

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities

Date of Meeting: November 16, 2011

Agenda Item: Acceptance of Gift of Real Estate from Minnesota State University
Moorhead Foundation

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: Board policy 7.7 provides that all gifts and grants of real property shall be formally accepted by the Board of Trustees subject to appropriate due diligence and conformance with a campus facilities master plan.

Scheduled Presenter(s): Brian Yolitz, Associate Vice Chancellor of Facilities

Outline of Key Points/Policy Issues: Minnesota State University Moorhead Foundation acquired these properties over the past several years and are well within the campus master facility plan boundaries. The university foundation purchased these properties with the expectation that they would eventually be transferred to university ownership.

Background Information: The purpose of this request is to seek Board of Trustees approval for acceptance of four gifts of real property, as follows:

- 811 11th Street South, Moorhead, MN 56560 (land and house)
- 1026 7th Avenue South, Moorhead, MN 56560 (land and house)
- 615 11th Street South, Moorhead, MN 56560 (land)
- 1120 6th Avenue South, Moorhead, MN 56560 (land)

The properties will be transferred to the university for the cost of conveyance only. Nevertheless, the total appraised value of the four properties is \$350,925. Environmental due diligence has been completed and the university anticipates no significant environmental problems.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

**Acceptance of Gift of Real Estate from Minnesota State University
Moorhead Foundation**

Board policy 7.7 provides that all gifts and grants of real property shall be formally accepted by the Board of Trustees subject to appropriate due diligence and conformance with a campus facilities master plan. The Board is asked to formally accept the gift of four properties located adjacent to the Minnesota State University Moorhead campus from the university's foundation. See **Attachment A** for the location of the properties in relationship to the university.

BACKGROUND

The Minnesota State University Moorhead Foundation owns four properties located as follows:

- **811 11th Street South, Moorhead, MN 56560** (land and house). 3-story, 2,682 sq. ft. house with detached garage and 15,480 sq. ft. lot, currently used as the Continuing Studies House
- **1026 7th Avenue South, Moorhead, MN 56560** (land and house). 2-story, 1872 sq. ft. house that has been used in the past as a sorority house, alumni offices, and related university office space, located on 7500 sq. ft. lot. The building is known as the Alumni House. The university intends to allow the foundation's continued use of the building after conveyance as an interim use until demolition occurs.
- **615 11th Street South, Moorhead, MN 56560** (land) parking lot A-1, 7500 sq. ft.
- **1120 6th Avenue South, Moorhead, MN 56560** (land) parking lot W-4, 6000 sq. ft. parcel.

The total acquisition involves 0.83 acres.

The foundation originally purchased these properties in contemplation of gifting them to the Minnesota State University Moorhead. Two of the four properties interim use has been for surface parking. The long range plan had been to demolish the two remaining houses and construct parking lot(s).

In 2010, the university completed its Comprehensive Facilities Master Plan update, which called for targeted demolition of the remaining single family residential properties within the

*Acceptance of Gift of Real Estate from
MSU Moorhead Foundation*

campus boundaries, primarily clustered along its westerly side, and convert the parcels to additional surface parking. After further review, the campus determined that the subject properties were appropriate for conversion to surface parking. The university expects to demolish the remaining buildings using their campus operating funds.

The university has obtained Phase I environmental reports for each of the four properties, and no major recognized environmental issues were identified. The university foundation will not charge the university for the properties, and the university will only pay the cost of conveyance to accept them. Nevertheless, the total combined appraised value of the four properties is \$350,925.00. Provided the Board accepts the properties and title is found marketable, the foundation is prepared to convey the properties to the university as soon as possible.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion.

The Board of Trustees approves the acceptance of the four properties located at:

811 11th Street South, Moorhead, MN 56560 (land and house)
1026 7th Avenue South, Moorhead, MN 56560 (land and house)
615 11th Street South, Moorhead, MN 56560 (land)
1120 6th Avenue South, Moorhead, MN 56560 (land)

and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the conveyance of the properties from the Minnesota State University Moorhead Foundation.

RECOMMENDED MOTION:

The Board of Trustees approves the acceptance of the four properties located at:

811 11th Street South, Moorhead, MN 56560 (land and house)
1026 7th Avenue South, Moorhead, MN 56560 (land and house)
615 11th Street South, Moorhead, MN 56560 (land)
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and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the conveyance of the properties from the Minnesota State University Moorhead Foundation.

Date presented to the Board: November 16, 2011

