

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

**Agenda Item Summary Sheet**

**Committee:** Finance and Facilities Committee

**Date of Meeting:** June 20, 2012

**Agenda Item:** Northland Community and Technical College – Thief River Falls – Property Surplus Action

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 is asked to declare the single-family residential property located at 1020 Centennial Drive, Thief River Falls, Minnesota, as “surplus” and authorize the property for sale consistent with Minnesota Statute §136F.60, Subd. 5, Sec. 1.

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

**Outline of Key Points:**

The lack of functionality and fairly high operational costs no longer warrant keeping the property at 1020 Centennial Drive, Thief River Falls, Minnesota under Minnesota State Colleges and Universities’ ownership.

**Background Information:**

Northland Community and Technical College received a house donated by Lowell and Marjorie Swenson in 2002. The property is situated on approximately 3.5 acres of land directly across from the main campus. The home, completed in 1991, consists of 12,000 square feet, has 7 bedrooms, and 8 bathrooms.

The gift lacked an endowment for operations, and the college experimented with various programming mixes to utilize the house. The college invested approximately \$180,000 to convert the property to make the space usable for college programs, and spent approximately \$15,000-\$25,000/year in operating expenses since receiving the gift. The college no longer uses the house, and has effectively put it on mothball status. There are no donor restrictions on the disposition of the house.

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

<b>BOARD ACTION</b>
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Northland Community and Technical College – Thief River Falls – Property Surplus Action
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The Board is asked to declare the single-family residential property located at 1020 Centennial Drive, Thief River Falls, 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 in relationship to the campus.

**BACKGROUND**

Northland Community and Technical College received a house donated by Lowell and Marjorie Swenson in 2002. Lowell Swenson was a former CEO of Arctic Cat, Inc. The Board accepted the donation of the property at the October, 2002 meeting. The private residence, located at 1020 Centennial Drive in Thief River Falls, is situated on approximately 3.5 acres of land at the junction of the Thief and Red Lake Rivers, directly across from the main campus. The home, completed in 1991, consists of 12,000 square feet, has 7 bedrooms, and 8 bathrooms.

**SURPLUS ACTION**

The gift lacked an endowment for operations, and the college experimented with various programming mixes to utilize the house. The college invested approximately \$180,000 to convert the property to make the space usable for college programs, and spent approximately \$15,000-\$25,000/year in operating expenses since receiving the gift. The college no longer uses the house, and has effectively put it on mothball status.

The lack of functionality and high operational costs no longer warrant keeping it under MnSCU ownership. There are no donor restrictions on the disposition of the house.

The property is currently zoned R-1 Suburban Residential. The market for this type of property is fairly uncertain given the large size of the house and the retrofitting costs that would be necessary to convert it back to single family use by a prospective buyer. The college obtained two appraisals for the property, which offered very wide difference in opinion as to value.

The property first will be offered for sale to the city, county and school district consistent with state statute. Provided the local jurisdictions are not interested in the property, the college would then market the property to the public.

**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 residential property located at 1020 Centennial Drive, Thief River Falls, Minnesota, and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the marketing and 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 residential property located at 1020 Centennial Drive, Thief River Falls, Minnesota, and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the marketing and conveyance in compliance with the above terms and conditions.

*Date presented to the Board of Trustees: June 20, 2012*