South Dakota State University seeks legislative authorization to spend other funds (NOT state general funds) to purchase improved real property adjacent to the SDSU campus.

As background, SDSU established a property acquisition plan in 1991 as a guide to acquire property adjacent to campus for use as future building sites and for parking. House Bill 1008 includes property that is a part of this master plan. Nearly all property in the master plan has been acquired or is in the final stages of acquisition.

Board of Regents’ policy requires that a funding source for property purchases be identified as part of the approval process. Funds used include indirect recovery from grants, parking and housing fees, and revenues from rentals, services, and contracts. Some properties have been purchased from tuition revenues and other contributions.

The first part of House Bill 1008 authorizes the Board of Regents to purchase a 13,532 square-foot facility, which is currently a church and student center located on the south side of campus. SDSU owns adjacent property on three sides of the facility.

- Authorization to spend **$950,000** is for the purchase price, based upon an appraisal and incidental costs associated with the property’s purchase.
- **Located near the residence hall complex, SDSU intends to use this building for academic support.** It is already set up for several classrooms, small group work rooms, and student support services, such as advising.
- The facility has a good record of maintenance as confirmed by the SDSU Facilities and Services Department.
- House Bill 1008 authorizes the Board of Regents to spend “other funds” derived from gifts, grant and contract indirect recovery funds, and tuition. Similar to all Board of Regents’ properties, this property will be held in the name of the state of South Dakota.

A second part of House Bill 1008 provides for purchase of improved real property of 12 residential houses, most of which are currently rental properties. Located along 7th and 8th streets in Brookings, these properties are adjacent to SDSU property on the south side of campus. The houses will be removed and SDSU plans to redevelop the sites for student housing units and associated parking.

- Ten houses on 7th Street will allow SDSU to redevelop an entire two-block area from 14th to 16th avenues on the southeast side of campus.
- All properties are appraised.
- The bill authorizes spending “other funds” not to exceed **$2,134,000** from sales and services revenue, rentals, or grant and contract indirect recovery funds. This property also will be held in the name of the state of South Dakota.