
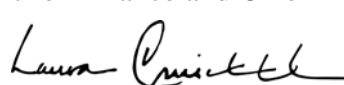


June 29, 2022

TO: Members of the Board of Trustees

FROM: Lloyd A. Blanchard 
Interim Vice President for Finance and Chief Financial Officer

Laura Cruickshank 
Associate Vice President, Master Planner and Chief Architect

RE: Option Agreement concerning future development of a Connected and
Autonomous Vehicle Test Track at the UConn Depot Campus

RECOMMENDATION:

That the Board of Trustees approve the Option Agreement between the University of Connecticut, as seller, and Promesa Capital LLC, as buyer, concerning the option to purchase approximately 105 acres of land at the UConn Depot Campus for the future development of a Connected and Autonomous Vehicle Test Track and Research Facility. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the Option Agreement between the University of Connecticut, as seller, and Promesa Capital LLC, as buyer, concerning the option to purchase approximately 105 acres of land at the UConn Depot Campus for the future development of a Connected and Autonomous Vehicle Test Track and Research Facility”.

BACKGROUND:

The Connecticut Transportation Institute (CTI), which is part of the UConn School of Engineering, conducts research in connected and autonomous vehicles and smart city/smart energy systems. In 2019, Promesa Capital LLC approached CTI about developing a Connected and Autonomous Vehicle Test Track and Research Facility (hereinafter, the “CAV Test Track”). After conducting preliminary investigations on available property both on- and off-campus for development of a CAV Test Track, a determination was made that the most advantageous location for the facility would be in close proximity to the University and at the UConn Depot

Campus. It was also determined that an outright sale of the property to the buyer would be the most favorable approach for the University and for the project as a whole.

MATERIAL TERMS

The Option Agreement would grant Promesa Capital LLC the option to purchase approximately 105 acres of the UConn Depot Campus for the purpose of constructing and operating a CAV Test Track and other energy system research facilities. The proposed purchase price is currently \$5.0 million and will be subject to confirmation by appraisal at the time of the sale. Restrictive covenants on the property will be included in the deed and/or purchase and sale agreement to limit the use of the property to such uses that are compatible with vehicle and/or energy research.

The initial term of the Option Agreement is nine months, during which time the buyer may conduct due diligence on the property, such as site investigations, environmental testing, geotechnical tests, and wetlands review, as well as seeking zoning approvals with the Town of Mansfield. The initial term of the option is provided to the buyer for one dollar. The buyer will also have the right to extend the term of the Option Agreement for up to four additional 6-month periods, provided that the buyer continually pursues approvals for the facility and pays the university a fee of not less than \$30,000 for each extension. If the buyer elects to purchase the land within the option period, the University and buyer will use commercially reasonable efforts to enter into a purchase and sale agreement within sixty (60) days. If the buyer does not exercise the option and/or close on the land, or otherwise encounters unavoidable obstacles, the results of the buyer's testing and investigations may create potential obligations/liability for the University.

In 2021, the buyer projected that the total cost of developing the CAV Test Track (including the purchase price of the land) was in the range of \$30 million. The buyer is responsible for fully funding the land purchase and development and operation of the CAV Test Track, and confirmation of their financial ability to do so will be attained prior to closing on the land sale.



Proposed Land Area on Depot Campus for the Connected and Automated Vehicle (CAV) Test Tract