

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**JULY 12, 2005**

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**INSTITUTION / AGENCY AGENDA**  
**UNIVERSITY OF IDAHO**

**SUBJECT**

The University of Idaho requests approval and acceptance of real property gift.

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.E.1.

**BACKGROUND**

Donors propose to donate, via a gift deed, approximately 1,650 acres of undeveloped forestland in Valley County, Idaho to the Board of Regents of the University of Idaho. The grantors will retain a life estate, documented in a life tenancy agreement, and the donated property will be encumbered by a conservation easement granted to the State of Idaho, under the Department of Lands. The conservation easement will be accompanied by a forest stewardship plan that accommodates the practices of the University's College of Natural Resources.

**DISCUSSION**

Acceptance of this property will add to the University's inventory of productive forestlands managed by its College of Natural Resources for direct educational and research benefits. The conservation easement obligates the University to manage the property in a manner consistent with College programs, while retaining the natural characteristics of the property. The University has completed a satisfactory environmental and title assessment of the property.

This transaction requires the approval of the University of Idaho Board of Regents, for acceptance of a gift of real property with a value in excess of \$10,000, as well as of the Idaho State Board of Land Commissioners, for the conservation easement.

**IMPACT**

Due diligence and other real estate transaction costs to date are: \$2,800 for an environmental assessment; and appraisal/land survey costs were \$21,875. Costs for title insurance are not yet known, but will be based upon a state-regulated calculation tied to the value of the property. Closing and document recording costs are expected to be in the mid-hundreds of dollars, again based upon a generally known fee structure.

Average annual expenses related to management of this property are expected to be approximately \$4,800, which includes weed spraying, fence repair, UI forestry staff travel from Moscow, and other miscellaneous expenses associated with forestland maintenance. Other costs related to management of the property

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will include UI real estate office review, legal counsel, etc., and are not expected to be significant. Fee interest in this property is being granted at no cost to the University. Upon termination of the life estate, management duties and associated costs for this property will be covered by the College's existing experimental forest operations budget and supported by proceeds from periodic timber harvesting from the property.

**STAFF COMMENTS AND RECOMMENDATIONS**

Board and institutional legal staff have been involved in this transaction and will be available to answer questions.

**BOARD ACTION**

A motion to accept the gift of approximately 1,650 acres of undeveloped forest land in Valley County, Idaho, with a reserved life estate for the grantors; to authorize the President of the University of Idaho to accept the gift on behalf of the Board of Regents; and to authorize the University's Vice President for Finance and Administration to execute the transactional documents.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education

**GOVERNING POLICIES AND PROCEDURES**

SECTION: V. FINANCIAL AFFAIRS

Subsection: E. Gifts and Institutional Foundations

**April 2002**

**E. Gifts and Institutional Foundations**

**1. Acceptance of Gifts**

The Board may accept gifts, legacies, and devises (hereinafter "gifts") of real and personal property to the state of Idaho for the benefit of any institution, school or agency under its governance. Gifts worth more than \$10,000 must be accepted by the Board before the gift may be expended or otherwise used by the institution, school or agency. The chief executive officer of any institution, school or agency is authorized to receive, on behalf of the Board, gifts worth \$10,000 or less and of a routine nature. (Section 33-3714, Idaho Code.)

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