

SOUTH DAKOTA BOARD OF REGENTS

Policy Manual

SUBJECT: Acquisition and Disposal of Real Property

NUMBER: 6:2

1. Land Acquisition Plans

Where long range plans developed under § 6:1 require expansion of the campus, planning documents shall include land acquisition plans. Land acquisition plans shall include the following elements:

- A. A discussion of the need for the acquisition of additional real property in order to achieve the objective set forth in the long range plan;
- B. Identification of property to be acquired and an explanation of the basis for selecting that property to achieve the objectives set forth in the long range plan;
- C. Proposed funding sources; and
- D. Alternative acquisition plans to take effect in the event that the primary plan cannot be implemented, for financial reasons, because certain tracts fail to pass the environmental audit or for any other reason.
 1. Alternative plans should address the disposition that shall be made of tracts that have been acquired in the event that it becomes impossible to acquire all the tracts sought.

2. Land Acquisition and Conveyance

The Board's powers to acquire and convey interests in real property vary depending upon the circumstances in which the transactions arise. No proposal may be brought to the Board for its consideration until the General Counsel has certified that the proposed transaction conforms to the legal limitations on the Board's authority.

3. Supporting Documentation for Land Acquisition

All proposals brought to the Board for its consideration must be accompanied by the following background documentation:

- A. The certificate of the General Counsel that the proposed structure for the transaction conforms to the legal limitations on the Board's authority;

- B. A statement of the business rationale for the acquisition referencing the land acquisition plan set forth in § 6:2(1) and identifying any additional actions or expenditures that shall be needed to make use of the property;
- C. A report from an independent appraiser stating a fair market price for the property;
- D. An environmental audit report, including any action plan required to abate identified environmental hazards; and
- E. A financial plan and acquisition budget addressing (1) the land price, (b) incidental expenses and (c) costs for related improvements or services needed to make the property serviceable.

These materials may be presented to the Board in executive session pending completion of negotiations for an acquisition, but shall become public records once the acquisition is complete.

4. Supporting Documentation for Conveyance of Interests in Real Property

All proposals brought to the Board for its consideration must be accompanied by the following background documentation.

- A. The certificate of the General Counsel that the proposed structure for the transaction conforms to the legal limitations on the Board's authority;
- B. A statement of the business rationale for the transaction, including a discussion of the effects of the conveyance on current operations and on plans made pursuant to §§ 6:1 and 6:2(1);
- C. A report from an independent appraiser stating the fair market value of the interest to be conveyed;
- D. For transactions conveying title or control of Board property, except conveyance for highway purposes, an environmental audit report, including any action plan required to remove Board liability for identified environmental hazards; and
- E. A financial plan identifying costs associated with the transaction, funding sources and disposition of the proceeds.

These materials may be presented to the Board in executive session pending completion of negotiations for a conveyance, but shall become public records once the acquisition is complete.

5. Gifts of Real Property

In addition to the documentation required under Policy number 6:2(3), before a gift of real property may be accepted the following the external review procedures must be completed:

- A. Any real property given to the state shall require the Bureau of Finance and Management to prepare a fiscal note showing the cost to state government.
- B. Any gift of real property in which the cost to state government exceeds one thousand dollars in any one year requires legislative approval.
- C. Gifts of real property may not be accepted until the attorney general certifies that they are free from obligations.

SOURCE: BOR, September 1991; BOR, June 1992