

**UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA**

COMMITTEE: Finance and Administration

ITEM: Approval is requested for the delegation of authority to the Chancellor to negotiate and execute a ground lease and other agreements with Fort Bend County for the construction of a County Library

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute a transaction which involves a ground lease to Fort Bend County of approximately 3.39 acres of land on the University of Houston System for the construction of a Fort Bend County branch library. Fort Bend County (lessee) shall be responsible for all costs associated with operating and maintaining the library. The initial lease term shall be for 50 years, renewable for up to five (5) additional ten (10) year periods upon mutual written agreement of the Parties. At the end of the lease term, the library will revert to the UH System. Rent for the lease shall be \$1.00 per year. The UH System shall be responsible for 12.5% of the construction costs of the library to a cap of \$1.5 million. The rent to be paid by Lessee, the value derived from Lessee's payment for the operations of the Library, and the residual value of the Library at the end of the lease term constitutes fair and equitable consideration for the lease of the 3.39 acres. Approval is requested for a delegation of authority to the Chancellor to execute the ground lease and other applicable agreements relating to the operation of the library under mutually acceptable conditions for this transaction.

FISCAL NOTE: \$1.5 million

SUPPORTING DOCUMENTATION: Attached: Summary of Transaction and Appraisals

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT



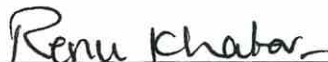
EXECUTIVE VICE CHANCELLOR

Carl Carlucci

DATE

3/27/09
DATE

CHANCELLOR



Renu Khator

3/21/09
DATE