

Submitted by: Rebecca Cooke, Interim Vice President for Finance and Business Operations, CFO and Treasurer, *pro tempore*

**RESOLUTIONS REGARDING
OLD MAIN RENOVATION and
UNDERGRADUATE LIBRARY CONSTRUCTION**

Recommendation

The Administration recommends that the Board of Governors adopt the attached Resolutions. The Resolutions provide for the State Building Authority to convey title to Old Main and the Undergraduate Library (now known as the David W. Adamany Undergraduate Library) to Wayne State University.

Background

The State Building Authority acquired Old Main and the site upon which it was constructed pursuant to a Resolution adopted by the Board of Governors on May 23, 1995. The State Building Authority acquired the Undergraduate Library and the site upon which it was constructed pursuant to a Resolution adopted by the Board of Governors on October 29, 1997. The Resolutions provided the financing mechanism for the renovation of Old Main and the construction of the Undergraduate Library. The financing mechanism was as follows:

1. The State authorized the State Building Authority to sell bonds to secure the necessary financing for the projects.
2. The University deeded Old Main and the Undergraduate Library to the State Building Authority to serve as collateral for the portion of the bonds used to finance both renovation and construction projects.
3. The State Building Authority leased Old Main and the Undergraduate Library back to the University for a period of thirty (30) years, rentals set at an amount equal to our share of the monthly debt service for the bonds.
4. Once the bonds are retired for each project, the State Building Authority agreed to convey the property to the University for one dollar (one dollar for each property).

The total renovation cost of Old Main was \$41,845,000, and the total cost of construction of the Undergraduate Library cost \$25,999,000. The revenue bonds have been paid in full for each project and the State Building Authority can now convey title to the University upon the payment of one dollar for each site and adoption of this Resolution. Both Resolutions conveying title to the University are standard form resolutions utilized by the State Building Authority.

A RESOLUTION OF THE BOARD OF GOVERNORS
OF WAYNE STATE UNIVERSITY REQUESTING CONVEYANCE
OF PROPERTY FOR THE OLD MAIN BUILDING RENOVATION AND
ACCEPTING OBLIGATIONS FOR THE FACILITIES

A RESOLUTION of the Board of Governors of Wayne State University (the "Educational Institution") requesting and approving the conveyance of property and to provide matters relating thereto.

WHEREAS, the State Building Authority (the "Authority"), a statutory body corporate created under provisions of 1964 PA 183, as amended, is authorized to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage and maintain buildings, necessary parking structures or lots and facilities and sites therefore for use by the State or any of its agencies including institutions of higher education created pursuant to Sections 5, 6 and 7 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the Educational Institution has been created and is maintained pursuant to Sections 4 and 5 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the Authority has previously acquired the Old Main Building Renovation and the site upon which it was constructed (the Old Main Building Renovation and the site together are the "Facilities") and the Authority leased the Facilities to the Educational Institution and the State of Michigan (the "State") pursuant to a lease dated as of November 1, 1997, as amended (the "Lease"); and

WHEREAS, under the terms of the Lease, the Authority agreed to convey title to the Facilities to the Educational Institution upon request by the Educational Institution after the Bonds which financed the Facilities (the "Bonds" as defined in the Lease) and any additional bonds or other obligations as provided in the Lease are paid in full or provision for the payment thereof is made as provided in the Lease for consideration of one (\$1.00) Dollar and the assumption by the Educational Institution of all monetary obligations and legal responsibilities for the operation and maintenance of the Facilities; and

WHEREAS, the Bonds have been paid in full and all conditions established by the Lease as conditions precedent to conveyance of title to the Facilities by the Authority to the Educational Institution have occurred.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF GOVERNORS OF THE EDUCATIONAL INSTITUTION THAT:

1. The Educational Institution hereby requests that the Authority convey title to the Facilities by Quitclaim Deed to the Educational Institution.

2. The consideration for the conveyance of the Facilities shall be one (\$1.00) Dollar and the assumption by the Educational Institution of all monetary obligations and legal responsibilities for the operation and maintenance of the Facilities.

3. The conveyance of the Facilities pursuant to the terms and conditions set forth above is approved and each of the President, and Interim Vice President for Finance and Business Operations, Chief Financial Officer and Treasurer, *in tempore* of the Educational Institution is authorized and directed to execute any documents to accomplish the conveyance in such form as may be requested by the Authority and approved by counsel for the Educational Institution.

4. All ordinances, resolutions and orders or parts thereof in conflict with this resolution are, to the extent of such conflict, repealed.

5. This resolution shall be effective immediately upon its adoption.

A RESOLUTION OF THE BOARD OF GOVERNORS
OF WAYNE STATE UNIVERSITY REQUESTING CONVEYANCE
OF PROPERTY FOR THE UNDERGRADUATE LIBRARY AND ACCEPTING
OBLIGATIONS FOR THE FACILITIES

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WHEREAS, the Educational Institution has been created and is maintained pursuant to Sections 4 and 5 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the Authority has previously acquired the Undergraduate Library and the site upon which it was constructed (the Undergraduate Library and the site together are the "Facilities") and the Authority leased the Facilities to the Educational Institution and the State of Michigan (the "State") pursuant to a lease dated as of February 1, 1998, as amended (the "Lease"); and

WHEREAS, under the terms of the Lease, the Authority agreed to convey title to the Facilities to the Educational Institution upon request by the Educational Institution after the Bonds which financed the Facilities (the "Bonds" as defined in the Lease) and any additional bonds or other obligations as provided in the Lease are paid in full or provision for the payment thereof is made as provided in the Lease for consideration of one (\$1.00) Dollar and the assumption by the Educational Institution of all monetary obligations and legal responsibilities for the operation and maintenance of the Facilities; and

WHEREAS, the Bonds have been paid in full and all conditions established by the Lease as conditions precedent to conveyance of title to the Facilities by the Authority to the Educational Institution have occurred.

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