

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

Agenda Item Summary Sheet

Committee: Finance and Facilities Committee **Date of Meeting:** March 20, 2013

Agenda Item: Minnesota State University Moorhead Property Surplus Declaration

Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring

Information

Cite policy requirement, or explain why item is on the Board agenda: The board must declare real property surplus consistent with Minnesota Statute §136F.60, Subd. 5.

Scheduled Presenter(s): Laura M. King, Vice Chancellor – Chief Financial Officer
Brian Yolitz, Associate Vice Chancellor Facilities

Outline of Key Points/Policy Issues: The purpose of this request is to seek Board of Trustees surplus designation of the campus property at 1033 4th Street South, Moorhead, Minnesota.

Background Information: Minnesota State University Moorhead originally purchased this property from the Minnesota State University Moorhead Alumni Foundation in August 2006. The university now seeks to sell the property, as the cost to update exceeds the utility of the building and it no longer fits with the campus's long term facilities master plan.

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

BOARD ACTION
Minnesota State University Moorhead Property Surplus Declaration

BACKGROUND

The board is asked to declare a small commercial building located at 1033 4th Ave. South, Moorhead, Minnesota as “surplus” and authorize the property for sale consistent with Minnesota Statute §136F.60, Subd. 5, Sec. 1. See **Attachment A** for the location of the property (identified by white arrow) in relationship to the university.

Minnesota State University Moorhead originally purchased this small commercial property from the Minnesota State University Moorhead Alumni Foundation in August 2006 for \$119,757 using its operating funds, after several years of leasing it from the Alumni Foundation. The property’s use, while leasing from the Alumni Foundation and for a time after purchase, included the housing of a variety of university departments. The property transitioned into swing space during a renovation of MacLean Hall and presently serves as storage space.

In 2010, the university completed its Comprehensive Facilities Master Plan update, which identified the property be utilized for storage in the short term and for sale in the long term. The campus determined that the subject property is not a good candidate for the approximately \$190,000 in infrastructure improvements required to bring it back into active use. Backlog, plus the subject property’s remoteness, lack of fire protection and accessibility also contributed to this decision. To that end, the university seeks the Board to declare the property surplus.

When the board declares a parcel of real property “surplus,” the property is offered for sale at its appraised value to the city, county, and school district in the jurisdiction where the property is located. An appraisal is underway. Pending the surplus action, if no local jurisdiction expresses an interest in purchasing the property, then the university intends to proceed to advertise the property in local newspaper publication(s). If no acceptable offers are generated by advertising, the university plans to hire a local real estate agent to market and sell the property.

In accordance with state law, proceeds from the sale or disposition of this property, after paying all expenses incurred in selling or disposing of the land, are appropriated to the board for use for capital projects at the institution that was responsible for management of the land or improvements.

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees approves the designation as surplus and authorizes for sale the property located at 1033 4th Ave. South, Moorhead, Minnesota, and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the conveyance in compliance with the above terms and conditions.

RECOMMENDED MOTION:

The Board of Trustees approves the designation as surplus and authorizes for sale the property located at 1033 4th Ave. South, Moorhead, Minnesota, and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the conveyance in compliance with the above terms and conditions.

Date presented to the Board of Trustees: March 20, 2013

Institution Buildings

- 1 - Ballard Hall
- 2 - Bridges Hall
- 3 - Campus Security
- 4 - Centennial House
- 5 - Center for Arts
- 6 - Center for Business
- 7 - Comstock Hall
- 8 - Continuing Studies
- 9 - Dahl Hall
- 10 - Delta Zeta
- 11 - Drainage Pond
- 12 - Flora Frick Hall
- 13 - Foundation Annex
- 14 - Foundation House
- 15 - FFCC
- 16 - Granthum Hall
- 17 - Grier Hall
- 18 - Hagen Hall
- 19 - Heating Plant
- 20 - Hendrix Health Center
- 21 - Holmquist Hall
- 22 - John Neumaier Hall
- 23 - King Hall
- 24 - Kise Hall
- 25 - Livingston Lord Library
- 26 - Lommen Hall
- 27 - MacLean Hall
- 28 - Maintenance
- 29 - Murray Commons
- 30 - Nelson Hall
- 31 - Nenzek Hall
- 32 - Nenzek House
- 33 - Newman Center
- 34 - Owens Hall
- 35 - Psychology Center
- 36 - SBDC
- 37 - Science Laboratory
- 38 - Snarr Hall
- 39 - Weid Hall
- 40 - 1010 9th Ave S House



Sources: Clay County, Minnesota State University Master Plan (2009), USDA FSA (2009).

Minnesota State University

Moorhead Main Campus



Minnesota
STATE COLLEGES
& UNIVERSITIES

As of June 30, 2010

This map was created for display purposes only. It should not be used for accurate measurements or where a survey is required.

Campus Address:
1104 7th Ave S
Moorhead, MN 56563

- Master Plan Boundary
- Owned Property
- Building Roof Top
- President's Office

