

May 28-30, 2008

ITEM 139-1010-R0508 **Accept Gifted Property; The University of Montana–
Missoula**

THAT: The Board of Regents of Higher Education of the Montana University System authorizes The University of Montana to accept gifted property from the UM Foundation located adjacent to Flathead Lake Biological Station, Yellow Bay, Montana for the use and benefit of The University of Montana-Missoula as herein prescribed.

EXPLANATION: Description of Yellow Bay Property

Property is comprised of 1.25 acres in the Yellow Bay area of Flathead Lake, across the highway from the UM Flathead Lake Biological Station (FLBS). 17268 E. Shore Route Yellow Bay Orchard Tracts Lt.6 Port of S33 T25N R19W H-2085

Background

In 1996 The UM Foundation was given property from Donna Metcalf on Safety Bay Villa, designating proceeds from its sale be used for the acquisition of additional real property near or adjacent to the Flathead Lake Biological Station. This property valued at \$150,000 was sold in 1997 with net sale proceeds of \$126,200 going to the Foundation.

Using the proceeds from this sale, the UM Foundation purchased a property adjacent to the Flathead Lake Biological Station. Flathead Lake Biological Station Director, Jack Stanford, became interested in purchasing this parcel which is immediately adjacent to Yellow Bay in order to prevent the owner, whose well ran dry, from drilling for a new well and possibly damaging Yellow Bay area surface and ground water. This property was appraised at \$110,000 and was purchased by the Foundation for \$100,000 in 2004 with the buy-sell agreement contingent on approval of a Phase I Environmental Assessment. Results of the assessment identified petroleum-stained soils in the vicinity of the above-ground storage tanks used to store heating oil. FLBS subsequently razed the house and garage on the property, excavated the contaminated area, removed the contaminants and mitigated all environmental concerns to

the satisfaction of the Montana Department of Environmental Quality.

As the Yellow Bay Property was purchased using donor funds the Property was booked in Fund 52H (titled FLBS Land Acquisition – Metcalf Gift) at the UM Foundation.

Action Requested

As there is no longer any purpose in its continuing to hold the Property, the UM Foundation would like to transfer the Property to the University for use by the Biological Station.