

Board Meeting
September 7, 2006

Revised September 6, 2006

ROLL CALL

URBANA SOUTH CAMPUS LAND EXCHANGE

Action: Authorize Execution of an Agreement with the University of Illinois Foundation to Transfer the University's 160-Acre Pell (Pomology Research) Farm for Like-Valued Foundation-Owned Properties.

Funding: Institutional Funds Operating Budget

The Chancellor at Urbana-Champaign with the concurrence of the appropriate administrative officers, recommends that the Comptroller be authorized to execute an agreement to transfer the University-owned Pell (Pomology Research) Farm to the University of Illinois Foundation in exchange for like-valued Foundation owned properties.

The Board of Trustees owns the property, commonly known as Pell Farm, in fee simple and there are no gift limitations. Pell Farm consists of 160 acres and is located outside of the Urbana campus Master Plan boundaries at the southwest corner of Windsor and Philo Roads in Urbana, Illinois. Historically, Pell Farm has been the site of pomology research under the direction of the College of Agricultural, Consumer and Environmental Sciences (ACES). ACES has been in the process of relocating and

consolidating its pomology research to newly acquired South Campus research lands. Completion of the relocation process is scheduled for January 2008.

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, including the Willard Airport area, 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 Pell Farm property and the Foundation finds this valuation acceptable to support a property exchange transaction. As consideration, the Foundation will transfer ownership to the University of an appropriate number of properties totaling a like-value to the agreed upon Pell Farm value.

University pomology research located on the Pell Farm is being transitioned to a new south farms location. When this transition is accomplished, the Foundation is free to pursue a transaction involving Pell Farm. 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 for Administration concurs.

The President of the University recommends approval.