

**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**



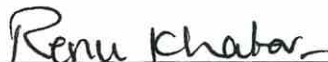
**EXECUTIVE VICE CHANCELLOR**

Carl Carlucci

**DATE**

3/27/09  
**DATE**

**CHANCELLOR**



Renu Khator

3/21/09  
**DATE**

## **Fort Bend County/University of Houston System Sugar Land/Wharton County Junior College**

### **Library Collaboration**

#### **Background**

As a continuing process of partnership with Fort Bend County in the development of the University of Houston System at Sugar Land (UHSSL) campus, plans are in place for the construction of a joint-use library on the UHSSL campus. Whereas the County has bonds approved for the construction of a standard 35,000 square foot library, the UH System and Wharton County Junior College (WCJC) have agreed to fund an additional 5,000 square feet, resulting in a 40,000 square foot library that will meet the university, community college and community needs.

#### **Cost**

The County cost of construction for the 40,000 square foot library is estimated to be \$11.7 million. UHS has agreed to fund the additional 5,000 square feet by paying 12.7% of actual construction cost, or a maximum of \$1.5 million. Wharton County Junior College has agreed to cover half the cost of the additional square footage through a long-term lease with UHS. Current market trends are favorable for the construction cost to fall below the estimate.

#### **Process**

Head librarians from the primary participating institutions (UH, UHV, WCJC) met with County librarians and have reached agreement on design and operations. The County will pay for standard operational costs, with UHS/WCJC being responsible for costs of special requests (extended hours, etc.). County operational hours currently meet both the UHS and WCJC needs.

#### **Benefits**

- allows for efficient use of public funds
- provides a greater quantity and quality of collections, electronic resources and services
- eliminates duplication of services and resources
- promotes community and student interaction/relationship building
- increases community awareness of current education practice and opportunities
- frees classroom space in other campus buildings

#### **Summary**

Combining resources results in considerable cost savings for all three partners and provides an example of our efforts to optimize the use of resources in times of economic challenge - without sacrifice of quality or service. The partnership serves as a model of collaboration for others to emulate.