

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 6 – A
DATE: October 5-6, 2022

SUBJECT

DSU Land Acquisition – Sanford Health

CONTROLLING STATUTE, RULE, OR POLICY

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

BACKGROUND / DISCUSSION

Dakota State University (DSU) requests Board of Regents’ authorization to acquire real estate in Minnehaha County. The acquisition was approved by the 2022 Legislature by way of [SB130](#), which was signed by the Governor on March 24th. The bill authorized the Board of Regents to accept, on behalf of Dakota State University, for the purpose serving as the site for the Dakota State University Applied Research Lab authorized in the legislation, the donation of up to 16 acres of real property from Sanford Health, located within the following described parcel:

THE NORTHWEST QUARTER (NW1/4) OF SECTION 6, TOWNSHIP 101 NORTH, RANGE 49 WEST OF THE 5TH P.M., MINNEHAHA COUNTY, SOUTH DAKOTA, ACCORDING TO THE GOVERNMENT SURVEY THEREOF, INCLUDING LOTS FE1 AND FE3 AND EXCEPT LOTS H1, H2, H3 AND H4 AND EXCEPT SANFORD SPORTS COMPLEX SOUTH ADDITION TO THE CITY OF SIOUX FALLS CONTAINED THEREIN.

The foregoing acquisition will be made in accordance with applicable law and subject to the conditions contained in SB130. Once the Board approves the acquisition/acceptance of the land donation, the necessary documents to facilitate the transfer will be finalized and executed, subject to the approval of the BOR General Counsel to ensure compliance with applicable law. The necessary elements of BOR Policy 6:2 pertaining to land acquisitions include:

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

(Continued)

DRAFT MOTION 20221005_6-A:

I move to approve the acquisition of the real estate located in Minnehaha County, as presented, which was authorized by Senate Bill 130 during the 2022 Legislative Session.

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. SB130 was approved by the 2022 Legislature and signed by the Governor on March 24, 2022, authorizing the acquisition of the Minnehaha County property.

- 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 land to be acquired will serve as the site for DSU’s Applied Research Laboratory in Sioux Falls authorized in SB130.

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

The land is being donated by Sanford Health, and as such, DSU requests the Board waive the requirement in policy for an independent appraisal stating a fair market price for the property.

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

A Phase 1 Environmental Site Assessment was completed, which found no evidence of recognized environmental conditions in connection with the property. The report is available from DSU upon request.

- 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 donated to BOR by Sanford Health;
- (2) Any incidental expenses associated with the land acquisition/transfer will be funded from the expenditure authority authorized in SB130; and
- (3) The property will be developed as authorized in SB130, to include the expenditure authority for donated funds granted therein.

IMPACT AND RECOMMENDATION

The proposed acquisition will allow DSU to proceed with the DSU Applied Research Laboratory in Sioux Falls as authorized by SB130.

Staff recommends approval.

ATTACHMENTS

None