

Joint Use Agreement Worksheet

The Ohio Board of Regents

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Direction: The purpose of this worksheet is to enable a campus to demonstrate how the value of the uses that will be derived from a Joint Use Agreement is reasonably related to the value of the state capital appropriation made to the partner entity. Section I is to be filled out by the staff of the Board of Regents. Sections II and III are to be filled out by the partner campus.

Example: A campus wishes to enter into a Joint Use Agreement with a 501(C)(3) entity for a state appropriation of \$5,000,000. The annual debt service paid by the state on this appropriation is about \$390,000 per year, for 20 years. To demonstrate that the value of the uses of the facility is reasonably related to the state appropriation, the sum of the campus' educational uses of the facility should roughly equal \$390,000 per year for 20 years.

Section I: State appropriation information.

1. Amount of state appropriation provided:	\$ <u>1,000,000</u>
2. Estimated annual debt service on the appropriation:	\$ <u>76,876</u>
3. Term of the state bond, in years:	<u>20</u>

Section II: Estimated value of use of the facility.

Use(s) of the facility*	Annual value of use	# of years
a. Educational Services	\$ 190,902.33	20
b. <u>Value of facility less</u>	\$ _____	_____
c. <u>Miami University lease</u>	\$ _____	_____
d. <u>payments</u>	\$ _____	_____
e. _____	\$ _____	_____
f. _____	\$ _____	_____

(* List additional uses on separate page as needed.)

Section III:

On a separate page, explain how each use listed in Section II was valued for this analysis.

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SECTION III

The project involves the construction of a building which will be used solely for educational services. The basic structure of the transaction is as follows: Atrium Medical Center provided a ground lease, at no cost, on its campus to the City of Middletown ("Middletown"). Middletown is in the process of constructing a building on the leased real estate. The construction is being financed by the issuance of bonds by Middletown, through the State of Ohio's appropriated funding and through a federal equipment grant.

Miami University and the Warren County Career Center will each lease 50% of the building pursuant to a 20 year lease. Cincinnati State Technical and Community College has sub-leased a portion of Miami University's space. The combined lease payments of Miami University and the Warren County Career Center match the amount of the bond payments that are owed by Middletown. Because Atrium provided the ground lease at no cost and because Middletown provided the financing and because of the federal grant for the equipment, Miami University is receiving a substantial benefit from this transaction.

The total cost of the project is \$7,636,093 which includes the federal grant of \$423,720 and the real property valued at \$900,000. Because Miami is responsible for 50% of the project, the total project value to Miami based upon total cost is \$3,818,046.50. Using the twenty year lease, the annual value of the usage based upon total project cost will be \$190,902.33.