

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 6 – F

DATE: October 7, 2020

SUBJECT:

NSU Auxiliary System Property Acquisition

CONTROLLING STATUTE, RULE, OR POLICY

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

[SDCL 13-51A-2](#) – Power to Acquire Property

BACKGROUND / DISCUSSION

Northern State University (NSU) requests Board of Regents’ authorization to acquire three properties using housing and auxiliary facilities (Revenue System) funds. The properties are directly south of campus.

- 1) 1516 S Herret Street, Lot 2 Randall’s First Subdivision
- 2) 1522 S Herret Street, Lot 6, Block 1 Normal Addition
- 3) 1526 S. Herret Street, Lot 7, Block 1 Normal Addition

The cost for all three properties is \$262,786. This includes the cost of demolition for the structures located on the properties when they were acquired by the NSU Foundation. The lots have a gravel surface suitable for parking, therefore, no additional costs will be incurred to make the property serviceable. NSU residence halls are concentrated toward the south side of campus. These properties can be used for additional residence hall parking as needed.

IMPACT AND RECOMMENDATIONS

This acquisition will be made in accordance with applicable law and Board of Regents Policy 6:2 regarding the acquisition of real property which requires the following elements:

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

DRAFT MOTION 20201007_6-F:

I move to authorize NSU to purchase three properties described as 1516 S. Herret Street, Lot 2, Randall’s First Subdivision; 1522 S. Herret Street, Lot 6, Block 1 Normal Addition; and 1526 S. Herret Street, Lot 7, Block 1 Normal Addition in Aberdeen, South Dakota, for a total cost of \$262,786.

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;

The acquisition of this property is in line with NSU's Campus Master Plan completed in 2017 and is supported by the property purchase plan completed in August of 2018.

NSU is in the heart of a residential area with very limited opportunities to secure campus borders and provide areas for future growth and development. Strategic investment in property adjacent to campus is necessary in order to achieve long-term goals of the master plan. These three properties are on the south side of campus, where the residence hall facilities are concentrated.

Structures have been removed from the property. The costs of demolishing the structures, leveling the lots and laying down a gravel surface suitable for parking are included in the purchase price.

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

An independent appraisal has been completed for all three of the properties. The report is available from NSU upon request.

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

A Phase I Environmental Site Assessment was completed for each property. No hazards were identified on any of the properties.

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

Auxiliary cash reserves will be used to purchase the properties. The cost for all three properties is \$262,786. This includes the cost of demolition for the structures located on the properties when they were acquired by the NSU Foundation. The lots have a gravel surface suitable for parking, therefore, no additional costs will be incurred to make the property serviceable.

ATTACHMENTS

Attachment I— Property Map

