Approved by the Board of Trustees

September 22, 2022

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 Board Meeting

 September 22, 2022

ROLL CALL

# DETERMINATION OF SURPLUS REAL ESTATE AND DELEGATION OF AUTHORITY TO COMPTROLLER TO SELL SURPLUS REAL ESTATE,

# URBANA

**Action:** Determination of Surplus Real Estate and Delegation of Authority to Comptroller to Sell Surplus Real Estate

**Funding:** No New Funding Required

 The Chancellor, University of Illinois Urbana-Champaign, and Vice President, University of Illinois System recommends that the real property located at 2806 and 2808 Castlerock Drive, Urbana, Illinois, be deemed “surplus real estate” by the Board of Trustees pursuant to Public Act 101-0213. It is further recommended, subject to soliciting and receiving a bona fide purchase offer for value, and the satisfactory resolution of final sale terms, including price, that are in the best interests of the University and consistent with the University’s objectives and purposes, that the Comptroller be authorized to execute and deliver the required transaction documents to consummate the sale of the subject real property.

Public Act 101-0213 amended the State Property Control Act (30 ILCS 605/1 et seq.) to allow the Board of Trustees of any Illinois public institution of higher education, including the University of Illinois, to sell, lease, or otherwise transfer or convey to a bona fide purchaser for value all or a part of real estate deemed by the Board to be surplus real estate. The Act permits the University to retain the proceeds from such transactions. It requires that such proceeds be maintained in a separate account in the Treasury of the University for deferred maintenance and emergency repair of University property.

 The two residential lots subject to this request were donated by the Atkins Group (TAG) in 2020 to the University of Illinois, along with the Atkins golf course proper, which has now been renovated to serve as a championship-quality golf facility. These two lots were intended by TAG for the potential construction of a Chancellor’s residence, a shared resource to the community. As a part of the overall gift by TAG, another 100 residential lots, 70 acres of undeveloped land, and a commercial parcel were donated through the University of Illinois Foundation (Foundation) for the benefit of the Division of Intercollegiate Athletics.

 Upon further analysis of the two subject lots, it was determined that the size and location would not provide for the needs of such a proposed facility to host events and provide hospitality and parking. Other potential sites on the undeveloped land may prove better for such use, which will be planned in the future. There is no imminent use of these residential lots by the University for residential occupancy or investment purposes. The two lots are in high demand in the community and hold market value in the range of approximately $180,000-$200,000, which could be utilized for deferred maintenance and repair of facilities. The University has discussed and received approval from the Atkins family to sell these university lots similar to the other residential lots handled by the Foundation and TAG. Since these were donated directly to the University and not through the Foundation, the lots must be deemed surplus property in order to sell the lots.

 There is sufficient area in the undeveloped acreage of the gifted land for an alternative site for the Chancellor’s residence. The undeveloped area would provide adequate space for hosting events, providing hospitality, and having available parking. The University is evaluating the feasibility and financial considerations for the alternative site.

 The Chancellor, University of Illinois Urbana-Champaign, and Vice President, University of Illinois System requests that the following properties be deemed surplus property:

1. 2806 Castlerock Drive, Urbana, Illinois: The subject property is a 0.365 acre residentially platted lot. Annual maintenance expenses for this vacant property are approximately $1,000. The property is outside the University of Illinois Urbana-Champaign master planning area and has no current or future use for the University.
2. 2808 Castlerock Drive, Urbana, Illinois: The subject property is a 0.365 acre residentially platted lot. Annual maintenance expenses for this vacant property are approximately $1,000. The property is outside the University of Illinois Urbana-Champaign master planning area and has no current or future use for the University.

 Upon the Board of Trustees deeming the above subject properties to be surplus real estate, the System will undertake a sale process, including obtaining an appraisal of fair market value and ensuring an open and fully transparent solicitation process. It is requested that the Comptroller be delegated the authority to conduct the sale process, execute, and deliver the required documents to consummate the sale and purchase transaction, and deposit the sale proceeds in a separate account for deferred maintenance and emergency repair of University property, all in accordance with Public Act 101-0213.

 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 Board of Trustees policies and directives.

 The President of the University of Illinois System concurs with this recommendation.