FACILITIES

WHEREAS, the Board of Governors of Wayne State University (the “Board”) is a constitutional body corporate established pursuant to Article VIII, Section 5 of the Constitution of Michigan of 1963, as amended, with general supervision of Wayne State University (the “University”) and the control and direction of all expenditures from the University’s funds; and

WHEREAS, by resolution adopted on September 23, 2016, the Board authorized the formation of a public-private partnership with Corvias Campus Living, LLC (“Corvias”) for the development, improvement and management of the University’s on-campus student housing facilities; and

WHEREAS, under agreements to be entered into between the Board and Corvias Campus Living – WSU, LLC, a Delaware limited liability company, as concessionaire (the “Concessionaire”), the Concessionaire will be responsible for, among other things, obtaining senior project indebtedness (the “Initial Project Indebtedness”) to provide financing for the construction of new student apartment buildings on Anthony Wayne Drive, the demolition of the Helen L. DeRoy Apartments and the renovation of the Chatsworth Apartments; and

WHEREAS, the University has determined that it is necessary to commence construction of the new student apartment buildings to be located on Anthony Wayne Drive (the “AWD Project”) prior to the date of issuance of the Initial Project Indebtedness in order to avoid potential delays in the construction schedule for the AWD Project; and

WHEREAS, Corvias has agreed to advance all costs of construction of the AWD Project incurred prior to the date of issuance of the Initial Project Indebtedness, subject to the condition that the Board agree to reimburse Corvias for fifty percent (50%) of such costs in the event that the Initial Project Indebtedness is not obtained for any reason; and

WHEREAS, in the exercise of its constitutional duties, the Board has determined that it is necessary and in the best interests of the University to authorize the execution of a reimbursement agreement or other similar agreement with Corvias for the foregoing purpose (the “Reimbursement Agreement”), subject to the terms, conditions and limitations set forth herein; and

WHEREAS, it is necessary to authorize the President and the Vice President for Finance and Business Operations, Treasurer and Chief Financial Officer (each an “Authorized Officer”), or either of them individually, to negotiate, execute and deliver on behalf of the Board the Reimbursement Agreement.

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NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF GOVERNORS OF WAYNE STATE UNIVERSITY, AS FOLLOWS:

1. Either Authorized Officer is authorized, on behalf of the Board, to negotiate the terms of and to execute and deliver, in the name of the Board and as its corporate act and deed, a Reimbursement Agreement with Corvias, including any of its affiliated companies, in a form approved by either Authorized Officer. Under the terms of the Reimbursement Agreement, the Board shall agree, in the event that the Initial Project Indebtedness is not obtained by the Concessionaire for any reason, to reimburse Corvias, from available funds of the Board, for not to exceed fifty percent (50%) of the actual costs incurred for the construction of the AWD Project; *provided, however*, that in no event shall the total amount that the Board is obligated to reimburse for construction costs under the terms of the Reimbursement Agreement exceed Ten Million Dollars (\$10,000,000.00). The Reimbursement Agreement may contain such additional terms and conditions as either Authorized Officer deems necessary or appropriate.

2. All resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as such conflict exists.