

11.300 Real Property

11.301 Authority. The Board has the authority to acquire and dispose of real property or an interest therein on behalf of the System. Real property shall be acquired by purchase when a demonstrated need exists and sources of funds for the acquisition and holding have been identified. Real property may also be acquired by gift or by eminent domain.

11.302 Board Approval. Board approval is required for the following:

1. Regardless of value, acquisition of real property by purchase when the real property is located outside the acquisition boundary approved by the Board in the current campus master plan.
2. Except as otherwise provided in these Regents Rules, the transfer or sale of real property located within the acquisition boundary approved by the Board in the current campus master plan.
3. The lease of real property (other than mineral rights) that has a cost or monetary value to the System Administration or an Institution of more than \$1,000,000.
4. The encumbrance or lease of a mineral interest in real property that includes surface drilling rights.

11.303 Delegation of Authority.

1. The Board delegates to the Chancellor the authority to negotiate and execute the following types of contracts related to real property:
 - a. Contracts related to real property transactions referenced in Regents Rule 11.302 that have been approved by the Board.
 - b. Contracts related to the acquisition of real property by eminent domain, including contracts related to the relocation of tenants or businesses in an eminent domain proceeding, after the Board has approved the decision to exercise the power of eminent domain.

- c. Regardless of value, contracts related to the acquisition of real property located within the acquisition boundary approved by the Board of Regents in the current campus master plan.
 - d. Regardless of value, contracts related to the acquisition of real property by gift.
 - e. Contracts related to the lease of real property (other than mineral rights) that have a cost or monetary value to the System, System Administration or an Institution of \$1,000,000 or less.
 - f. Regardless of value, contracts related to the encumbrance or lease of a mineral interest in real property, when the contract does not include surface drilling rights.
 - g. Regardless of value, contracts related to the transfer or sale of real property acquired by gift and located outside the acquisition boundary approved by the Board in a current master plan.
 - h. Contracts related to the granting of utility easements and rights-of-way for the benefit of the System Administration or an Institution when required for a municipality or utility company that have a total value of \$1,000,000 or more.
2. The Board delegates to the Vice Chancellor for Facilities Planning and Construction the authority to negotiate and execute the following types of contracts related to real property:
- a. Contracts related to the granting of utility easements and rights-of-way for the benefit of the System Administration or an Institution when required for a municipality or utility company, with a value of less than \$1,000,000.

11.304 Title. Title to real property shall be held in the name of the System.

11.305 Interests. All interests in real property acquired by the System are controlled by the Board. For purchases of real property, the System shall obtain a fee simple absolute interest in real property unless it is deemed prudent by the Chancellor or the Chancellor's designee to acquire a lesser interest.

11.306 Prohibition Against Below Market Sale or Lease of Real Property. Below market sales or leases of real property owned by the System is prohibited unless the sale or lease serves a public purpose appropriate to the function of the System and Institutions, adequate consideration flows to the

System, and sufficient controls are in place to ensure that the public purpose is met.

- 11.307 Responsibility. All activities involving the acquisition of real property shall be coordinated by the Office of Vice Chancellor for Facilities Planning and Construction. The Vice Chancellor for Facilities Planning and Construction will coordinate acquisitions of real property by gift or donation with the Office of Advancement.
- 11.308 Appraisals and Assessments. The Office of Vice Chancellor for Facilities Planning and Construction must obtain the following appraisals and assessments prior to the acquisition of real property:
1. Takings Impact Assessment. In accordance with Regents Rule 11.604, a takings impact assessment shall be conducted when required by Texas Government Code §2007.043 to ensure the private real property implications of the acquisition are considered by the Board.
 2. Environmental Assessment. An environmental assessment shall be conducted that, at a minimum, makes a reasonable inquiry into the previous ownership and uses of the property and is consistent with good commercial or customary practice.
 3. Survey. A survey shall be obtained when consistent with good commercial or customary practice. The Vice Chancellor for Facilities Planning and Construction may determine if an existing survey may be substituted or if circumstances are commercially reasonable not to obtain a survey.
 4. Two Appraisals. All real property purchases costing \$1,000,000 or more must be supported by two appraisals. For purposes of this Regents Rule, the most recent appraisal of the local property tax appraisal district may be used as one of the required appraisals. Appraisers retained by the System shall meet the minimum certification requirements for appraisers established by the Texas Higher Education Coordinating Board Rules.
- 11.309 Legal Review Required. Legal forms and documents for all transactions related to the acquisition of real property shall be reviewed and approved as to form and for legal sufficiency by the Office of General Counsel.
- 11.310 Title Policy. A title policy shall be obtained at the time of acquisition, except for easements and rights of way.

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