

# ASU System Policy

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**Effective Date:** May 15, 2009

**Subject:** Construction on Leased Ground

**Category:** Capital Assets & Construction 1.40

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## 1. Purpose

The Arkansas State University System (ASU System) is committed to ensuring that 100% of construction funds are available before construction begins on any building projects on grounds which have been leased to third parties by the ASU System.

## 2. Arkansas State University System Construction on Leased Grounds Policy

The institutions of the ASU System may enter into favorable land leases if it is deemed in the best interest of the system. If such leases are necessary to allow or enable construction of a facility, building, or structure, then 100% of the necessary funding must be in place before construction may begin.

## 3. Process

Third parties desiring to lease ASU System property should contact the chancellor for the campus on which the lease will be sought. If it is determined that it is in the best interest of the ASU System to enter into a land lease, the appropriate lease must be drawn. That document will require that 100% of the necessary funding be in place before construction may begin.

Every lease for projects on ASU System property will specify that the property will be maintained to system standards. If the property is not maintained appropriately, the campus facilities staff will have the work completed to the system standards and then billed back to the land lessee.

The lease must contain language that requires the campus chancellor to approve all building and site plans before any construction may begin.

Once a valid lease has been executed, the lessee must receive a written document from the responsible campus officer that authorizes construction to begin before the lessee may proceed with any construction.

Exceptions to this policy may be granted by the Board of Trustees chair and the ASU System president.

(Adopted by the Arkansas State University Board of Trustees on May 15, 2009, Resolution 09-21)