



John R. Kasich, Governor  
Jim Petro, Chancellor

University System of Ohio  
Board of Regents

DIRECTIVE 2012-007

March 8, 2012

RE: JOINT USE AGREEMENT BETWEEN THE OHIO STATE UNIVERSITY AND SCIENCE AND TECHNOLOGY CAMPUS CORPORATION, COLUMBUS, OHIO

Pursuant to the Ohio Research Scholars Program, the Ohio Department of Development (ODOD) issued Grant Agreement TECH 09-028 to The Ohio State University in support of the project entitled, *Ohio Imaging Research and Innovation Network*. The Ohio State University desires to use a portion of the Award capital funds in the amount of \$1,260,000 for joint use on the project.

The agreement conforms to Ohio Administrative Code as follows –

- The format of the agreement is appropriate
- The commitment extends no less than fifteen years
- The value of use to Ohio higher education institutions is reasonably related to the amount of the appropriation

Agency staff reviewed the agreement and posted its recommendations to the Regents' web site for purposes of providing a period of public comment before final approval by the Chancellor. The materials posted for comment and the joint use agreement are attached to this document.

Based on my review of staff recommendations, I hereby approve the Joint Use Agreement between The Ohio State University and the Science and Technology Campus Corporation, Columbus, Ohio.

This directive will take effect immediately.



Jim Petro  
Chancellor, Ohio Board of Regents


mlc

# Joint Use Agreement

Date: February 15, 2012

## RECOMMENDATION

The Capital Planning Section has reviewed and recommends approval of the Joint Use Agreement between The Ohio State University and SciTech.

 2.15.12

Signature

Date

## RECOMMENDATION

The Office of the Vice Chancellor of Finance has reviewed and recommends approval of the Joint Use Agreement between The Ohio State University and SciTech.

 16 Feb 12

Signature

Date

## Joint Use Agreement Worksheet

The Ohio Board of Regents

April, 2005

Direction: The purpose of this worksheet is to enable a campus to demonstrate how the value of the uses that will be derived from a Joint Use Agreement is reasonably related to the value of the state capital appropriation made to the partner entity. Section I is to be filled out by the staff of the Board of Regents. Sections II and III are to be filled out by the partner campus.

Example: A campus wishes to enter into a Joint Use Agreement with a 501(C)(3) entity for a state appropriation of \$5,000,000. The annual debt service paid by the state on this appropriation is about \$390,000 per year, for 20 years. To demonstrate that the value of the uses of the facility is reasonably related to the state appropriation, the sum of the campus' educational uses of the facility should roughly equal \$390,000 per year for 20 years.

### Section I: State appropriation information.

1. Amount of state appropriation provided:	\$ <u>1,260,000</u>
2. Estimated annual debt service on the appropriation:	\$ <u>96,868</u>
3. Term of the state bond, in years:	<u>20</u>

### Section II: Estimated value of use of the facility.

Use(s) of the facility*	Annual value of use	# of years
a) <u>Office space for imaging research</u>	<u>\$23,800</u>	<u>20</u>
b) <u>Educational / Training use of space</u>	<u>\$ 4,120</u>	<u>20</u>
c) <u>OSU Scholars and PI lab space</u>	<u>\$13,843</u>	<u>20</u>
d) <u>Sponsored Research project use</u>	<u>\$53,673</u>	<u>20</u>
e) <u>Development Project space</u>	<u>\$ 1,563</u>	<u>20</u>

(\* List additional uses on separate page as needed.)

### Section III:

On a separate page, explain how each use listed in Section II was valued for this analysis.

## Joint Use Agreement Worksheet

### Section III

The facility will be used to house different components of the Ohio Imaging Research and Innovation Network (OIRAIN), its proposed Molecular Imaging Agent Research and Services Center (MIRSC) as well as other components of the Wright Center of Innovation in Biomedical Imaging (WCI-BMI). As it was determined that purchasing the building is the most cost-effective way for the OSU lead program to organize and pursue the opportunities for Advancing Biomedical Imaging Research as well as developing additional programs as envisioned under the Ohio Scholars program, we are contracting with SciTech, a not-for-profit OSU affiliated entity, to purchase and provide the building located at 1212-1216 Kinnear Road as a facility for our projects. Only the space currently being used by the OSU TLC (~5000 sqft) is usable at this time, the remainder is considered shelled space.

The building will serve the research, educational and commercialization opportunities of the above OSU based efforts including the space to support the affiliated OSU based scholars and PI's of above and related projects.

The existing built out space will be used for research projects performed by OSU in relationship to the above projects. The office space will provide working environments to students participating in research or educational programs in Biomedical Imaging Science, scientific staff, visiting scientist and faculty as well as the associated scholars and PI's.

