

BOARD OF REGENTS  
BRIEFING PAPER

1. **AGENDA ITEM TITLE:** University of Nevada, Reno – Authorization to Sell Approximately 40 acres at the Main Station Field Laboratory (APN 021-030-14) and Utilization of Sale Proceeds

**MEETING DATE:** June 7 and 8, 2018

**2. BACKGROUND & POLICY CONTEXT OF ISSUE:**

**Summary:** The University of Nevada, Reno (UNR) is seeking Board of Regents pre-approval to sell, at or above the appraised value, real property consisting of an approximately 40 acre portion of property at the Main Station Field Laboratory (MSFL) located in Reno, Nevada, and to allow the Chancellor or Designee to sign all necessary sale related documents.

This property is currently being marketed for sale by the University's broker Archcrest Commercial Partners of Northern Nevada who was selected through public competitive RFP in January 2018, and at the time of agenda submission is working with prospective buyers. If approved, it is anticipated that an offer will be received and this property will enter escrow prior to the September 2018 Board meeting. As with any property sale negotiation, this transaction is contingent on authorization by the Board of Regents and pre-approval now will allow that contingency to be eliminated from the sale process.

The proceeds from the sale of this property fall under the conditions Board of Regents Resolution 81-8 (Exhibit 1) which, among other requirements, prescribes the use of these funds. In addition to the authorization of the sale as described above, UNR is seeking approval to utilize the proceeds for the renovation of critical lab facilities on the main campus.

As part of the process of evaluating undeveloped and unused parcels, UNR has also requested and received Chancellor's pre-approval to explore and negotiate a conservation easement on the remaining ~771 acres at the MSFL (Exhibit 2) to retain the rights of current and future agricultural education and research opportunities in perpetuity.

**Property Location:** The property is located on the southeastern portion of the UNR Main Station Field Laboratory (MSFL), an approximately 915 acre field laboratory in Reno, Nevada (see exhibit 3). The property is further identified as an approximately 40 acre portion of the parcel with Washoe County Assessor's parcel number 021-030-14.

**Requesting Pre-Approval to Sell the Property:** Board of Regents pre-approval to sell the property will enable UNR to complete negotiations and move this transaction to escrow in the Summer of 2018. It should be noted that while UNR believes this property is marketable, any sale will likely be contingent on rezoning. Eliminating the contingency for approval of sale will assist in expediting the sale process. Consistent with previous pre-approval requests, prior to the Chancellor approving and executing any sale documents, the Resolution requires that he consult with the Business, Finance and Facilities Committee Chair and with NSHE General Counsel.

**Conditions of the Pre-Approval would be:**

- Property will be sold at a value equal to, or above, appraised value.
- Appraised value will have been assessed within one year of the sale.
- Appraiser must have an MAI commercial designation.

- University of Nevada, Reno and Nevada System of Higher Education General Counsels must approve all contracts and closing documentation prior to execution.
- Chancellor or Designee would be required to sign all documentation required for the sale of the property.
- Notice to the Board of Regents would be given upon close of sale.

**Resolution:** The University seeks approval of a Resolution authorizing the Chancellor or his Designee to approve and execute documentation to sell the above referenced property for an amount equaling no lower than the appraised value, and to sign corresponding escrow and title documents associated with the sale, and close of escrow. (Exhibit 4).

### **3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:**

University of Nevada, Reno President Marc Johnson is requesting:

1. Board of Regents' pre- approval to sell real property consisting of the approximately 40 acres identified at the Main Station Field Laboratory (MSFL) located in Reno, Nevada for a value at or above current appraised value.
2. Board of Regents' approval of a resolution authorizing the Chancellor or his Designee to approve and execute, after consultation with the Business, Finance and Facilities Committee Chair and NSHE General Counsel, documentation to sell the property for an amount at or above the appraised value, and to sign corresponding easements, escrow and title documents associated with the sale and close of escrow.
3. Rescission of Board Resolution 81-8 with respect to the sale proceeds so such funds can be used for the purpose of renovating critical lab facilities on the main campus.

