

## UNIVERSITY OPERATING PROCEDURE

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### **Title:** Real Property Interest Acquisition, Disposition and Development

#### Overview

The purpose of this University Operating Procedure is to establish parameters for the acquisition, disposition, development and transfer of University real property interest. Further, competitive bidding is identified as the presumptive method for the sale, exchange, transfer, or the development of complete or partial interests in University real property. It also sets forth the criteria and procedures applicable to consideration of waiver of bidding requirements.

#### Applicability of the Procedure

This Operating Procedure applies to all members of the University community, including, without limitation, individuals who are faculty, staff, students, contractors, consultants, temporary employees, and affiliates of the University.

The Board of Trustees and President of the University have ultimate responsibility for all transfer of University real property, while Real Estate Operations is responsible for the management of associated activities under the direction of the Office of General Counsel.

#### Definitions

**Invitation to Bid (ITB):** Used when the University has obtained an independent appraisal of the value of a parcel of University-owned real property and the only significant difference among responsive bids is price.

**Real Property:** Fixed property, principally land, condominium interests, building(s), space(s) or room(s).

**Request for Information (RFI):** A formal process for gathering information from potential purchasers or developers. It is typically the first and most broadly cast of a series of requests intended to narrow candidates.

**Request for Proposal (RFP):** Used to solicit proposals for the purchase, ground leasing, or development of University-owned property the merits of which cannot be evaluated by cost alone.

**Request for Quote (RFQ):** This type of solicitation may be used to determine current market pricing. The quote submitted is not a binding offer.

## Procedures

Notice of opportunities for any potential acquisition, disposition, transfer or development of University real property must be promptly identified to Real Estate Operations and Planning, Design and Construction for preparation of review and analysis. Consideration will be in compliance with the University's Strategic, Capital, and Master Plans. Potential transaction implications will be presented to the Vice President for Finance and Administration (VPFA), including deed encumbrance and zoning review, proposed space or property use, recommended method of transition, tax status, University bond financing and receivables status, and financial considerations. Approval for any transfer of University real property must comply with the [Board Resolution Regarding Delegation and Retention of Board Authority](#).

Acquisition of real property, including those considered gifts as defined in the University [Gift Policy](#), will undergo comprehensive review and analysis as noted above including feasibility of use, market analysis and acquisition cost estimation by Real Estate Operations and Planning Design and Construction for presentation to the VPFA. Approval will comply with the Board Resolution Regarding Delegation and Retention of Board Authority and will engage UVM Foundation prior to acceptance of any gift of real property.

In general, the University will initiate a competitive bidding process when seeking to transfer complete or partial interests in or to initiate development of its real property, including when it receives an unsolicited proposal unless an exception applies, as described below.

The University may issue an RFI as a preliminary planning step when it is seeking to explore options for the transfer or the development of its real property. The RFI must be issued to a minimum of three potential bidders deemed by the University as qualified to engage in the transaction but may be disseminated more broadly in the discretion of the VPFA.

The University may issue an ITB when obtaining an independent fair market value appraisal of University-owned real property when the only significant difference between bids will be price. If issued, the ITB must issue to a minimum of three potential bidders but may be disseminated more broadly in the discretion of the VPFA.

The University may issue an RFP to solicit bids for the transfer or development of University-owned property the merits of which cannot be evaluated by cost alone. An RFP may be used after the scope of a project under consideration for transfer or development is determined by the VPFA or designee. At a minimum, an RFP must follow the established guidelines as outlined by the University RFP process.

Waiver of competitive bidding process may be authorized by the VPFA when, in the exercise of the VPFA's reasonable discretion, and in consultation as necessary with the Office of General Counsel and President, extenuating circumstances apply. Although it is not possible to foresee all extenuating circumstances, these may include situations where:

- The University wishes to issue an ITB on land adjacent to University property; and, due to the unique location and proposed use of the property, a sale to the prospective buyer would advance the University mission, priorities or objectives (*e.g.*, office space for a University program or unit; affordable housing for graduate students), provided that, in these cases, the University may obtain an independent appraisal.
- The University wishes to extend an RFP to a prospective developer deemed uniquely or specially qualified in the nature of the project, relevant experience and reputation, potential added value or other germane factors.
- A federal or state agency, or a bordering municipality, makes a request for transfer of University property.

Any waiver, and its associated rationale, must be documented in writing by the VPFA for review by the President before a waiver is issued.

#### Bond-Financed Property

A proposed sale, development or other disposition of bond-financed property must be reported and approved by the VPFA before any RFI, RFP, RFQ or ITB is issued or any offer for sale is made. In addition, records of any such sale or disposition and documentation must be forwarded by the VPFA, or designee, to the University Controller. In addition, due to the tax-exempt nature of the bonds issued, the proceeds may be limited in how they may be used or reinvested.

#### Public-Private Partnerships

A proposed sale or development of University property that results in a Public-Private Partnership must be reported and approved by the VPFA for compliance with the generally accepted accounting principles set by the Government Accounting Standards Board (GASB) before any RFI, RFP, RFQ or IBT is issued or any offer for sale or development is made. In addition, records of any such sale or development and documentation must be forwarded by the VPFA, or designee, to the University Controller

Real Estate Operations, in consultation with the Office of General Counsel, will oversee, including retaining outside consultants as approved by the VPFA or designee, due diligence, including physical inspection, appropriate environmental assessments, appraisals, title search, risk evaluations, surveys, negotiations and funding details, Board of Trustee approval, and closing document preparation for approved projects.

Property closing will be attended by the University's Real Estate Manager and VPFA, or their designee.

#### Board Authorization

The authority described in this Operating Procedure must be exercised in a manner consistent with otherwise applicable University policies and procedures regarding the transfer or development of University property.

#### Notifications and Filing

Upon completion of any agreements related to the transfer or development of University real property, Real Estate Operations will share executed documents with the VPFA, University Controller, other designated University parties and the appropriate municipality, including notice of any bond or tax implications.

Municipal recording to be completed by the appropriate legal counsel with a copy to Real Estate Operations for electronic and paper filing.

## Contacts

Questions concerning the daily operational interpretation of this UOP should be directed to the following:	
Title(s)/Department(s):	Contact Information:
Real Estate Manager	<a href="#">Real Estate Operations</a> (802) 656-3872 or (802)656-3208

## Forms/Flowcharts/Diagrams

- None

## Related Documents/Policies

- [Board Resolution Regarding Delegation and Retention of Board Authority](#)
- [Campus Master Plan](#)

- [Code of Conduct and Ethical Standards](#)
- [Contract Approval and Signatory Authority](#)
- [Gift Policy](#)
- [RFP Guidelines](#)
- [Strategic Action Plan](#)

## Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

## About This Procedure

<b>Responsible Official:</b>	Vice President for Finance and Administration	<b>Approval Authority:</b>	Vice President for Finance and Administration
<b>Affiliated Policy Number(s):</b>	None	<b>Effective Date:</b>	January 27, 2022
<b>Revision History:</b>	<ul style="list-style-type: none"> <li>• Approved by the Vice President for University Relations and Administration June 30, 2016</li> <li>• Responsible official officially changed from the Vice President for University Relations and Administration to the Vice President for Finance and Treasurer on October 1, 2019</li> </ul>		

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