

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

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology

Date of Meeting: November 14, 2007

Agenda Item: Vermilion Community College Real Property Acquisition

- Proposed Policy Action Approval Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: Board of Trustees' Policy 6.7, Real Estate Transactions, requires Board approval for acquisitions funded by campus operating monies valued at or greater than \$1.0 million or one percent (1%) of the college or university annual operating budget.

Scheduled Presenter(s): Allan Johnson, Associate Vice Chancellor for Facilities

Outline of Key Points/Policy Issues: The Board of Trustees is asked to approve the acquisition of approximately 40 acres, legally described as the NE ¼ of the SW ¼ , Sec. 26, Township 63 North, Range 12 West, in Ely, Minnesota, and adjacent to the Vermilion Community College campus. The acquisition in this request is being funded by operating funds, and the purchase price exceeds the one percent threshold of the College's 2007 general fund operating budget.

Background Information: The property will be used for a sustainable forestry plot, field labs for the Natural Resources/Forestry and Water Quality programs, and recreational space along the Trezona Trail. No future capital and very limited operating funds are anticipated to be needed to maintain this parcel. The purchase price of \$200,000 (\$5,000/acre) will be negotiated based on an independent appraisal the college obtained for the property. The purchase price is anticipated to be lower. The college has sufficient funds to acquire the property.

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

BOARD ACTION

Vermilion Community College Real Property Acquisition

BACKGROUND

The Board of Trustees is asked to approve the acquisition of approximately 40 acres, legally described as the NE ¼ of the SW ¼ , Sec. 26, Township 63 North, Range 12 West, in Ely, Minnesota, and adjacent to the Vermilion Community College campus. Board Policy 6.7, Real Estate Transactions, requires Board approval for acquisitions funded by campus operating monies valued at or greater than \$1.0 million or one percent (1%) of the college or university annual operating budget. The acquisition in this request is being funded by operating funds, and the purchase price exceeds the one percent threshold of the College's 2007 general fund operating budget. Consistent with Board Policy 6.7, Vermilion Community College requests Board approval for the acquisition of the property, as outlined below.

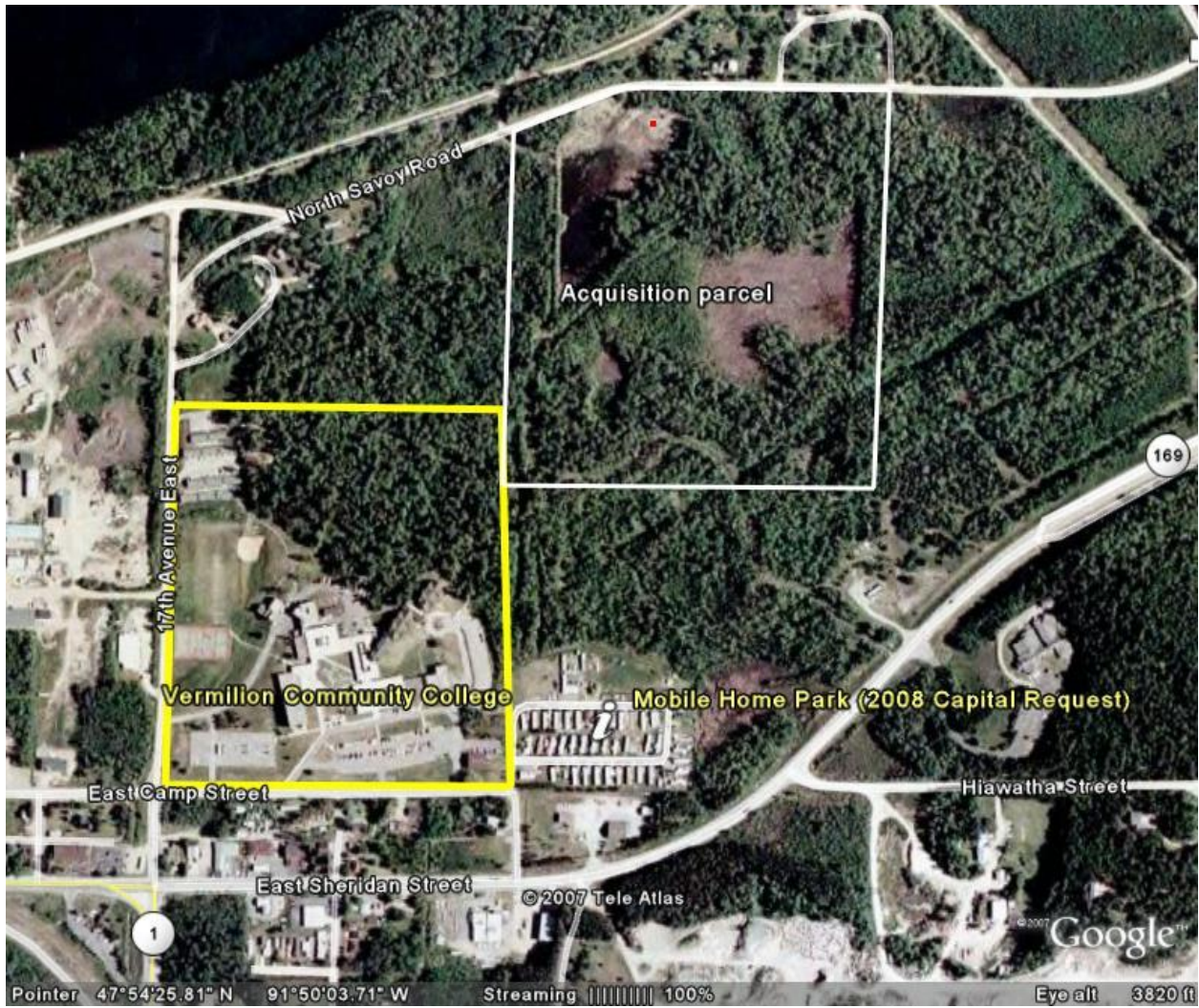
- A. Consistency with Master Plan.** Northeast Higher Education District campuses are undertaking a revision to their campus master plans, and the property is currently being integrated into the campus's updated master plan.
- B. Property characteristics.** The property is an approximately 40 acre, undeveloped tract along North Savoy Road, and is heavily forested, with a small pond on site. The property is located adjacent and northeast of campus. The Trezona Trail, a cross-country skiing trail, runs across a portion of the property. This property is north of the Northern Terrace Mobile Home Park, which is a 2008 Capital Budget candidate.
- C. Intended use.** The property will be used for a sustainable forestry plot, field labs for the Natural Resources/Forestry and Water Quality programs, and recreational space along the Trezona Trail. There are no anticipated future capital and very limited operating funds needed to maintain this parcel.
- D. Purchase Price and Funding.** The campus will use its operating funds to purchase the property. The asking price is \$200,000 (\$5,000/acre), which represents about 3% of the College's annual operating budget. The purchase price, however, will be negotiated based on an independent appraisal the college obtained for the property, and is anticipated to be lower. The college has sufficient funds to acquire the property. No relocation expenses are associated with this purchase.
- E. Due Diligence.** The college will obtain a Phase I environmental investigation.
- F. Student Consultation.** The college advised the Student Senate in September. The student senate is supportive of the acquisition.

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 the acquisition of the 40 acres adjacent to Vermilion Community College, subject to the completion of additional due diligence and approval of all documents by the Attorney General's Office.



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Date Presented to the Board: November 14, 2007