### **4. IMPETUS (WHY NOW?):**

- Pre-Approval will allow for response to potential buyers within commercially acceptable timeframes, which will allow for continued negotiation of the highest and best terms for the property.
- The sale of this property will not interfere with MSFL instructional or research missions.
- The current market value and demand for the property is currently high.

### **5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:**

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21<sup>st</sup> century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

### **INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL**

Proceeds from the sale will be used to renovate critical research lab spaces. This will in turn increase UNR's competitiveness in obtaining research grants. This will also impact workforce development

and student success.

**6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

- This property has been identified as an area that is not needed for current or future MSFL activities.
- Sale of the property will generate needed proceeds for critical capital construction on campus, specifically research lab spaces.

**7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

The property could be utilized by other future programs not identified at this time.

**8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:**

The property could be held for a future sale or removed from sale altogether. Given that property values are extremely attractive in the Reno market now, and this parcel does not have an anticipated future University use, holding the property is not being recommended.

**9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:**

Approve

**10. COMPLIANCE WITH BOARD POLICY:**

- Consistent With Current Board Policy: Title # 4 Chapter # 10 Section # 1
- Amends Current Board Policy: Title # \_\_\_\_\_ Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
- Amends Current Procedures & Guidelines Manual: Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
- Other: \_\_\_\_\_
- Fiscal Impact: Yes \_\_\_\_\_ No X
- Explain: \_\_\_\_\_

**"RESOLUTION NO. 81-8"**

WHEREAS, the Board of Regents of the University of Nevada System holds title to certain parcels of property in Washoe County, Nevada, which parcels are used for the conduct of instruction, research and public service programs of the Fleischmann College of Agriculture; and

WHEREAS, these parcels of property are commonly referred to as (1) the Valley Road Farm, (2) the Main Station Farm, and (3) the Jones Ranch; and

WHEREAS, it is desired that the value of these properties be protected and maintained for the benefit of the College of Agriculture and its programs;

THEREFORE, be it resolved that it shall be the policy of the Board of Regents that in the event that any portion or all of the above described properties are sold, the proceeds from such sale shall be placed in a trust fund, and the principal and income of the trust fund utilized for the following purposes and in the following order of priority:

- (a) To purchase land for an agricultural experiment station;
- (b) For improvements to an agricultural experiment station; or
- (c) For improvements to the 4-H Camp.

AND BE IT FURTHER RESOLVED that it shall be the policy of the Board of Regents that any income from the trust fund which is not expended pursuant to the above may be used in order of priority, to supplement the operating budget of:

- (a) An agricultural experiment station;
- (b) The 4-H Camp;
- (c) The University of Nevada, Reno.

AND BE IT FURTHER RESOLVED that expenditures from the trust fund for such purposes as are described above shall be subject to approval by the Board of Regents.

Mr. Ross moved approval. Motion seconded by Mr. McBride, carried without dissent.



University of Nevada, Reno

Marc A. Johnson  
President

April 9, 2018

Chancellor's Office  
Attn: Dr. Thom Reilly  
5550 W. Flamingo Rd., Suite C-1  
Las Vegas, NV 89103

Dear Chancellor Reilly:

The University of Nevada, Reno (UNR) is requesting pre-approval to explore and negotiate the opportunity to solicit a conservation easement on NSHE property. The easement would be located on a large portion of the UNR Main Station Field Laboratory (MSFL), in Reno, Nevada. The property subject to the potential easement is further described as approximately 771 acres +/- identified on seven (7) Washoe County Assessor's parcel numbers 021-010-05 (portion of), 021-010-08, 021-020-03, 021-020-011, 021-030-04, 021-030-10, and 021-030-14 (portion of). The parcels are primarily used for agricultural and related research purposes. The Land is highlighted in green in the attached exhibit "A".

