

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – S**  
**DATE: March 27-29, 2018**

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**SUBJECT**

**NSU Unimproved Real Property Purchase in Aberdeen**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 6:2 – Acquisition and Disposal of Real Property](#)

**BACKGROUND / DISCUSSION**

Northern State University requests approval to purchase unimproved real estate in Brown County, South Dakota. At the [December 2017](#) meeting, the Board approved introduction of legislation during the 2018 Legislative Session that became [House Bill 1062](#) which authorized the Board of Regents to purchase this property on behalf of Northern State University.

Section 1 of House Bill 1062 authorized the purchase of .86 acres, more or less, of unimproved real property known as Lot 1, Young’s Railroad Addition to the City of Aberdeen, Brown County, South Dakota.

Section 2 of House Bill 1062 appropriated the sum of twenty-five thousand dollars (\$25,000) in other fund expenditure authority from gifts to the Board of Regents for the purchase of this property.

**IMPACT AND RECOMMENDATIONS**

This acquisition will be made in accordance with applicable law and Board of Regent Policy 6:2 regarding the acquisition of real property which requires the following elements that are addressed after each element is identified.

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

The General Counsel has reviewed the proposed structure for the transactions and is of the opinion that it conforms to the legal limitations on the Board’s authority. House

(Continued)

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**DRAFT MOTION 20180327\_7-S:**

I move to approve NSU’s request to purchase .86 acres, more or less, of unimproved real property known as Lot 1, Young’s Railroad Addition to the City of Aberdeen, Brown County, South Dakota. Donations of \$25,000 will be used for this purchase.

Bill 1062 was approved by the 2018 Legislature and signed by the Governor on February 22, 2018, authorizing this purchase.

- B. A statement of the business rationale for the acquisition referencing the land acquisition plan set forth in BOR Policy 6:2(1) and identifying any additional actions or expenditures that shall be needed to make use of the property;

The acquisition of this property is in compliance with NSU's Campus Master Plan completed in 2017 and is supported by the property purchase plan completed in July 2011. This strip of land lies between land owned by NSU and the current SDSBVI campus.

The north part of the property will become part of a parking lot. The purchase of this land and the construction of the parking lot are part of the Great Plains East and Great Plains West residence hall construction project. The south part of the property will be preserved for future development.

- C. A report from an independent appraiser stating a fair market price for the property;

An independent appraisal was completed for the property; the appraised value is listed at \$25,500. The report is available from NSU upon request.

- D. An environmental audit report, including any action plan required to abate identified environmental hazards;

The property will have an environmental assessment completed prior to completion of the purchase. No environmental hazards are anticipated for the property.

- E. A financial plan and acquisition budget addressing (1) the land price; (2) incidental expenses and (3) costs for related improvements or services needed to make the property serviceable;

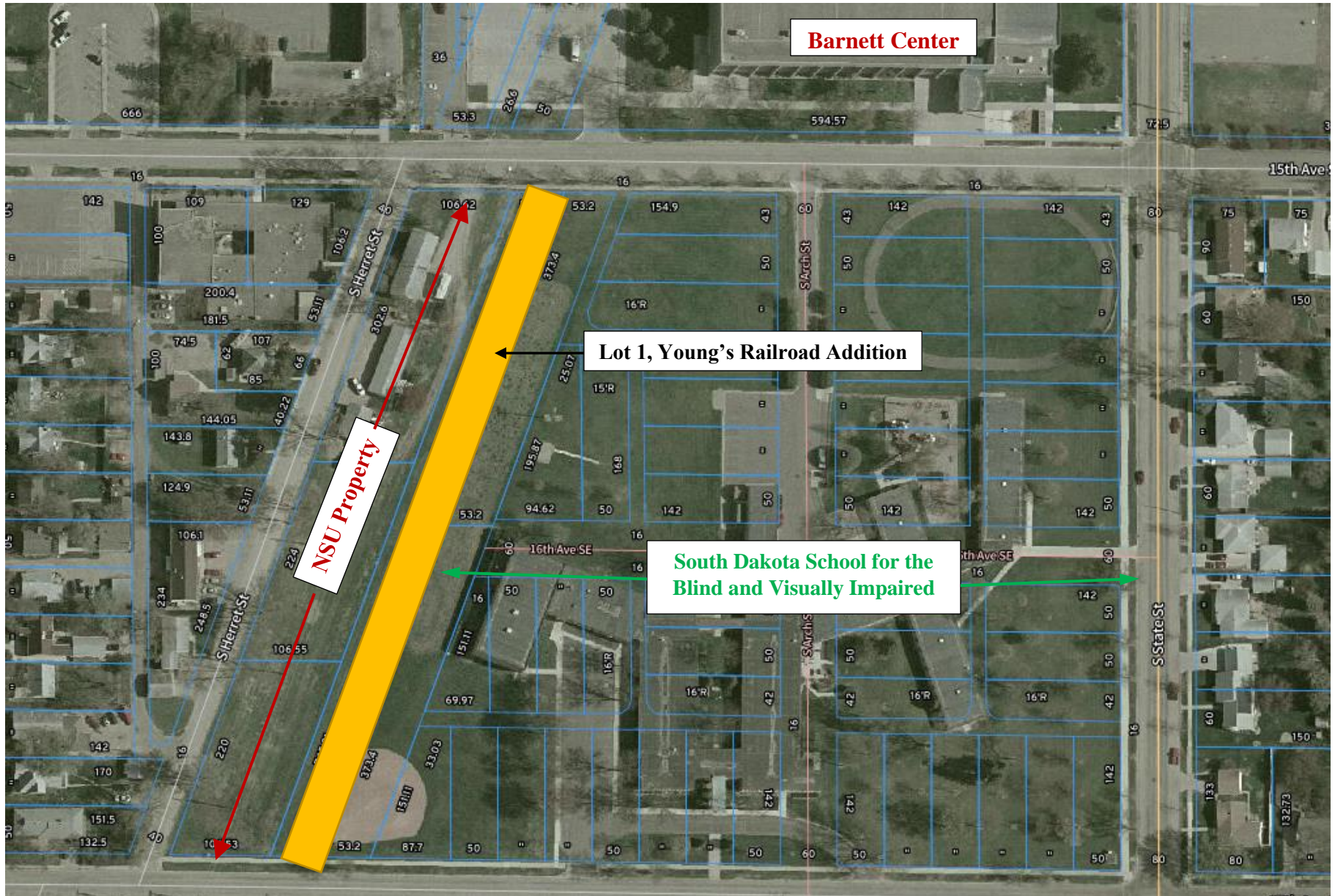
(1) The land will be purchased from the Northern State University Foundation for \$25,000 using donated funds. House Bill 1062 included an emergency clause so the purchase will occur prior to July 1, 2018.

(2) The estimated cost for incidental expenses include: (a) Document recording fee (\$30), (b) Title transfer fee (\$25).

(3) There are no trees or structures to remove from the property. There will be costs to grade the site at the time the parking lot is constructed.

## **ATTACHMENTS**

Attachment I – NSU Map Showing the Land to be Acquired



**Barnett Center**

**Lot 1, Young's Railroad Addition**

**NSU Property**

**South Dakota School for the Blind and Visually Impaired**