

**APPROVAL OF CAPITAL PROJECT FOR THE
ACQUISITION OF VIRGINIA TECH FOUNDATION PROPERTY**

VIRGINIA TECH

August 25, 2008

The Virginia Tech Foundation, Inc. (Foundation) owns a 0.1125 acre parcel of property which is located at the corner of Old Turner Street and Stanger Street in front of the Old Security Building and is part of the existing Stanger Street. The University owns all adjacent property and desires to acquire this parcel from the Foundation, which is within the approved University Master Plan.

The University and the Foundation work cooperatively to ensure the Foundation neither makes nor loses money on transactions with the University. Further, the University takes actions to ensure that it pays no more than market value for property and that acquisitions can be made without substantial risk of liability. For purposes of this transaction, the estimated costs are \$120,000 for an October 31, 2008 closing, with final cost determined at the actual time of execution. The transaction costs include the property, any carrying costs of the Foundation, and due diligence costs including appraisal, survey, environmental survey, title search, and title insurance.

As with all self-supporting projects, the University has developed a financing plan to provide assurance regarding the financial feasibility of the project. This plan includes nongeneral fund overhead cash reserves sufficient to support the full costs of the acquisition.

Under the 2006 Management Agreement between the Commonwealth of Virginia and the University, the Board of Visitors has the authority to approve the budget, size, scope, and overall funding of nongeneral fund capital outlay projects, including property acquisitions. This request is for an authorization to move forward with acquisition of the Stranger Street Parcel.

**RESOLUTION ON ACQUISITION OF
VIRGINIA TECH FOUNDATION PROPERTY (STANGER STREET PARCEL)**

WHEREAS, the property described as Stanger Street Parcel is a 0.1125 acre parcel located at the corner of Old Turner Street and Stanger Street in front of the Old Security Building as shown on the plat prepared by Altizer, Hodges, & Varney, Inc. titled "Plat of 0.1125 Acres" and attached hereto as Exhibit A; and,

WHEREAS, the Virginia Tech Foundation, Inc. (Foundation) owns the property; and,

WHEREAS, this property is included within the approved University Master Plan and is part of the existing Stanger Street with all adjacent property owned by the University; and,

WHEREAS, the University desires to acquire the property from the Foundation; and,

WHEREAS, the estimated costs are \$120,000 for an October 31, 2008 closing, with final cost determined at the actual time of execution; and,

WHEREAS, the University has developed a funding plan that includes nongeneral fund overhead cash reserves sufficient to support the full costs of the acquisition; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the University, the Board of Visitors has authority to approve the budget, size, scope, and overall funding of nongeneral funded major capital outlay projects, including property acquisitions; and,

WHEREAS, the University may address minor cost variances provided sufficient funds are available to support the full project costs; and,

NOW THEREFORE BE IT RESOLVED, that the University be authorized to move forward with the acquisition of the Stanger Street Parcel from the Foundation at a cost of about \$120,000 including the property, any carrying costs of the Foundation, and due diligence costs.

BE IT FURTHER RESOLVED that the President or Vice President for Administrative Services be authorized to execute the legal documents relating to the acquisition conveying this property to Virginia Polytechnic Institute and State University in accordance with applicable statutes of the Code of Virginia.

RECOMMENDATION:

That the University be authorized to acquire the Stanger Street Parcel from the Virginia Tech Foundation, Inc. in accordance with applicable statutes of the Code of Virginia, and the President or Vice President for Administrative Services be authorized to execute the legal documents related to the acquisition.

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