OHIO BOARD OF REGENTS

Agenda Item 6.9 Consideration of Amendments to the Joint Use Agreement Between Rio Grande Community College and Meigs County Community Improvement Committee

RESOLUTION

WHEREAS, the 122nd Ohio General Assembly enacted H.B. 850 which includes a specific capital appropriation of $50,000 to Rio Grande Community College for the Meigs County Community Improvement Committee; and

WHEREAS, the Ohio Board of Regents' Rule 3333-1-03 requires that a joint use agreement between the institution for which funds are appropriated and the organization which will own or lease and operate facilities to be constructed or improved with such funds must be approved by the Board; and

WHEREAS, the Ohio Board of Regents approved a joint use agreement in December 1999 in which the Meigs County Community Improvement Committee would provide Rio Grande Community College unlimited use of select space in the Pomeroy Center for the purpose of offering educational programs; and

WHEREAS, Rio Grande Community College and the Meigs County Community Improvement Committee propose to amend the existing agreement to establish a fifteen-year lease period for use of the Pomeroy Center; and

WHEREAS, both parties propose to amend the existing agreement to make the rent or any other leases affecting the premises reflective of increases in the Consumer Price Index; and

WHEREAS, both parties propose to amend the existing agreement so that in the event of decreased educational demand, both parties may agree to terminate or suspend the lease for up to one year to assess future needs; and

WHEREAS, both parties propose to amend the existing agreement to provide reimbursement to the state of Ohio should the agreement be terminated prior to the expiration of the fifteen-year term; and

WHEREAS, the agreement and its amendments have been reviewed and its format is found to be appropriate, its description of extent and nature of use has been specified, and the commitment extends no less than fifteen years, and it is in conformity with Rule 3333-1-03; and

WHEREAS, the parties have determined that the value of the use is reasonably related to the amount of the appropriation;

NOW, THEREFORE,

BE IT RESOLVED: upon the recommendation of the Chancellor and with the concurrence of the Resources Committee of the Ohio Board of Regents, that the agreement between Rio Grande Community College and the Meigs County Community Improvement Committee, attached and made a part hereof, be approved.

BACKGROUND

At its meeting of December 17, 1999, the Board of Regents approved the release of $50,000 appropriated in House Bill 850 for a joint use agreement between the Meigs County Community Improvement Committee and Rio Grande Community College. The agreement provided funds allowing the Community Improvement Committee to make capital improvements to the Pomeroy Center at the newly created branch campus of the University of Rio Grande. These capital improvements would also give Rio Grande Community College unlimited use of two classrooms, one computer lab, and four offices for the purpose of offering classes to students of the Community College.

The original joint use agreement between Rio Grande Community College and the Meigs County Community Improvement Committee established lease renewal periods of five and ten years, and stipulated that the rate structure for use of the Pomeroy Center was to be based solely on those operating costs associated with this use. However, both parties propose to amend the existing agreement to establish a fifteen-year lease period as required by state law, and to use increases in the Consumer Price Index as a basis for setting the rate structure.

Additionally, both parties propose to further amend the existing agreement to allow the lease to be terminated, or be suspended for up to one year should a decrease in educational demand warrant such action. In the event of a suspended lease, both parties agree to evaluate future educational needs. In the event of a terminated lease, both parties agree to provide reimbursement to the state, which would be calculated by dividing the funds controlled by the state by fifteen and multiplying that amount by fifteen, less the number of full years the facility was utilized by the institution.