

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 7 – C**

**DATE: May 11, 2021**

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**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 requests the Board of Regents’ authorization to acquire property from the NSU Foundation from housing and auxiliary facilities system (“Revenue System”) funds. The property is adjacent to the campus and located at 219 12<sup>th</sup> Ave SE in Aberdeen.

**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.**

To be completed by the Board office

- 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

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**DRAFT MOTION 20210511\_7-C:**

I move to authorize NSU to acquire from the NSU Foundation the property described as 219 12<sup>th</sup> Ave SE, Aberdeen, SD. Housing and auxiliary facility funds will be used to purchase this property.

goals of the master plan. This property lies just across the street on the north side of campus near Briscoe Hall and Wolves Memorial Suites. NSU owns the adjoining lot on the west side of this property.

A single-family home currently sits on the property. Costs could be incurred at some time in the future to remove the home and develop the lot to meet campus needs identified at the time. Until then, the home will continue to be used as rental property.

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

An independent appraisal has been completed for the property as of March 30, 2021 with an appraised value of \$60,200. 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 property at a cost of \$67,400.82 plus related closing costs. (Closing costs are estimated at \$885.)

**ATTACHMENTS**

Attachment I - Property Map

