

November 15-16, 2007

ITEM 137-2801-R1107

Authorization to Accept Offer for the Sale of Commercial-Local Lot at 5th Avenue & 13th Street in Havre, Montana; Montana State University-Northern

THAT:

The Board of Regents of Higher Education authorizes Montana State University-Northern to accept an offer for the sale of the property located on the southwest corner of 5th Avenue and 13th Street, Havre, Montana.

EXPLANATION:

Montana State University-Northern desires to sell the vacant commercial-local lot located on the southwest corner of 5th Avenue and 13th Street, Havre, Montana. The property is described as T32N, R16E, Section 08: SWSE N of City Road & West of 5th Avenue. The subject property consists of 2.42 acres of land that is located on the southwest corner of Fifth Avenue and Thirteenth Street, both of which are high local traffic routes and the property is not useable by MSU-Northern. When Thirteenth Street was built to provide for a hospital access it divided the university property. (Board of Regents Item 18-809-R0977, Authorization for Right-of-way to City of Havre, Northern Montana College September 1977) Topography of the 2.42 acres of property is gentle sloping to steep however there appears to be enough moderately sloping area adjacent to Fifth Avenue for a residence or business in accordance with local zoning with reasonable grade work completed. One appraiser describes 1.21 acres as waste and the other appraiser describes 1.42 acres as waste. The subject 2.42 acre parcel surrounds an existing single family dwelling and outbuildings, with 100 foot frontage on Fifth Avenue, on three sides with the portion behind and to the north of the dwelling being considered mostly waste. There is no negative impact to the sale of this property because the approximate 1 acre of useable land is separated from the northeast side of campus by a high traffic road and the remaining steep acreage considered waste making foot traffic difficult, if not impossible. The campus property on the northwest side of Thirteenth Street is vacant land leading to Married Student/Family Housing. Over the past two years the campus has received inquiries regarding the possible sale of the property. Giving the fact this piece of property is completely separated from the campus and the interest in the property, the campus made the decision to put the property up for sale. Proceeds from the sale will be used for deferred maintenance projects on campus.

In accordance with § 20-25-307, MCA, MSU-Northern solicited proposals for the purchase of the property. As required, MSU-Northern published a public notice of the Request for Proposals in the Havre Daily News and Great Falls Tribune for four consecutive weeks during October 2007.

The property was appraised by two independent appraisers in July 2007, one appraisal was \$40,000 and another was \$63,000. Bids for purchase of the property have been solicited and MSU-Northern will accept the proposal that is most economically advantageous to MSU-Northern.

In addition to the proposal offer amount, it is anticipated that the purchasers will pay any lender costs, including appraisals, survey of the property, title insurance costs, real estate commissions, or closing costs. MSU-N will pay no real estate commissions. Payment in full at the time of closing is required.

The bid opening date is November 2 (after the agenda has been mailed to the regents) so the campus will provide the board with the results of the bid opening at the board meeting. Upon final approval from the Board of Regents, a formal purchase agreement will be executed and other appropriate documents prepared by MSU-N legal counsel. The sale will be finalized subject to the approval of the Board of Land Commissioners at their next meeting.

In the event of default by the apparent successful purchaser, the purchaser's bid security of \$500.00 will be forfeited to MSU-N as damages and the next highest proposed purchaser will be notified.