

**SOUTH DAKOTA BOARD OF REGENTS**

**Academic and Student Affairs**

**AGENDA ITEM: 5 – D**

**DATE: October 7-8, 2015**

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**SUBJECT: Discovery District (USD Research Park) Lease Amendment**

In 2014, the USD Research Park Board contracted with a consultant (Architecture Incorporated and Perkins & Will) to prepare a master plan for the research park. As part of that process, the consultant assessed the location and layout of the proposed park and determined the 80 acre tract of land identified under the existing master ground lease agreement is not the ideal location for the research park (Attachment I contains the parcel currently subject to the lease agreement, which is comprised of Tract 1, 2 and 3, Less Lot A, of the University Center Research Park Addition to the City of Sioux Falls, Minnehaha County, South Dakota). The land identified by the consultant as the preferred location for the research park consists of a small tract (approximately 20 acres) to the east and south of the GEAR Center and a larger tract (approximately 58 acres) to the west of the University Center (See Attachment II). As such, USDRP, Inc. desires to amend its existing lease with BOR to reflect the foregoing change.

Perkins & Will representatives will be on hand to present to the Board and discuss the following:

- Discovery District vision and goals
- Master plan design, strategy and intent
- Planned Discovery District location
- Parking strategy and impact on University Center

A copy of the consultant’s presentation material will be provided to the Board upon receipt.

The following issues have been identified as potential tension points associated with amending the lease as requested. First, the new tract of land encompasses two parking lots

(Continued)

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

I move to direct staff director to pursue lease revisions, confer with bond counsel, as necessary, to resolve any issues associated with previous bond issuances, and bring the matter back to the board for action in December.

I move to appoint Mike Rush to replace Jack Warner as a Director of USDRP, Inc. for the remainder of his existing term.

## Discover District (USD Research Park) Lease Amendment

October 7-8, 2015

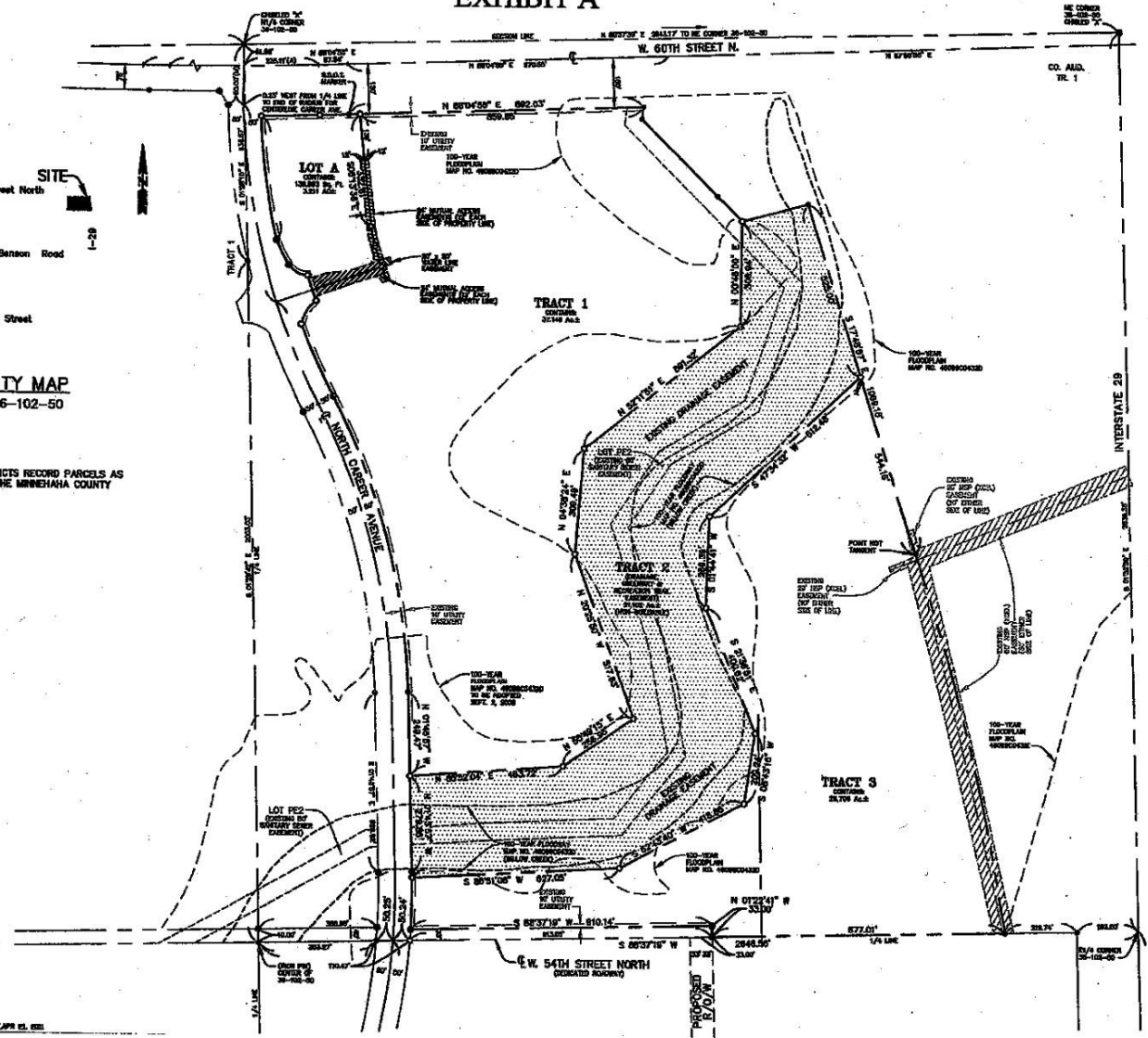
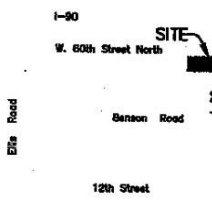
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associated with the University Center. Consequently, there are issues to be resolved with respect to the funding used to construct the same, whether or not jurisdiction to the parking lots has been transferred as a result of bonding, and the need for replacement parking should they be removed in the course of developing the District. Additionally, the new footprint for the Discovery District land-locks the University Center. This may or may not be of concern to the board, but it's worth noting given the ongoing discussions with respect the university center models going forward. If the board is amicable to the request to amend the master ground lease, staff will proceed with drafting an amended lease agreement, conferring with bond counsel to resolve any issues associated with previously issued bonds, and address any other matters as directed by the Board, with intent of bringing the proposed lease amendments before the board for approval in December.

Additionally, at its meeting on September 25, 2015, the Discovery District Board moved and unanimously approved the nomination of Dr. Mike Rush to fill the board vacancy created by the retirement of Dr. Jack Warner. Dr. Warner was appointed by the Board to serve a two year term on the Board of Directors of the Discovery District at its [June meeting in 2014](#). Dr. Warner's retirement and subsequent departure from the state have left him unable to fulfill the remainder of his term as a Director of USDRP, Inc. As such, the Board is being asked to appoint Dr. Rush to replace Dr. Warner as a Director of USDRP, Inc. and fulfill the remainder of his term.

# EXHIBIT A

SCALE 1" = 300'



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UNIVERSITY CENTER RESEARCH PARK  
EXISTING PLATTED AREAS

PROJECT NO.:	18078
SURVEYED BY:	DAS
CREATED BY:	DOJ
APPROVED BY:	MM
REVISION DATE:	
EXISTING PLATTED AREAS	A

**PARCEL EXHIBIT**

USD RESEARCH DISTRICT

