

CLEMSON UNIVERSITY
FOUNDATION



Memo

Date:

February 16, 2017

To:

CUF Finance Committee

From:

Laura H. Stoner, Director of Real Estate

Subject:

Burton Property Potential Sale

Background

In 2000, the Clemson University Foundation (CUF) acquired approximately 11 acres abutting the Bentbrook Farms community and adjacent to the South Carolina Botanical Gardens. This property and the former house were to serve as a buffer for the Gardens and the home was to be utilized as a discovery center by the University. The plans for the discovery center were never realized and in 2012, CUF demolished the home. The value of the property as noted in the CUF FY2016 year end, audited financials was \$165,000. Over the last several years, the property has continued to serve as a buffer to the Gardens.

Offer to Purchase

Several months ago, CUF received an inquiry from an individual interested in purchasing the property to build a residential home. Recognizing CUF's ownership of this property has provided the appropriate buffer between the Gardens and the community to date, CUF would like to maintain the buffer for the Gardens to ensure separation between the Gardens and the built environment remains. Therefore, CUF proposed to the buyer that the Foundation would be interested in subdividing the property into an approximate 2.5 acre buffer strip and an 8.5 acre home site (see Exhibit A). The buyer was agreeable to this and presented an offer of the following for CUF's consideration:

Purchase price: \$235,000

Acreage to be purchased: approximately 8.5 acres dependent upon final survey

Commission: \$10,000 (4.3%)

Upon receiving the offer, CUF enlisted a local appraiser to determine the value of the property. The appraisal for the entire 11 acres returned a value of \$25,000 per acre. Based on additional conversations with the appraiser he indicated that it would be appropriate to value the 8.5 acres at the same value per acre which would equate to \$212,500 for the subdivided parcel. The

proposed purchase price of \$235,000 is approximately 10% higher than what an appraised value of the 8.5 acres would be as indicated by the appraiser.

Staff and management have reviewed the offer following CUREF guidelines and believe the offer is appropriate to pursue. The sale of this portion of the property will allow CUF to dispose of an asset which has continued to utilize resources for maintenance and upkeep while providing no revenue or income to offset such expenses. Additionally, the offer received is greater than appraised value and allows CUF to support the University through retention of the buffer strip.

Resolution

After review of the offer and the historical file for the property, it is management's recommendation to move forward with the sale of a portion of the Burton property and hereby presents the following resolution to the Board:

The CUF Board hereby authorized management to accept the offer to sell a portion of the Burton property, of approximately 8.5 acres, based on a finalized survey allowing for a buffer between the Botanical Gardens and the residential lot for \$235,000 as noted above. The Board further provides management authority to enter into appropriate agreements with buyer to accomplish the transaction and sale of the property.

Exhibit A



**shading represents approximately 2.5 acres.
~the above reflects a proposed subdivision; final determination will be based upon a survey of the property.*