AGENDA ITEM SUMMARY

1. NAME OF ITEM: Lease of 95 College Avenue, UM

2. INITIATED BY: Norman L. Fournier, Chair

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

The University of Maine requests authorization pursuant to Board Policy 802 to lease real estate at 95 College Avenue, Orono, to the Beta Zeta Chapter of Lambda Chi Alpha, Inc., a Maine corporation, for the purpose of operating a University of Maine approved and recognized fraternity house known as Lambda Chi Alpha Fraternity House.

The fraternity owns and operates a residential structure on the property. The existing 50-year ground Lease Agreement between the University of Maine and Beta Zeta Chapter of Lambda Chi Alpha, Inc. will expire on June 24, 2016. This request is for authorization to enter a new lease to continue that existing occupancy and purpose.

The Corporation has been in occupation of the property and wishes to continue to occupy the property. The Corporation and the University have negotiated a new long-term ground lease for $1 per year for a term of an additional 35 years and to expire no later than June 23, 2051, with the option for renewal for a mutually-agreeable time period.

5. TEXT OF PROPOSED RESOLUTION:

That the Finance/Facilities Committee forward this item to the Consent Agenda for Board of Trustees approval at its November 16-17, 2014 meeting for authorization of the following resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine to enter into a Lease Agreement with Beta Zeta Chapter of Lambda Chi Alpha, Inc. for the Property on which the Lambda Chi Alpha Fraternity House is situated, at 95 College Avenue, Orono, Maine, for a period to end no later than June 23, 2051, unless mutually agreed to renew for an additional mutually-agreeable time period, such Lease Agreement being subject to review and approval by the Treasurer and General Counsel.

10/21/2014