

**Agendum
Oakland University
Board of Trustees Formal Session
October 31, 2011**

**REAL ESTATE LEASE AGREEMENT–
OAKLAND SCHOOLS
A Recommendation**

1. **Division and Department:** Academic Affairs, School of Education and Human Services

2. **Introduction:** The School of Education and Human Services (SEHS) has been offering degree and certificate programs in Oakland County and elsewhere using the support and coordination of the SEHS Professional Development and Education Outreach Office (SEHS-PD). These courses have represented all Departments in SEHS and educators, counselors, and career changers have taken advantage of these programs in locations such as Grand Blanc, Troy, Bloomfield, Birmingham, and Huron Valley. There have been other programs throughout the state including Macomb, Livingston, and Wayne Counties, as well as online. SEHS-PD wishes to expand upon these efforts and promote SEHS programs and courses in new markets. To this end, SEHS wishes to establish a base in the Oakland Schools main building in Waterford.

Oakland Schools is the intermediate school district for Oakland County and maintains four campuses in quadrants of the county. Being located in the main Oakland Schools building provides many advantages for our program as our major clientele are persons associated with education and human services. OU's presence in an area visible from the main entrance would be seen by Oakland Schools' 13-14,000 visitors per year. During the 2009-2010 academic year over 9,800 participants took part in approximately 350 professional development courses in the building. It is highly likely that every superintendent and every principal of an Oakland County school visits this building every year, generally more than once. SEHS-PD wants to reach these people who are key to expanding our programs. The Oakland Schools building houses state of the art classrooms and conference rooms which could be used for our classes.

In a meeting with Dean Gallien and SEHS-PD Director Lisa Reeves, Superintendent Vickie Markavitch expressed a desire to work with Oakland University to establish offices at Oakland Schools. Her staff has been extremely helpful in planning these offices and supportive of other collaborative endeavors.

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We respectfully request that the Board of Trustees (Board) authorize the Senior Vice President for Academic Affairs and Provost to negotiate a lease agreement with Oakland Schools to lease space to the University for three years (until August 31, 2014).

The Board Policy and Procedure for Disposal, Acquisition, Lease and Other Transfer of Real Property Interests requires Board approval for all leases of real property for University use when the lease term is more than one year or the annual rent is more than \$12,000. The lease agreement will be in compliance with the law and University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

3. Previous Board Action: None.

4. Budget Implications: Implications for the budget include one-time expenditures, ongoing lease payments, and expenditures related to classroom space as courses and programs are moved to the site in the future.

Costs associated with relocating and furnishing the new space will be covered by the SEHS. Expected lease payments will consist of approximately \$26,500 per year for the entire term of the three-year agreement. The three-year total will be approximately \$79,500. It is projected that costs related to the lease will be more than covered by increased enrollment as a result of the move. If overall program enrollment were to increase by only 1%, this would represent approximately \$52,000 additional revenue each year. An enrollment increase of 2-3% is projected. In the case that an enrollment increase was not realized, revenue from the SEHS continuing education program offerings is sufficient to cover these costs over the three year period.

No additional personnel are being requested as a result of a move to Oakland Schools. As enrollment increases, as projected, requests for additional SEHS-PD personnel may be needed in the future in order to continue excellent service to our clientele.

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5. **Educational Implications:** The University will use the premises to support and market instructional programs for students, including classroom instruction and all related activities.
6. **Personnel Implications:** None. Existing SEHS-PD staff members will fill the positions in the Oakland Schools offices.
7. **University Reviews/Approvals:** This recommendation has been reviewed by the Dean of the School of Education and Human Services and the Senior Vice President for Academic Affairs and Provost.
8. **Recommendation:**

RESOLVED, that the Board of Trustees authorizes the Senior Vice President for Academic Affairs and Provost to execute the lease agreement; and, be it further

RESOLVED, that the lease agreement be reviewed and approved by the Office of the Vice President of Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel.


9. **Attachments:** None.

Submitted to the President
on Oct. 25, 2011 by



Virinder K. Moudgil
Senior Vice President for
Academic Affairs and Provost

Recommended on October 25, 2011
to the Board for approval by



Gary D. Russi
President