

July 10, 2015

ITEM 168-1501-C0715

Purchase of James Reed Residence within the Montana Tech Campus; Montana Tech of The University of Montana

THAT

In accordance with Board Policy 1003.6 (V) – Acquisition by Purchase, the Board of Regents authorizes Montana Tech to spend up to \$100,000 (One Hundred Thousand Dollars) to purchase and potentially demolish the property located at 1308 West Broadway Street in Butte Montana.

EXPLANATION

1. The above policy requires Board of Regent approval on acquisition of land by or for any campus of the University System.
2. The residence is located on a 120x120 lot that is surrounded by Montana Tech campus property. Specifically the property is directly north and adjacent to the Chancellor's residence, directly south of the Prospector Dorm parking lot, directly east of the MG administrative and classroom building, and directly west of the Prospector Dorm building. (see attached map)
3. The residence itself is in very poor condition. Though currently occupied, the residence has had no domestic water for nearly four years. The roofing is in disrepair on the south side.
4. In accordance with the policy, two appraisals have been obtained to estimate the fair market value of the residence and property. The "as-is" appraisals range from \$75,000 to \$80,000. (Note: The appraisals were in 2009.)
5. The legal status of the property currently sits in the estate of the late Mr. James Reed. Mr. Reed passed away approximately four years ago, and the estate is now being settled.
6. Currently an heir of the estate is occupying the house, but due to health reasons is necessitated to move to a location that allows for proper care.
7. Starting prior to 2009 Chancellor Franklin Gilmore initiated several attempts to purchase the property.
8. This property is an important acquisition to the campus because of its central location in the center of the campus. Potential use of the land includes additional dorm parking space, open space, or additional student housing. The final use has not been determined.
9. The request for approval includes authority to potentially demolish the residence based upon inspection of the residence, as it may prove too expensive to renovate. The value of the property is the land and location.

ATTACHMENTS

Attachment 1 – Appraisal #1

Attachment 2 – Appraisal #2

Attachment 3 – Map of the property location

Attachment 4 – Outside photos of the residence