

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

Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: June 18, 2014

Title: Anoka Ramsey Community College, Cambridge, Surplus Real Property

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Anoka Ramsey Community College requests the Board of Trustees to designate the property located at the southwest corner of State Highway 95 and County Road 70 in Cambridge, adjacent to campus, as surplus real property.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities

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

BOARD ACTION

Anoka Ramsey Community College, Cambridge, Surplus Real Property

Anoka Ramsey Community College requests the Board of Trustees to designate the property located at the southwest corner of State Highway 95 and County Road 70 in Cambridge, adjacent to campus, as surplus real property.

BACKGROUND

The subject property is an approximate 6.35 acre roughly rectangular shaped parcel located at the southwest corner of State Highway 95 and County Road 70 in Cambridge. A map showing the location in relationship to campus is identified on **Attachment A**. The building labeled “Humanities building” is located on the site in question. The subject property is located across the street from the main campus and less than a mile from downtown Cambridge. The subject property includes a portion of the parking lot, although the college intends to maintain approximately 100 stalls to support the adjacent athletic fields.

The subject property currently contains a metal Humanities building on site. In 2007, when the college moved administration, faculty and classes into their second phase addition across County Road 70 on the main campus, the college razed the Administration buildings, leaving the metal, pre-engineered Humanities building.

Despite its functional obsolescence, the college continued to use the pre-engineered building for classes until 2010. In the master facilities plan update in 2010, the report concluded that the college should decommission and demolish the building and consider the sale of the related property. The property is not needed for the long term master planning of the campus. At about the same time, the state’s Department of Military Affairs constructed an Armed Forces Reserve Center adjacent to the subject property. The college used that opportunity to vacate the pre-engineered building and lease space in the AFRC for college training classes.

When the college vacated the building in 2010, utilities were shut off and the building was closed down. The building has a current Facilities Condition Index (FCI) of 0.29, which is one of the worse FCI’s in the system. In response to a solicitation for demolition projects, the college submitted the building for inclusion in the \$20.6 million demolition initiative in the system’s 2014 capital budget request. When the demolition initiative was not funded in the 2014 bonding bill, the college decided to update its appraisal of the property and position the subject property for surplus and a sale.

Under state statute, the Board may declare state lands or improvements under its control that are no longer needed by the system to be surplus. 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. Under state law, the sale proceeds are retained by the college for other capital improvement uses.

The city of Cambridge indicates that there is interest in this parcel from for-profit entities, given its location on the positioning along Highway 95. The city would like to see a taxable entity on the property, and the college would like to see an entity that would provide goods or services that would complement the community and campus. There are no known restrictions on the parcel from a tax or zoning position. Given the city's statutory position to make a first offer, there is some expectation that the city would signal an interest and facilitate a purchase.

Currently there is a semaphore located at the intersection of Hwy 95 and Co. Road 70/Spirit River Drive. The college anticipates that the city may rework the intersection and access to the subject property and parking lot after the sale.

The college obtained its most recent independent real estate appraisal in 2014. The subject property was appraised between \$755,000 - \$815,000. The sale would be "as is", and any buyer would be responsible for demolishing and disposing of the building on site.

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees designates the subject property, an approximate 6.35 acre roughly rectangular shaped parcel located at the southwest corner of State Highway 95 and County Road 70 in Cambridge, 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 subject property, an approximate 6.35 acre roughly rectangular shaped parcel located at the southwest corner of State Highway 95 and County Road 70 in Cambridge, 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.

Attachment A – Area Map Showing Subject Property and Surrounding Properties