The intent of the conservation easement is to:

- Protect and preserve the MSFL
- Determine a market value of monetizing the "development rights" (i.e. value of the conservation easement) while retaining the rights of the current and future agricultural education and research operations of MSFL in perpetuity.

Per the Board of Regents handbook (Title 4, Chapter 10, Section 1.9), we are requesting approval explore and negotiate the opportunity to create a conservation easement on the MSFL property as defined above.

Any contract negotiated to create a conservation easement on the property mentioned above will be, of course, contingent upon the approval of the Board of Regents. Please call me should you have any questions.

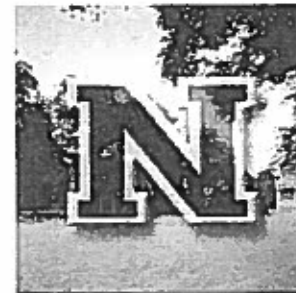
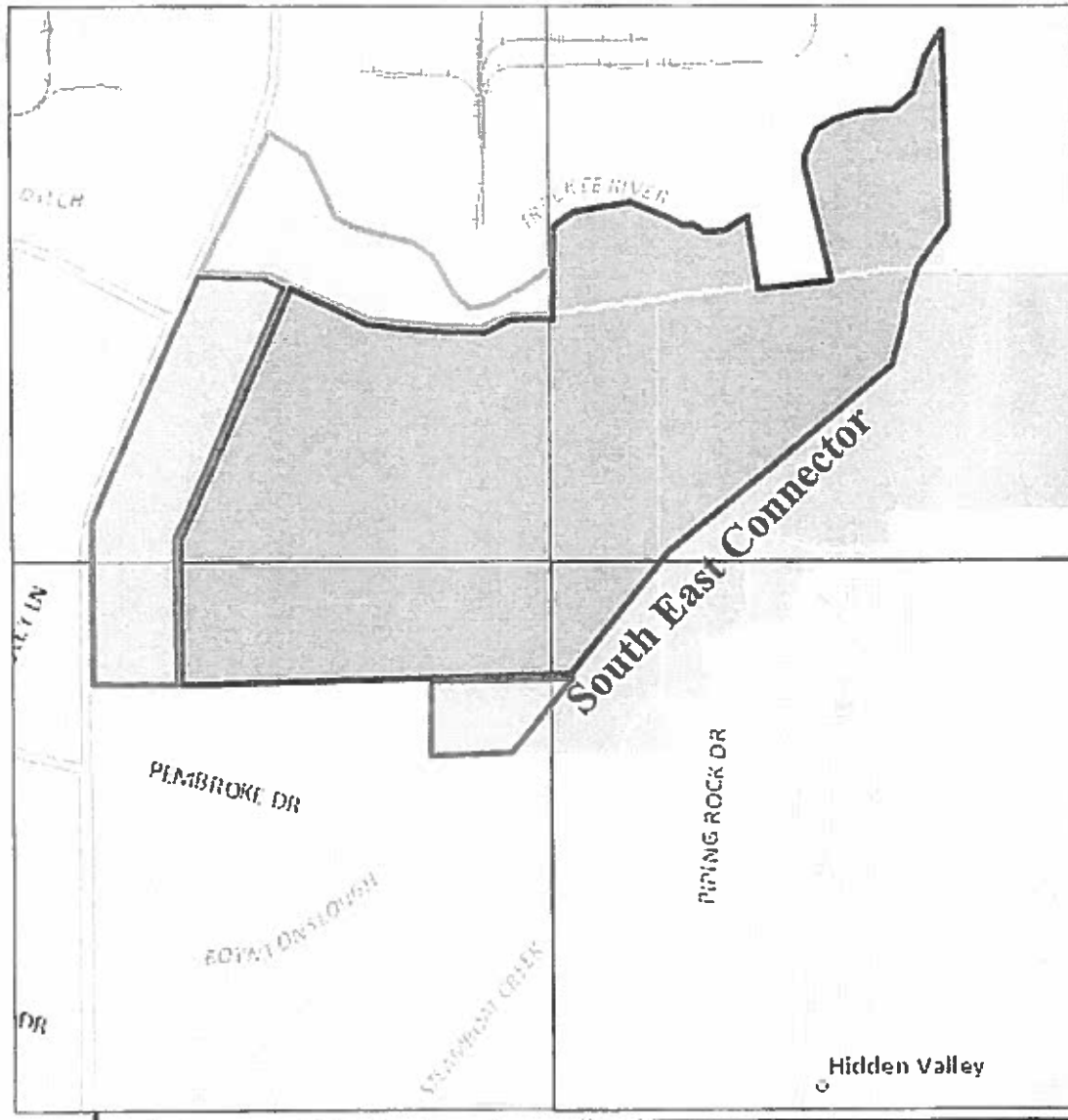
Sincerely,

