

January 17-18, 2002

ITEM 114-1002-R0102

Increase Purchase Price Within Property Acquisition Zone; The University of Montana-Missoula

THAT:

The Board of Regents of Higher Education of the Montana University System authorizes The University of Montana to increase the purchase price within the Property Acquisition Zone defined as Blocks 25 and 36 of the Supplementary Plat of a portion of the Montana Addition to the City of Missoula (all properties within the two blocks between Eddy Street on the South, South Fifth Street East on the North, Maurice Avenue on the East, and Arthur Avenue on the West) and to acquire any of the properties therein for a purchase price not to exceed \$190,000 to be held by the Board of Regents of Higher Education for the use and benefit of The University of Montana-Missoula as herein prescribed.

1. No property outside the designated Property Acquisition Zone may be acquired without the specific approval of the Board of Regents of Higher Education.
2. Any of the residential properties within the Property Acquisition Zone which become available for purchase may be purchased upon obtaining a minimum of two appraisals and negotiating a purchase price not in excess of the higher of the two appraisals, provided that the purchase price does not exceed \$190,000. Any acquisition at any price in excess of the higher of the two appraisals shall require prior specific approval of the Board of Regents of Higher Education.
3. Purchase of properties within the designated Property Acquisition Zone may be made on a cash, contract, mortgage, assumption of indebtedness, or trust deed basis, and the University is authorized to retain the services of appraisers, trustees, real estate agents, or escrow agents as may be required to complete the transfer appropriately.
4. Properties within the Property Acquisition Zone may be purchased with rents from such properties accrued for that purpose, auxiliary services funds, building fee proceeds, or other non-general fund resources available to the President for that purpose.
5. In the course of acquiring properties within the Property Acquisition Zone, no ongoing payment obligation of The University of Montana shall be

incurred in excess of funds known or reasonably projected to be available for that purpose.

6. Rents from properties owned or acquired within the Property Acquisition Zone, as well as other peripherally-owned and rented residences, will be used to pay any expenses incident to ownership, maintenance, improvement, and management of said properties. Rent receipts in excess of those required will be accrued, invested, and reinvested to fund and finance further acquisitions or improvements of properties within the Property Acquisition Zone.
7. Conversion of any property within the Property Acquisition Zone to any use other than as a rental property, which conversion would result in a reduction of rental income available for making payments on or maintenance and operation of rental properties within the Zone, shall require approval of the Board of Regents of Higher Education.
8. A report containing the property description, the two required appraisals, the purchase price, and the terms and conditions of purchase shall be forwarded to the Commissioner of Higher Education prior to each proposed purchase within the Property Acquisition Zone, and no purchase shall be made without the approval of the Commissioner.
9. Properties which cannot be purchased but which are necessary to complete a parcel or boundary configuration for an approved University development purpose may be acquired by condemnation only after review and approval thereof by the Board of Regents of Higher Education.

EXPLANATION:

The new authorized limit is based on the change in the Consumer Price Index from December 1987 to October 1999. Due to the substantial increase in property values in the Missoula area, the previous purchase price limit of \$115,000 is no longer a realistic value for the properties within this acquisition zone. The University's most recent purchase, approved at the last Board of Regents' meeting, was for \$149,900. This Regental item only increases the authorized purchase price of Regents' Item 105-1004-R1199.

ATTACHMENTS:

Regents' Item [105-1004-R1199](#) and a plot plan of the acquisition zone identifying properties owned by The University of Montana.