

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

**Real Property Transfer and Acquisition**

**BACKGROUND**

Board of Trustees' Policy 6.7, Real Estate Transactions, requires Board approval of acquisitions and dispositions of real estate except those for the carpentry program projects and leases. Consistent with Policy 6.7, Rochester Community and Technical College and Winona State University request Board approval for the following real estate transactions.

**Rochester Community and Technical College - Property Transfer:**

Consistent with the facilities master plan for Rochester Community and Technical College (RCTC), Minnesota State Colleges and Universities requests approval to accept custodial control of "Parcel C" from the Minnesota Department of Natural Resources, on the behalf of RCTC at no cost.

"Parcel C" is contiguous to the RCTC campus consisting of 37.47 acres of land composed of woodlands, wetlands, a portion of the Mayo Run storm water management system, and seven acres of developable land. To date, the college does not have immediate plans for the seven acres of developable land. The intended use of the remaining 30 acres, by the college, includes continued use of the area as a wildlife habitat for passive community recreational use.

The transfer of custodial control for "Parcel C" is in accordance with the authority delegated to the Commissioner of the Department of Natural Resources by Minnesota Statute 94.09 Subd. 2, which states that the commissioner of natural resources has authority to transfer custodial control of certified surplus land from one state agency to another. See attached Exhibit A.

**Winona State University – Property Acquisition Using Revenue Fund Bond Proceeds :**

Winona State University's facilities master plan identifies an area for campus expansion defined by Sarnia–Wabasha Street and Main–Huff Street. Over the past six years, the goal of the university has been to acquire adjacent properties from willing sellers as the properties become available. Purchasing properties from willing sellers is the university's policy and saves the legal and emotional expense of negotiating an undesirable sale or condemnation process at a later date due to future campus expansion.

Located within the aforementioned parameters for campus development, and as a critical component to the student housing initiative known as the Gateway Center project, Winona State University (WSU) is requesting approval to acquire 515 and 519 Main Street from willing sellers. The acquisition of both parcels is required to allow for the future development of student housing planned for the entire city block of Johnson, Mark and Main Streets. The remaining

property on that block is already under the ownership of the university and is currently being used for student parking.

Proceeds from the 2002 Revenue Fund bond sale will be used for the acquisition of the property, demolition of two existing apartment buildings, and design of a 300-400 bed apartment style complex. The complex is anticipated to be a mix of tenants to include the University Bookstore and a coffee/food shop. Ramp-style parking for 300-400 cars is currently in the plan. The project will also include the future demolition of four separate older Revenue Fund residence halls on campus with approximately \$12.9 million in backlog of deferred maintenance; the land will be earmarked for future academic purposes. The total anticipated project cost is approximately \$32 million. The project will be brought before the Board for approval later this year as it is anticipated to be funded by a future bond sale tentatively scheduled for this fall. Further discussion is contained in the Revenue Fund Program Update report included in this month's Board Material.

Consultation with the Student Senate has occurred and resulted in favorable approval of the project.

The proposed site is currently owned by Mike and Julie Tulley and is approximately 130' x 130' equaling 0.39 acres which appraised for \$1,050,000. WSU proposes to use Revenue Fund bond proceeds to purchase both properties for their appraised value. The site includes two buildings, approximately 8,550 square feet each, which currently house students from the university. The Gateway Center project includes plans to demolish the existing structures, known as the Killeen Manor Apartments, for an estimated cost of \$175,000. This project may include relocation costs. See attached Exhibit B.

**RECOMMENDED COMMITTEE ACTION:**

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

**RECOMMENDED MOTION:**

The Board of Trustees approves:

- a. The transfer of custodial control of "Parcel C" from the Minnesota Department of Natural Resources to Minnesota State Colleges and Universities on behalf of Rochester Community and Technical College, subject to the completion of all necessary due diligence requirements and approval of all documents by the Attorney General's Office.
- b. The acquisition of 515 and 519 Main Street by Winona State University using Revenue Fund bond proceeds, subject to the completion of all necessary due diligence requirements and approval of all documents by the Attorney General's Office.

*Date Presented to the Board: April 21, 2004*

*Date Approved by the Board: April 21, 2004*