

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – L
DATE: March 29-30, 2022

SUBJECT

DSU Land Acquisition

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 Lake County. The acquisition was approved by the 2022 Legislature in [HB1021](#), which contained an emergency clause, and was signed by the Governor on March 9th. The bill authorized the Board of Regents to purchase or otherwise acquire, on behalf of Dakota State University, the following described real estate in the City of Madison, Lake County, South Dakota:

- (1) N341’ S459.21’ E368.5’ LT 1 CO AUD SUB NE1/4 SEC 6-106-52;
- (2) LOT 1 BLOCK 1 DSU FOUNDATION ADD;
- (3) LOT 2 BLOCK 1 DSU FOUNDATION ADD; and
- (4) LOT 3 BLOCK 1 DSU FOUNDATION ADD.

The foregoing acquisition will be made in accordance 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;

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 Bill 1021 was approved by the 2022 Legislature and signed by the Governor on March 9, 2022, authorizing the acquisition of the Lake 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;

(Continued)

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I move to approve the acquisition of the real estate located in Lake County, as presented, which was authorized by House Bill 1021 during the 2022 Legislative Session.

The land proposed to be acquired enables DSU to construct Phase I of the DSU Athletics Master Plan and permits future development of that master plan. This property will be the location of the new track/soccer field and will also provide sufficient land to meet stormwater requirements. Alternatives to this land acquisition were evaluated but were determined to be much more costly.

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

The land is being transferred from the DSU Foundation at no cost, 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 by Houston Engineering, Inc. on January 26, 2022, 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 transferred from the DSU Foundation at no cost;
- (2) Any incidental expenses associated with the filing of the land transaction would be funded from unrestricted university funds and/or foundation funds; and
- (3) The property will be developed in accordance with the Athletics Events Center Facility Design Plan, which will be funded through donated funds.

IMPACT AND RECOMMENDATION

The proposed acquisition will allow DSU to proceed with Phase 1 of the DSU Athletics Events Center as authorized by HB1021 and detailed in the DSU Athletics Events Center Facility Design Plan.

Staff recommends approval.

ATTACHMENTS

None