

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Finance and Facilities Committee

Date: January 21, 2014

Title: Dakota County Technical College Surplus Declaration

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Minn. Stat. §136F.60, Subd. 5(a) and Board Policy 6.7 requires the Board to declare land and improvements that are no longer needed as surplus, and may offer them for sale consistent with state law.

Dakota County Technical College requests the Board to declare the 1.84 acre parcel located at 125 Grand Avenue East in South St. Paul as surplus real estate. The parcel includes a 6,400 sq. ft. building that has not been used by the campus for programming for over 8 years, and has served as a storage facility for the campus. The sale is expected to generate more than \$250,000.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities
Tim Wynes, Interim President, Dakota County Technical College

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

BOARD ACTION
Dakota County Technical College Surplus Declaration

Dakota County Technical College requests the Board to designate the property located at 125 Grand Avenue East in South St. Paul as surplus real property.

BACKGROUND

The property at 125 Grand Avenue East in South St. Paul was conveyed to Minnesota State Colleges and Universities as part of the merger in 1995, and included an approximately 6,400 sq. ft. technical classroom building and a small (360 sq. ft.) outbuilding used for storage. Prior to its development as a technical college site in the 1970s, the property had been part of the stockyard district in South St. Paul, and has inherent environmental conditions that would need to be addressed during any redevelopment of the property. The facility has not been used by the campus for classes for over 8 years, and the college presently uses the entire facility for storage. The Facilities Condition Index for the classroom building is 0.18, well above the system average of 0.11.

The subject property is located nearly 15 miles away from the main campus and about 5.5 miles away from Inver Hills Community College. Dakota County Technical College's long term strategy for the property, as articulated in its facilities master plan, has been to sell it. This strategy remains unchanged, although the college did evaluate whether opportunities existed for Inver Hills Community College to take over the property, rehabilitate it, and use it for academic programming. Ultimately, it was decided that the building is not suitable as a candidate for rehabilitation and reuse, and reconfirmed the intent to sell the property.

The college obtained its most recent independent real estate appraisal in October 2013. The appraisal took into account the cost to demolish existing improvements and to correct environmental conditions if the property is redeveloped. Based on those factors, the appraiser estimated an "as is" value of approximately \$255,000.

Statute provides that the Board may declare state lands or improvements under its control that are no longer needed by the system to be surplus and may offer them for public sale. Under the statute, MnSCU offers the property first to the city, county and school district for no less than the appraised value. If no offers are forthcoming, the property is placed for sale to the general public.

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees designates the property located at 125 Grand Avenue East, South St. Paul, Minnesota, as surplus, and delegates authority to the Chancellor or the Chancellor's designee to execute such documents as may be necessary to complete the sale for no less than the appraised value.

RECOMMENDED MOTION:

The Board of Trustees designates the property located at 125 Grand Avenue East, South St. Paul, Minnesota, as surplus, and delegates authority to the Chancellor or the Chancellor's designee to execute such documents as may be necessary to complete the sale for no less than the appraised value.

Date Presented to Board of Trustees: January 21, 2014

Attachment A

