


December 11, 2024

TO: Members of the Board of Trustees

FROM: Jeffrey P. Geoghegan, CPA 
Executive Vice President for Finance and Chief Financial Officer

RE: Purchase, Master Lease, Sublease and Escrow Agreement of 1201 Washington Boulevard in Stamford for Student Housing at UConn Stamford

RECOMMENDATION:

That the Board of Trustees authorizes the University Administration to enter into a Purchase and Sale Agreement, Master Lease, Sublease and Escrow Agreement concerning the property at 1201 Washington Boulevard in Stamford CT for the intended use as student residential housing for UConn Stamford. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees authorizes the University Administration to enter into a Purchase and Sale Agreement, Master Lease, Sublease and Escrow Agreement and any other necessary legal or ancillary documents concerning the property at 1201 Washington Boulevard in Stamford CT for the intended use as student residential housing for UConn Stamford”.

BACKGROUND:

The University entered into a long-term agreement with RMS Properties for an apartment building in 2016 near UConn Stamford to provide residential housing for the first time at a regional campus. The housing has been extremely successful in assisting the regional campus to grow enrollment. The University has increased its housing supply over the last seven years and currently has 675 beds of housing available for students through a combination of long-term agreements and market rate units. On an individual unit basis, the University makes a small profit on student housing provided through long-term agreements but loses money on market rate units.

The demand for housing has regularly exceeded the University’s stock. The University issued a Request for Expressions of Interest (RFEI) in spring 2024 to solicit proposals to provide housing under long-term agreements. The University received (11) eleven responses and after interviewing and visiting a shortlisted set of properties, determined that the proposal by the Owners of 1201 Washington Boulevard represented the best opportunity.

THE PROPERTY

1201 Washington Boulevard is a 94-unit existing apartment building located immediately to the north of the main campus building at UConn Stamford. The owners (RMS Properties and Wolff Companies) propose emptying the building from its current occupants over the next approximately two years and leasing the entire building to the University for student housing. With a change to dormitory use, the building has a capacity for approximately 350 beds of student housing. Additionally, the property has 116 parking spaces that will be included in the transaction.

We plan on utilizing the same legal structure as was used in the last long-term agreement transaction at 900 Washington Boulevard in Stamford. The four components are as follows: a) a purchase by the University of the entire parcel for a nominal value, b) a master lease of the property to RMS/Wolff to transfer maintenance and capital obligations, c) a sublease that provides the right of occupancy to the University in exchange for a lease payment, and d) an escrow agreement, which consummates the transaction now, but allows the closing to be in approximately 20 months when the building is emptied. The master lease and sublease are coterminous.

MATERIAL TERMS

Most of the University's obligations to RMS/Wolff are in the Sublease and include the following:

- The term of the sublease is 25 years commencing July 1, 2026
- The University will have the option of leasing any units that are available in the summer 2025 at a 15% discount to the current market rates. This is estimated at between 100 and 140 beds of housing.
- The first-year base rent will be approximately \$2.89 million
- Rent will escalate at a rate of 2.75% each year thereafter
- RMS/Wolff will have all responsibilities for maintenance and capital repairs for the property
- The University is responsible for utility expenses and any damage to the property
- Public space furniture will be provided by RMS/Wolff
- The University is responsible for furnishing the units
- The property reverts back to RMS/Wolff at the end of the master lease and sublease

Exhibit A includes a photograph of the existing apartment building.

--END--

EXHIBIT A



Existing Apartment Building at 1201 Washington Boulevard, Stamford CT