The shelled space will serve as the environment to place, implement and develop additional projects under the OIRAIN and WCI-BMI projects. It will enable the creation of new interfaces between OSU and its academic mission in research, education and service with Ohio based academic and commercial partners.

The estimated value of the facility provided are estimated to be annually for the next 20 years; for the use as office space to support OSU imaging research \$23,800; for the use of educational and training use of the space \$4,120; for the use as lab space for the OSU scholars and PIs \$13,843 and as space for sponsored research or service projects \$53,673 as well as \$1,563 for development project use. The annual estimated value is \$96,999 and over the twenty years use expected to surpass \$1.94 million.

	Annual		Sq Feet used for		
	Value	Percent of Total	function	Cost per sq foot	
Office Space	\$23,800	19%	4760	\$	5.00
Training Space	\$4,120	3%	824	\$	5.00
Lab Space	\$13,843	16%	3955	\$	3.50
Research Project use	\$53,673	60%	15335	\$	3.50
Dev Project space	\$1,563	2%	625	\$	2.50
	<u>\$96,999</u>	<u>100%</u>	<u>25499</u>	<u>\$</u>	<u>3.90</u>

## JOINT USE AGREEMENT ANALYSIS

Date: February 15, 2012

Institutions  
Involved:

The Ohio State University and  
Science and Technology Campus Corporation

Project Title: Ohio Imaging Research and Innovation Network

Capital Bill: HB 462 Item: ALI C315v9

- |            |  |
|------------|--|
| <u>Yes</u> | 1. Is the facility to be built/improved identified specifically by address or location?  |
| <u>Yes</u> | 2. Does the non-profit organization now own the property or have a long term lease? If not, when will it control the property?   |
| <u>Yes</u> | 3. Does the agreement provide for use of the facility for at least 20 years from the time that it is ready for occupancy?  |
| <u>Yes</u> | 4. If the agreement is terminated, is there a pro rata reimbursement clause? Is the reimbursement formula correct?   |
| <u>Yes</u> | 5. Will funds be used only for capital improvements and not operating costs?   |
| <u>Yes</u> | 6. Will the non-profit hold the institution harmless for all operation/maintenance costs?  |
| <u>Yes</u> | 7. Will the non-profit comply with federal, state and local laws and rules?  |
| <u>Yes</u> | 8. Is the non-profit required to competitively bid as outlined generally in ORC Chapter 153 (published ads, sealed bids, public opening, award to lowest responsive and responsible bidder, etc.)? |
| <u>Yes</u> | 9. Does the contract provide for a 15% administrative fee for the institution?   |
| <u>Yes</u> | 10. Does the agreement require that amendments be approved by the Board of Regents?  |
| <u>Yes</u> | 11. Is a drawdown schedule or payment procedure included?  |
| <u>Yes</u> | 12. Are the extent and nature of spaces and uses adequately described?   |
| <u>Yes</u> | 13. Are the terms and conditions of use of the facility described?   |
| <u>Yes</u> | 14. <b>Has the institution demonstrated that the value of the use of the facility is reasonably related to the amount of the appropriation? (See attached worksheet)</b>                           |
| <u>Yes</u> | 15. Is the facility insured?   |

**JOINT USE AGREEMENT  
BETWEEN  
THE OHIO STATE UNIVERSITY AND  
SCIENCE AND TECHNOLOGY CORPORATION**

This Joint Use Agreement (the "Agreement") is effective this \_\_\_\_th day of \_\_\_\_\_, 2012 (the "Effective Date"), by and between The Ohio State University, Columbus, Ohio ("University") and Science and Technology Campus Corporation, Columbus, Ohio ("Organization").

**BACKGROUND**

A. Pursuant to the Ohio Research Scholars Program, the Ohio Department of Development (ODOD) issued Grant Agreement TECH 09-028 (the "Award") to University in support of the project entitled, *Ohio Imaging Research and Innovation Network* (the "Project"). University desires to use a portion of the Award capital funds in the amount of \$1,260,000 for joint use on the Project. The joint use facility is identified in Exhibit A to this Agreement (the "Facility").

B. University and Organization desire to enter into this Joint Use Agreement relating to the purchase by Organization, joint use, and maintenance of the Facility.

C. University is entitled to receive an amount equal to one and one-half percent of the Award, but agrees the funds will be used for purchase of the Facility.

Now, therefore, in consideration of the mutual promises and premises set forth below, University and Organization agree as follows:

**I. Purchase and Ownership of Facility**

Organization shall purchase the Facility and maintain ownership thereof for the term of the Agreement. University shall issue payment for the full sale amount of the Facility using Award funds under the terms of a University purchase order. Award funds will be expended on allowable capital expenditures in accordance with H.B. 562 and H.B. 462. At the end of the term of the Agreement, or at an earlier date agreed upon by the parties, Organization shall transfer all right title and interest to the Facility to University. University will seek appropriate legal approval as necessary prior to title transfer.

