

# Board of Trustees of the Nebraska State Colleges

## Facilities

POLICY  
NAME: Lease-Purchase Financing

POLICY  
NUMBER: 8026

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### A. PURPOSE

To provide the parameters related to the lease-purchase option to finance revenue facilities that are not part of the Auxiliary System.

### B. DEFINITIONS

1. **Auxiliary System:** Facilities comprised of housing facilities, buildings and structures used for athletic and wellness purposes, student centers, medical centers and parking facilities that are pledged under a bond resolution.
2. **Revenue Facility:** Facilities comprised of housing facilities, buildings and structures used for athletic and wellness purposes, student centers, medical centers and parking facilities that produce revenue necessary to support the facility.

### C. POLICY

#### 1. **Site of Lease-Purchase Facility**

The Board is authorized to lease to any persons, firms or corporations portions of the respective campuses under their control as may be necessary to be used as sites for construction of fireproof buildings for dormitories, boarding, housing and student activity purposes, athletic structures and parking, or as sites for the establishment of parking facilities.

##### 1.1. Athletic Facility on State Property

The Board may also lease from any person, firm or corporation an athletic structure or structures constructed on a site or sites owned by the State of Nebraska when the person, firm or corporation has the permission of the Legislature to construct on such site or sites.

##### 1.2. Acquiring Land to Lease

The Board may acquire lands adjacent to the campus of any such institution by donation or purchase with any funds they may have available for that

purpose to be leased as sites for such buildings and facilities. The colleges must follow policy 8002 to acquire real property.

## **2. Lease-Purchase**

In connection with such financing, the Board may contract with the owners of the buildings or facilities erected on land leased from the Board for the purpose of providing housing, for athletic and wellness purposes, student centers, medical care or parking facilities. The Board may also contract with the owner of an athletic facility erected on state property, with approval of the Legislature.

### **2.1. Lease or Rental Rate**

The rental or lease rate for the use of the buildings or facilities will be an amount sufficient to pay the principal and interest on an amortization schedule not to run more than 40 years.

### **2.2. Amortization Interest Rate**

The rate of interest allowed on the cost of construction and related costs shall be fixed by the Board and payable annually or semiannually.

### **2.3. Title**

The contract shall provide that when the cost of construction and related costs has been satisfied according to the amortization schedule, that the buildings and facilities shall become the property of the Board.

## **3. Funding Source**

The Board may pledge all or any part of the net revenues and fees derived from the operation of housing facilities, buildings and structures used for athletic and wellness purposes, student centers, medical centers and parking facilities that are not part of the Auxiliary System, to pay the required principal and interest cost.

### **3.1. Limitations**

In no case is the Board authorized to pledge the credit of the State of Nebraska for the payment of any sum or sums over and above the net income derived from the leased facility unless a State appropriation is specifically made for such purposes.

### **3.2. Legislative Approval**

If the Board proposes to pledge all or any part of the revenues and fees from buildings and facilities other than the buildings or facility to be constructed, the plans for such building or facility to be constructed, including financing plans, shall first be submitted to the Legislature or the Executive Board of the Legislative Council for approval.

## FORMS/APPENDICES:

None

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### SOURCE:

<b>Legal Reference:</b>	Neb. Rev. Stat. 85-401	Board of Regents; Board of Trustees; campus buildings and facilities; lease-purchase agreements authorized; conditions.
	Neb. Rev. Stat. 85-402	Campus buildings and facilities; pledge of income and appropriations authorized; limitations.
	Neb. Rev. State. 85-404	Dormitories; housing facilities; parking facilities; other facilities; revenue bonds; issuance; approved by Legislature.

**Policy Adopted:** March 1994

**Policy Revised:** November 1995, September 2006, March 2013, June 2014, June 2023