MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology  Date of Meeting: June 16, 2010

Agenda Item: North Hennepin Community College Property Surplus

☐ 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 may designate as “surplus” and approve the sale of real property under its control pursuant to Minnesota Statute §136F.60, subdivision 5. Under Board of Trustees Policy 6.7, Real Estate Transactions, Board approval is required for all sales of real property valued at or greater than $250,000.

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

Outline of Key Points/Policy Issues: The Board is being asked to declare land at the North Hennepin Community College surplus and authorize the sale of the land to Hennepin County for use in constructing a county library and to the city of Brooklyn Park for a dedicated ring road.

Background Information: The college acquired approximately 23 acres of land north of the North Hennepin Community College campus in a land exchange with a developer in 2002. The land has been earmarked for future college development ever since. The college and county explored the idea of a joint library over a year ago, although that was set aside due to cost constraints. The county’s current request to purchase the land is for exclusive use as a county library.
BACKGROUND

The Board is being asked to declare land at the North Hennepin Community College surplus and authorize the sale of the land to Hennepin County for use in constructing a county library and to the city of Brooklyn Park for a dedicated ring road.

The Board may designate as “surplus” and approve the sale of real property under its control pursuant to Minnesota Statute §136F.60, subdivision 5. Under Board of Trustees Policy 6.7, Real Estate Transactions, Board approval is required for all sales of real property greater than $250,000. Consistent with statutory requirements, the local jurisdictions have been notified of the planned surplus designation. As both the city and county are participants in this transaction, the school district was notified, although it is not expected that the school district will have an interest in the property.

DETAILS

The college and county began discussions over one year ago about locating a county library on the college’s land. Discussions at that time involved developing a joint college/county library, similar to the joint library on the Metropolitan State University campus with St. Paul. After review commenced, it was determined that the college could not afford the cost, and the idea was set aside.

This spring, the county initiated new discussions with the college about a direct sale of land to the county for construction of a county library. The proposal is for the county to purchase approximately 6.58 acres (287,000 sq. ft.) on which to construct a 30,000 – 40,000 sq. ft. library building. The estimated market value of the land is $2.70 per square foot and would generate approximately $775,000 in sale proceeds to the college for use in capital projects.

The site would include approximately 200-250 parking stalls (depending on the total building size), and a 13,750 sq. ft. bio-filtration pond. The library would be sited on the westerly side of the college’s 23.2 acre vacant parcel, itself located on the northeast corner of 85th Avenue North and West Broadway. See site sketch on Attachment A. The college had assembled this land for future college development, which involved a land exchange with a developer in 2002.

This proposal also contemplates construction of a new public ring road by the city of Brooklyn Park to serve the library site. The college is proposing to dedicate an additional 2.5 acres to the city for purposes of constructing the road. Costs to construct the road are estimated at approximately $540,000, and discussions are ongoing regarding how costs are allocated among the parties. It is expected that the value of the land being conveyed for the road dedication will offset the road construction cost. The roadway will become a city street and the responsibility of the city after it is constructed.
The county will be responsible for platting the land, and shall be responsible for those costs. The college’s conveyance to the county would be subject to a reversionary interest in the primary library parcel if the county discontinues use of the building as a county library or for related purposes. The college is also negotiating for the future right to use the library’s parking lot during times when the library is not in use or when library parking demand is low.

The college would have approximately 12-14 acres leftover for future college development after the county library is developed.

NEXT STEPS
Pending Board of Trustees approval, the county board will consider the purchase approval at an upcoming board meeting. For its part, an information item was brought before the Brooklyn Park City Council at its May 24 meeting, where the council members were generally supportive of the library concept and city-built and owned ring road.

The city, county and college intend to enter into a development agreement that would govern the development responsibilities and costs for the site. Concurrently, the college and county will be entering into a purchase agreement.

RECOMMENDED COMMITTEE ACTION:

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

The Board of Trustees designates the land at the North Hennepin Community College needed for a county library and ring road as surplus and authorizes the chancellor or his designee to execute the documents necessary to finalize the transaction.

RECOMMENDED MOTION:

The Board of Trustees designates the land at the North Hennepin Community College needed for a county library and ring road as surplus and authorizes the chancellor or his designee to execute the documents necessary to finalize the transaction.

Date Presented to the Board: June 16, 2010