UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts not less than $5 million for the sale of University of Houston property in Ingleside, Texas.

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:

Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts associated with the sale of a 22.88 acre tract located in Ingleside, Texas which was gifted to the University of Houston by BP in 2009. A recent appraisal values the property at $3.38 million. We have a letter of intent from an oil service company to purchase the property for $3 million plus $2 million in royalties. This company plans to use the land as a terminus to an oil pipeline they are building, build oil storage tanks on the property, and load barrels on to barges. Royalty payments will be made based on revenues from the shipping activities.

SUPPORTING DOCUMENTATION: Property Information, Site Map

FISCAL NOTE: $3 million property purchase and $2 million royalties

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston

PRESIDENT Renu Khator	Renu Khator	**DATE** 7/20/12
EXECUTIVE VICE CHANCELLOR	Carl Carlucci	**DATE** 7/19/2012
CHANCELLOR Renu Khator	Renu Khator	**DATE** 7/20/12

UNIVERSITY of HOUSTON

INGLESIDE DOCK FACILITY – PROPOSED LAND SALE

HISTORY

This property consists of two separate parcels, 22.88 total acres gifted to the University in 2008 by BP. The land was originally gifted to benefit the University in wind blade research. We have received increasing interest over the last year including a letter from the The Mayor of Ingleside urging us to sell the property. As we planned, we held the property for three years and , when it was decided that the property would not be used for wind blade research, began marketing the property.

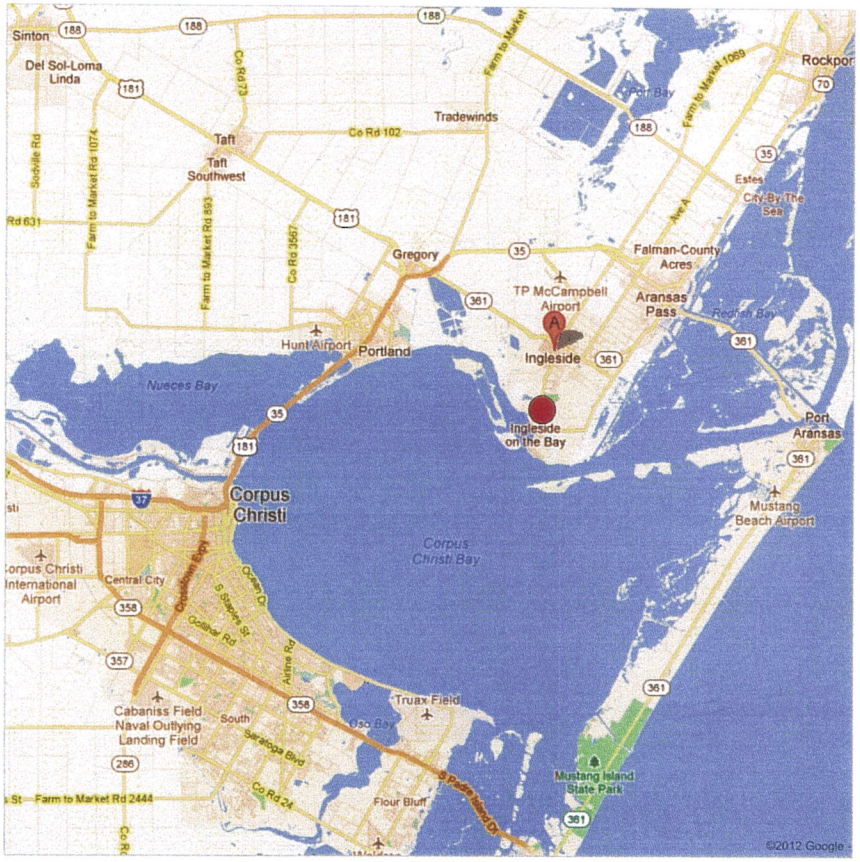
CURRENT VALUATION

The property was recently appraised in 2012 with a valuation of $3.38 million which reflects an increase in market value over the last three years due in large part to increased oil and gas drilling activities in the region and the lack of suitable deep water access sites.

UNIVERSITY of HOUSTON

INGLESIDE DOCK FACILITY – PROPOSED LAND SALE

SITE MAP





08/15/12
CONSENT DOCKET-F&A-P66

UNIVERSITY of HOUSTON

INGLESIDE DOCK FACILITY – PROPOSED LAND SALE

SITE MAP



08/15/12
CONSENT DOCKET-F&A-P67