

U. T. Austin - The University of Texas Elementary Charter School: Request for Authorization to Lease or Acquire 2.436 Acres of Land Being a Portion of Blocks 1 and 2, Outlot 9, Division "A" and a Portion of Block 2, Outlot 10, Division "A", Original City of Austin, Travis County, Texas; Authorization to Take All Necessary Actions Needed to Lease or Acquire the Property from Perry Lorenz, Austin, Texas; and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor for Educational System Alignment, and President Faulkner that the U. T. Board of Regents authorize the Executive Director of Real Estate and the Office of General Counsel to complete negotiations to lease or acquire 2.436 acres of land located at 2200 East Sixth Street in Austin, Texas (described as being a portion of Lots 1 and 2, Outlot 9, Division "A" and a portion of Block 2, Outlot 10, Original City of Austin, Travis County, Texas), from Perry Lorenz, Austin, Texas, to be the initial site for The University of Texas Elementary Charter School for an amount not to exceed the fair market value of the transaction. It is further recommended that the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to take all actions needed to complete the acquisition and to execute all documents related thereto following approval from the Office of General Counsel.

BACKGROUND INFORMATION

At its meeting on November 13, 2002, the U. T. Board of Regents amended the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include The University of Texas Elementary Charter School project at U. T. Austin, which is scheduled to open in August 2003. On November 15, 2002, the State Board of Education granted a charter for the school. In order to complete the construction process on time, it is anticipated that the owner will convey title to the University subject to an automatic right of reversion in the event that the University does not purchase the property within five years. Under this scenario, the University will pay an option fee of \$36,000 the first year, \$48,000 the second year, \$60,000 the third year, and \$48,000 for the fourth and fifth years. The current fair market value of the property is estimated to be \$600,000. Prior to acquisition, the current owner will demolish all improvements on the site except one building that will be secured and isolated by a fence.