SOU, Approval of Land Lease For Student Housing and Dining Facilities

At the December 16, 2011 meeting, the Finance & Administration Committee was presented with an overview of SOU’s planned student residence hall and dining facility project (“Project”). F&A Committee approved the Project as described and authorized SOU to enter into the required ground lease with Collegiate Housing Foundation and into an agreement with the developer, American Campus Communities. The Project has moved forward as planned and is set to close this week.

The law firm of Ball Janik is representing SOU as outside counsel on the Project. As part of the required documentation, Ball Janik is required to execute a legal opinion confirming that Craig Morris has the authority to execute all documents related to the Project on behalf of SOU. Because there are numerous documents involved (in addition to the ground lease), SOU requires a more broadly worded motion from the F&A Committee in order to support the required legal opinion.

The minutes from the December 16, 2011 meeting of the Committee approving the Project are included below for your reference:

“Following discussion, Chair Schueler called for a motion to approve both the land lease with Collegiate Housing Foundation and authorize SOU to enter into an agreement with American Campus Communities and Collegiate Housing Foundation to construct a student housing and dining facility on Board-owned property as outlined in the docket material. Directors Allyn Ford and Lynda Ciuffetti made the motion and second, respectively. Those voting in favor: Chair Kirk Schueler and Directors Lynda Ciuffetti, Allyn Ford, and Farbodd Ganjifard. Motion passed.”

STAFF RECOMMENDATION TO THE COMMITTEE

In order to fully effectuate the decision of the Committee approving the Project, staff recommends that the Committee specifically authorize SOU to execute and enter into all agreements related to or necessary to effectuate the ground lease transaction with CHF-Ashland, LLC (“CHF”) or the issuance of the Revenue Bonds (CHF-Ashland, LLC - Southern Oregon University Housing Project), Series 2012 (the (Bonds”), including, without limitation, the Memorandum of Ground Lease with CHF; the Management Agreement with CHF; the Tax Certificate and Agreement executed by the University, CHF, the Oregon Facilities Authority and Collegiate Housing Foundation; any certificates required in connection with the issuance of the Bonds; and any certificates or affidavits required by First American Title Insurance Company of Oregon. Staff further recommends that the Committee specifically authorize Craig Morris, as Vice President for Finance & Administration at SOU, to execute all the foregoing related documents and the Ground Lease Agreement on behalf of SOU.

(Committee action required.)