Marc A. Johnson



Approved: \_\_\_\_\_

  
**Thom Reilly, NSHE Chancellor**

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*University of Nevada  
Main Station Farms*

- |   |  |              |
|---|--|--------------|
|  | <b>McCarran PUD (104 acres) &amp; Pembroke Parcel (40+/- acres)</b>                        | 144+/- Acres |
|  | <b>Wolf Pack Meats &amp; CABNR Building Operations &amp; Main Station Field Laboratory</b> | 771+/- Acres |

<b>MSFL Acreage</b>		
<b>Description (Land Acres)</b>	<b>Acres</b>	<b>% of MSFL</b>
<b>Main Station Farms</b>	915.00	
McCarran PUD Parcel	(104.00)	11%
40+/- acres (Pembroke land)	(40.00)	4%
MSFL/CABNR remaining Acreage	771.00	
WPM and CABNR Building Operations	(15.00)	2%
Potential Conservation Easement Land	756.00	83%

EXHIBIT 3



\*Exact parcel boundaries yet to be determined



**EXHIBIT 4**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION PERTAINING TO THE APPROVAL OF THE SALE OF REAL PROPERTY CONSISTING OF AN APPROXIMATELY 40 ACRE PORTION OF PROPERTY LOCATED AT THE MAIN STATION FIELD LABORATORY LOCATED IN RENO, NV, AND PORTION OF WASHOE COUNTY ASSESSORS PARCEL NUMBER 021-030-14, AT A VALUE EQUAL TO NO LESS THAN THE APPRAISED VALUE, AND TO THE AUTHORIZATION OF THE CHANCELLOR, OR DESIGNEE, TO APPROVE AND SIGN THE CORRESPONDING SALE, OR ESCROW AND TITLE DOCUMENTS ASSOCIATED WITH THE SALE, AND CLOSE OF ESCROW, AFTER CONSULTATION WITH THE BUSINESS, FINANCE AND FACILITIES COMMITTEE CHAIR AND REVIEW BY NSHE GENERAL COUNSEL.**

**BE IT RESOLVED** that the Board of Regents approves the request to sell the real property consisting of an approximately 40 acres portion of the parcel with Washoe County Assessor’s parcel number 021-030-14 located at the Main Station Field Laboratory (MSFL) located in Reno, Nevada for a value equaling, or above current appraised value.

**BE IT FURTHER RESOLVED** that the Board of Regents hereby authorizes Chancellor, or Designee, after consultation with the Business, Finance and Facilities Committee Chair and review by NSHE General Counsel, to approve and sign the corresponding sale, trade, or escrow and title documents associated with the sale, or trade, and close of escrow.

PASSED AND ADOPTED on \_\_\_\_\_, 2018.

\_\_\_\_\_  
Chairman  
Board of Regents of the  
Nevada System of Higher Education

(SEAL)  
Attest:

\_\_\_\_\_  
Chief of Staff and Special Counsel  
to the Board of Regents