NOTICE OF PROPOSED REGULATION AMENDMENT

Date: September 27, 2017

REGULATION TITLE: Real Property Leasing
REGULATION NO.: UCF-7.203

SUMMARY OF REGULATION AMENDMENT: This regulation is amended to remove the language on the prohibition of escalation causes. Escalation causes used to be prohibited under Board of Governor’s rule 6C7-17.005, but no longer are. To increase the University’s flexibility and bargaining position, we are removing this provision from our regulation.

AUTHORITY: BOG Regulations 1.001 and 17.001

NAME OF PERSONS WHO INITIATED PROPOSED REGULATION AMENDMENT: Greg Robinson, Director, Purchasing

COMMENTS CONCERNING THE PROPOSED REGULATION AMENDMENT SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation you are commenting on.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED REGULATION AMENDMENT IS:

   Regulations Administrator
   4365 Andromeda Loop N.
   Millican Hall, Suite 360
   Orlando, FL 32816-0015
   Phone: (407) 823-2482
   e-mail: regulations@ucf.edu

FULL TEXT OF THE PROPOSED REGULATION AMENDMENT:

   UCF-7.203 Real Property Leasing.

   (1) The University of Central Florida may lease real property for the use and benefit of approved programs of the University, according to this and other related regulations.

   (2) Exceptions. These regulations shall not apply to leases for less than 21 consecutive days.
(3) Lease. A lease is an agreement containing the terms and conditions establishing the relationship of landlord and tenant for real property, including land and any improvement thereon. A lease agreement must be in writing and executed by an authorized university official.

(4) Approval of Leases. Before leasing a building or any part thereof and occupying such space, a lease agreement shall be approved by the University’s attorney and the President or Vice President for Administration and Finance or, for leases up to $100,000, by the Purchasing Director. All lease agreements in excess of $1,000,000 shall be approved also by the Board of Trustees or designee.

(5) Nothing contained in these regulations shall be interpreted as circumventing any applicable statutory or regulatory requirements for life safety, construction, or disabled access.

(6) Standard Lease Agreement Terms. The University has certain standard lease agreement terms that it requires where the university leases space from a third party and where the university is the landlord. All lease agreements must have the prior approval of the Office of the General Counsel or shall be considered null and void.

(7) Escalation Clauses Prohibited. A lease shall not contain a rental escalation clause or an open rental rate that permits an adjustment in the amount paid by the University based on the happening of a future event, such as a change in the Consumer Price Index. Any such clause in a lease shall be null and void and unenforceable. The final cost to the University for the complete term of a lease, including the projected costs for all renewal periods, must be clearly set forth in the lease or calculable based on the terms of the lease.

(8) Right-to-Terminate Clause Required. A right-to-terminate clause shall be a part of any lease for a term exceeding one fiscal year and may not be omitted from any University lease. To comply with this provision, each lease for a term exceeding one fiscal year shall contain the following clause: “The State of Florida’s performance and obligation to pay under this lease is contingent upon an annual appropriation by the legislature.”

(9) Renewal of Leases. Any lease may contain an option to renew. Any such renewal shall be made according to the terms and conditions of the lease.
(10) Code Compliance in Leased Space.

(a) Any privately owned building or any part thereof to be leased to the University shall comply
with those portions of Chapters 553 and 633, F.S., applicable to University buildings,
including but not limited to fire safety, life safety and disabled access standards.

(b) Before construction or renovation of any state-leased building is commenced, the University
shall ascertain that the proposed construction or renovation plan complies with those
applicable portions of Chapters 553 and 633, F.S.

(c) The cost of all modifications or renovations made for the purpose of bringing lease property
into compliance with applicable fire safety, life safety, and disabled access standards
shall be borne by the lessor unless otherwise agreed in writing by the University.

(11) Space Measurement. The measurement of leased space shall be based on the method of
measurement used by the State University System for gross square feet as described in BOG Regulation
17.001.

*Authority: BOG Regulations 1.001 and 17.001. History–Renumbered and Amended 8-4-82, 3-16-03;
Renumbered and Amended 8-31-09, 7-5-16, ______-17.*