

Board Meeting
June 9, 2011

ROLL CALL

AUTHORIZE SOUTH CAMPUS LAND EXCHANGE AGREEMENT WITH
UNIVERSITY OF ILLINOIS FOUNDATION, URBANA

Action: Authorize South Campus Land Exchange Agreement with the University of Illinois Foundation

Funding: Institutional Funds Operating Budget

The Interim Vice President, University of Illinois, and Interim Chancellor, University of Illinois at Urbana-Champaign with the concurrence of the appropriate administrative officers recommends that the Comptroller be authorized to execute an agreement to transfer University-owned farmland to the University of Illinois Foundation in exchange for like-valued Foundation owned farm properties.

The Board of Trustees owns the property, commonly known as the Manteno Farm, in fee simple and there are no gift limitations. The Manteno Farm consists of approximately 200 acres and is located in Manteno Township, in Kankakee County, Illinois. The farm was acquired by the University in 1986 from the State of Illinois Central Management Services. The Manteno Farm is a good quality, productive farm but intensive on-farm research by the College of Agricultural, Consumer and Environmental Sciences faculty and students is more efficiently managed on acreage in close proximity to the Urbana-Champaign campus.

Consistent with its mission to support the University, the Foundation, at the request of the University, has acquired a portfolio of properties within the Urbana Campus Master Plan boundaries, to which the University has been granted full use by way of master lease agreement between the parties.

The University has obtained an appraisal for the Manteno Farm property and the Foundation finds this valuation acceptable to support a property exchange transaction. The Foundation will order its own appraisal of the property before the final transaction details and values are completely defined. As consideration, the Foundation will transfer ownership to the University of an appropriate number of farm properties totaling a like-value to the mutually agreed upon Manteno Farm value.

After the property exchange, the Foundation is free to pursue a sale of the Manteno Farm or retain the farm for its own investment portfolio. In accordance with Legislative Audit Commission Guidelines, if a transaction results in a gain net of the Foundation's carrying costs, the net gain will be promptly transferred or made available by the Foundation to the University, and a loss will be retained by the Foundation.

The Board action recommended in this item complies in all material respects with applicable State and Federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and the Board of Trustees policies and directives.

The Vice President/Chief Financial Officer and Comptroller concurs.

The President of the University recommends approval.