

Guidelines for Purdue University Leasing and Real Estate Transactions April 2007

Approval Process

These guidelines establish the appropriate roles and responsibilities in regard to the University's leasing, purchasing and sale of real estate. The guidelines apply across all campuses to all leases, whether leasing in or leasing out, all purchases and all sales of real estate. Attachment 1 summarizes the Board of Trustees approval process and Attachment 2 summarizes the State approval process.

Prior to the University entering into a new lease or the purchase or sale of real estate, the Executive Vice President and Treasurer (EVP&T) must review and approve the conceptual plan documented by the Leasing and Real Estate Transaction Request (Attachment 3) This review will include a check of available University space. At that time the appropriate University and State approvals should be outlined.

With the review and approval to proceed under the conceptual plan, the areas below are assigned the following responsibilities:

1. Unit Seeking Approval

Develop business and financial plan to support the transaction and complete Section A of the Leasing and Real Estate Transaction Request (Attachment 3). Units should consult Purdue Research Foundation (PRF) Real Estate Office and Physical Facilities University Architect Office as appropriate in developing this plan and secure appropriate unit-level approvals. The completed forms and information should be sent to the University Contracting Group in Freehafer Hall for further processing. It should be recognized that some lease transactions and all real estate purchase or sale transactions take considerable time to complete.

The Vice Chancellor for Administration or Finance on the regional campuses should coordinate the process on their campus. Documents should continue to flow through the University Contracting Group upon completion.

2. Purdue Research Foundation (PRF) Real Estate Office

Review and recommend leasing or real estate options, including providing benchmarks for comparison purposes. Manage negotiations for purchase or sale of real estate based on constraints approved by the EVP&T.

3. Physical Facilities University Architect Office

Physical Facilities will inspect the proposed leased premises to assure compliance with environmental, health, and safety requirements as well as building and ADA codes.

4. University Contracting Group

Review and complete Section B of the Leasing and Real Estate Transaction Request. Upon completion, submit to the Vice President for Physical Facilities (VPPF), Vice President for Business Services and Assistant Treasurer (VPBS&AT) and Senior Vice President and Treasurer of PRF (SVP&T/PRF) for review prior to submission to the EVP&T.

Upon approval by the EVP&T, obtain and review contractual terms of leasing transactions after conceptual approval has been provided. Work with legal counsel as necessary on terms and conditions. Coordinate with units the preparation of appropriate State forms for real estate or leasing transactions as needed for the State approval process.

5. Vice President for Business Services and Senior Vice President and Treasurer of PRF
Present negotiated terms of the transaction and summary documentation for approval by the EVP&T.

With approval of the EVP&T, prepare materials as appropriate for Purdue University Board of Trustees and assist with transmittal letter to the State as needed by the Treasurer.

6. Governmental Relations
Advise on State approval process and schedule. Manage requests through the approval process, serving as point of contact for the Indiana Commission for Higher Education, State Budget Committee, State Budget Agency, and the Governor.

Renewals

Renewals of existing leases for facilities or land use with annual costs of less than \$50,000 will be reviewed by the University Contracting Group and executed by the Director, University Contracting Group or the VPBS&AT as appropriate. Renewals requiring the approval of the EVP&T will be forwarded for signature as required.

Small Lease Transactions

New leasing transactions that are minor in nature will be initiated by the unit and reviewed by the University Contracting Group. As appropriate, Physical Facilities, PRF and the VPBS&AT will be involved in the review and approvals based on the facts and circumstances of the transaction. A small lease transaction is defined as less than \$10,000 per year and less than four years in duration.

Attachments:

- 1) Board of Trustees Approval Process/Summary of Approval Process for Construction, Repair, Purchase, Lease-Purchase, Lease or Sale of Land, Buildings or Facilities
- 2) State Approval Process/Summary of Approval Process for Construction, Repair, Purchase, Lease-Purchase, Lease or Sale of Land, Buildings or Facilities
- 3) Leasing and Real Estate Transaction Request
- 4) Review Process for New Real Estate or Leasing Transactions