BOARD OF REGENTS BRIEFING PAPER

1. Agenda Item Title: Authority to Negotiate Purchase of Real Property Meeting Date: September 9, 2010

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Board policy (Title IV, Chapter 10, Section 1, Paragraph 9 permits an **NSHE**tion to conduct negotiations for the acquisition or disposition of real property with the approval of the Chancellor, However, the Chancellor must obtain Board appr**pria**r to commencing any such negotiations he nature of real property transactions such that a range of likely costs and other terms cannot be narrowed in advance of some negotiations and Board approval is therefore granted in a relative information v

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Chancedr requests an amendment of tile IV, Chapter 10, Section 1te permit the Chancellor to commence negotiating for the acquisition and disposition of real property afficulting with the Chair of the Investment and Facilities Commit(ee the Chair of the Board)Once a contract is negotiated, the actual purchase agreement would then be brought to the Board for approval. A form of a Proposed Amendment attached.

4. IMPETUS (WHY NOW?):

Negotiations for the acquisition or disposition of real property are generally complex and, especially

- x The System leases a number of real property locations for a variety of occupancies where significant cost savings, especially total long term costs, can be achieved by financing the purchase of properties at current low values and near record low interest rates with resulting debt service costs compared to every increasing rental costs
- x Under current Boar policy, the Chancellor may not commence negotiations for an acquisition (

POLICY PROPOSAL – HANDBOOK TITLE IV, CHAPTER 10, SECTION 1 Paragraph 9a ACQUISITION OR SALE OF REAL PROPERTY

Additions appear in *boldface italics*; deletions are [stricken and bracketed]

Title IV, Chapter 10, Section 1, Paragraph 9 of the Handbook outlines the codified policies of the Board0(e H)6(a)10(ndb)10(ook)4()10(ook)4J -0.jS6(n)10(es)4(t)2.33 Tt04 To