The Facility will be located at 1212-1216 Kinnear Road, Columbus, Ohio 43221 (the "Location").

**II. Reservation of Usage Rights**

University retains the right to use a portion of the Facility for education, research, and development related to the Project at the Location for a period of twenty (20) years commencing on the date the grant funds are released. Organization and University shall cooperate to schedule their respective usages of the Facility toward maximum benefit relating to the Project.

The University has concluded that the value of use of this Facility as provided in this Agreement is reasonably related to the amount of the grant funds.

A portion of the facility will be used to house different components of the Ohio Imaging Research and Innovation Network (OIRAIN), its proposed Molecular Imaging Agent Research and Services Center (MIASC) as well as other components of the Wright Center of Innovation in Biomedical Imaging (WCI-BMI). As it was determined that purchasing the Facility is the most cost-effective way for the OSU lead program to organize and pursue the opportunities for Advancing Biomedical Imaging Research as well as developing additional programs as envisioned under the Ohio Scholars program, we are contracting with Organization, a not-for-profit OSU affiliated entity, to purchase and provide the Facility as a facility for the Project. Only the space currently being used by the OSU TLC (~5000 sqft) is usable at this time, the remainder is considered shell space.

The Facility will serve the research, educational and commercialization opportunities of the above OSU based efforts including the space to support the affiliated OSU based scholars and PI's of above and related projects.

The existing built out space will be used for research projects performed by OSU in relationship to the above projects. The office space will provide working environments to students participating in research or educational programs in Biomedical Imaging Science, scientific staff, visiting scientist and faculty as well as the associated scholars and PI's.

The shell space will serve as the environment to place, implement and develop additional projects under the OIRAIN and WCI-BMI projects. It will enable the creation of new interfaces between OSU and its academic mission in research, education and service with Ohio based academic and commercial partners.

The estimated value of the Facility is estimated to be annually for the next 20 years; for the use as office space to support OSU imaging research \$23,800; for the use of educational and training use of the space \$4,120; for the use as lab space for the OSU scholars and PIs \$13,843 and as space for sponsored research or service projects \$53,673 as well as \$1,563 for development project use. The annual estimated value is \$96,999 and over the twenty years use expected to surpass \$1.94 million.

### III. Operation and Maintenance

Organization shall be responsible for the operation and maintenance of the Facility. Organization, at its own expense, shall maintain the Facility in good working order (subject to ordinary wear and tear), upgrade the Facility as needed, and pay all operating expenses.

### IV. Taxes and Insurance

Organization shall pay all taxes related to the Facility, including any property taxes or assessments. Organization shall insure the Facility and warrants that Organization's general liability, property, and casualty insurance policies are sufficient to fully cover all expected claims and losses related to the Facility.



#### V. Term and Termination of Joint Usage Agreement

The term of this Agreement shall begin upon the Effective Date and end on the earlier to occur of, (i) twenty (20) years from the Effective Date; or (ii) the date of transfer of the Facility from the Organization to OSU (the "Expiration Date"). Either party may terminate this Agreement prior to the Expiration Date above. Such termination shall be effected by either party giving written notice to the other not less than ninety (90) days in advance of the date of termination. If this Agreement is terminated prior to the Expiration Date by the Organization, then Organization shall reimburse the State of Ohio an amount calculated by dividing the grant funds contributed by the state by twenty and multiplying that sum by twenty minus the number of full years the Facility is utilized by University.

#### VI. Amendments

Any amendment to this Agreement shall be in writing, signed by University and Organization, and shall require approval by the Chancellor of the Board of Regents.

#### VII. Compliance with Laws

University and Organization shall comply in all material respects with all pertinent federal, state and local laws and rules.

#### VIII. Hold Harmless

Organization will hold University harmless from, and at University's request, will defend University against any and all claims and liabilities whatsoever for the planning, design, engineering, installation, construction, operation, maintenance, and repair costs of the Facility occurring during the performance of this Agreement to the extent caused by Organization's negligence, gross negligence, recklessness or willful misconduct.

IN WITNESS WHEREOF, University and Organization have executed this Joint Use Agreement as of the Date stated below.

{00159833-2}

THE OHIO STATE UNIVERSITY

By: Kim C. Carter

Title: Associate Director

Date: 2/13/12

SCIENCE AND TECHNOLOGY  
CAMPUS CORPORATION

By: Ray Abell

Title: President

Date: 2/13/12