

Submitted by Keith E. Whitfield, Provost

**Lease Authorization Request
Nurse Practice Corporation**

Recommendation

Pursuant to University Policy 04-6 Contract Signatories section 4.1.A.2 regarding the lease of real property, where the lease is for a period longer than 120 months including an unconditional right of renewal, it is recommended that the Board of Governors authorize the President, or his designee, to enter into a ten-year lease agreement with additional options with the Nurse Practice Corporation, a Michigan non-profit corporation.

Background and Description

The Anthony Wayne Drive Apartment complex is currently under construction on the west side of Anthony Wayne Drive between Kirby Street and Warren Avenue in the residential precinct of campus. In addition to 841 beds of new campus housing and residential program and support spaces, the complex will also provide approximately 18,500 square feet of ground-floor retail space to serve the campus and surrounding communities.

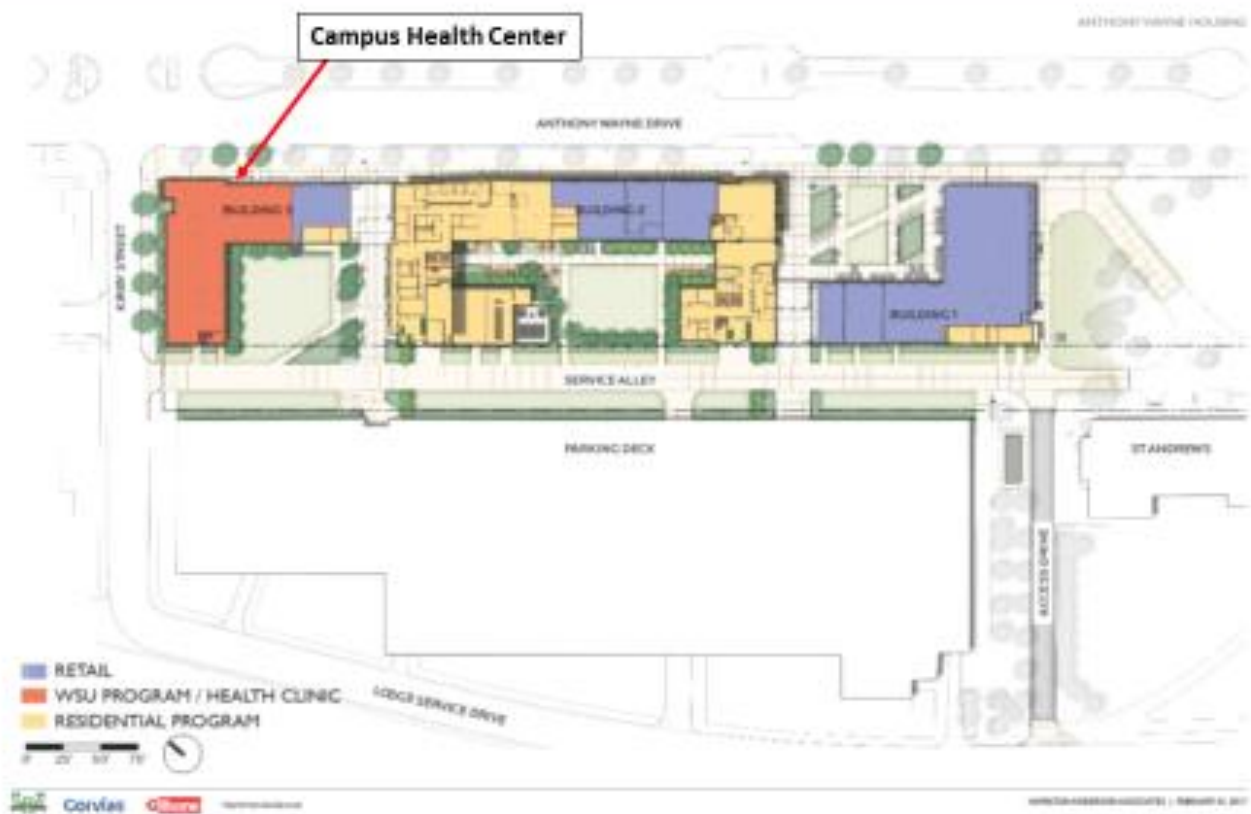
The Nurse Practice Corporation seeks to lease approximately 8,078 square feet on the first floor of the eight-story north tower of the complex to continue to operate the Campus Health Center, which will relocate from Derooy Apartments when it is demolished in summer 2019.

The Campus Health Center (CHC) is an academic, nurse-managed full-service primary care clinic that serves all currently enrolled Wayne State University students. CHC provides routine care for chronic and acute illness with a focus on prevention, health promotion, and wellness services. CHC partners with many campus organizations to promote and support the health and success of the WSU campus community.

The initial term of the lease is ten years, and the new base lease triple-net rental rate is \$19.00 per square foot (\$153,330 annually) for the first five lease years, with 3.0% increases in the square foot rate for each of lease years 6 through 10. There are ten, one-year options for the tenant to extend the lease with similar rent escalation. The initial additional assessment for Common Area Maintenance is \$5 per square foot with 3% annual increases in all lease years. Given the current apartment complex construction schedule, the Campus Health Center location will be available to the tenant in late 2018 with an anticipated move from DeRoy Apartments into the new location by May 1, 2019.

The Anthony Wayne Drive Apartment complex is part of the WSU-Corvias Housing Partnership. WSU and Corvias share responsibility for the selection of tenants that add value for the campus and Midtown communities. WSU as the building owner is the signatory for this retail lease. Corvias as facility manager has been responsible for tenant recruitment and negotiation and will be responsible for managing tenant build-out according to university standards, lease performance, and tenant relations during the term of the lease.

WAYNE STATE UNIVERSITY



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