

Minnesota State Colleges and Universities  
System Procedures  
Chapter 6 | Facilities Management

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Procedures 6.7.2 Use of College and University Facilities (College or University as Lessor).

Part 1. Purpose. This procedure provides direction when leasing or otherwise allowing use of Board-owned land and/or improvements, consistent with state law, Board of Trustees policy, and procedures 6.7.2 for Leasing and Use of College

Lessor or Landlord. In any Facilities Agreement, it shall mean the State of Minnesota by and through the Board of Trustees of Minnesota State Colleges and Universities, on behalf of [college or university, and campus name].

Lessee or Tenant. In any Facilities Agreement, it shall mean the legal entity or individual who uses a college or university Facility.

License. Shall mean a short-

Part 4. Authority. The Board of Trustees of Minnesota State Colleges and Universities may allow the use of its Facilities under its control, and retain revenues derived from such use, subject to such limitations as may be imposed by the constitution, rules, regulations, laws or statutes. Board Policy 5.14 provides that contracts, including real property leases, shall not exceed five (5) years, including renewals, unless otherwise provided for by law or approved by the chancellor

The following grid provides examples of the types of Facilities Agreements to use under particular

Subpart B. Length of Terms. Short and Long-term Use of Campus Facilities. Permission to use Facilities for continuous, exclusive use of Facilities lasting a year or longer. Licenses, Facilities Use Agreements and Multi-Facility Use Agreements are reserved for shorter-term or sporadic use of Facilities lasting less than one year. Campus to Campus Agreements are used between MnSCU campuses and the system office.

Subpart C. Improvements on Campus by a Lessee/Tenant. Leasehold Improvements must be funded by the User of the space. All Leasehold Improvements must comply with MnSCU Design and Construction Standards and the Facilities Master Plan. Major improvements in College or University Facilities by a Lessee requires a Construction and License Agreement, and may be subject to additional approvals up to and including Board of Trustees approval and, in some cases, Legislative approval. A Facilities Agreement may provide that the College or University will reimburse a Tenant for a portion of Leasehold Improvements that the Tenant makes to a College or University Facility if the College or University does not permit the Tenant to renew the lease at the end of a term.

An agreement that allows use of campus telecommunications systems requires consultation with Information Technology Services at the system office to ensure that issues of security, bandwidth and specialized technology requirements are addressed.

## Part 7. Payment for Lease of Facilities.

Subpart A. Generally. Colleges and Universities shall charge a User a reasonable amount when leasing their Facilities that covers the approximate cost of all operating costs, including parking, administrative overhead, debt service, leasehold improvements, and any specialized costs that would be attributable to the lease of the Facility. Facility fees and rent should be fair and reasonable. Colleges and Universities shall annually publish and provide Users with their fee schedules for use of campus facilities. Income generated from use of campus facilities may be retained by the College or University or system office, subject to state statute, rule and/or Board policy and practice.

Subpart B. Source of Funding Impact on Allowable Use and Rent. The source of funds used to acquire, construct, renovate, or improve College or University Facilities impacts how rent or fee revenues may be used, and may impact the ability of a College or University to lease out a campus Facility. The source of funds used to construct or purchase a Facility generally falls into one of five categories:

1. General Obligation Bond Proceeds. State bond financing issued by the Legislature to purchase Facilities or construct improvements (including pre-design money) that were provided directly for College and University Facilities or indirectly funded through school districts, joint technical college districts or intermediate districts prior to the merger.
2. State General Fund. Direct or indirect appropriations from the Legislature from the State General Fund.
3. Proceeds from gifts, bequests, devises or endowments. Proceeds from these sources may have restrictions as part of the terms of acceptance.



