

UCCSN Board of Regents' Meeting Minutes July 13-14, 1955

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EXECUTIVE COMMITTEE MEETING

July 13, 1955

The Executive Committee of the Board of Regents met in the President's office on Wednesday, July 13, 1955 to consider the offer of Morgan and Peacock Properties Company for purchase of the University's South Virginia Street Farm. Present: Regents Hardy, Lombardi, Thompson, Ross and President Stout. The meeting was called to order by the Chairman at 9:35 P.M.

Mr. Ross stated the purpose of the meeting and read the offer of Morgan & Peacock Properties Company, as follows:

Offer

The Morgan and Peacock Properties Company agrees to pay the University of Nevada, through the Washoe Title Insurance Company of Reno, Nevada, \$675,000 cash. \$50,000 of which has been placed in the Washoe Title Insurance Company as deposit and partial purchase price.

Conditions

1. This offer is made subject to the rezoning of said property from the present Farm Land status to that of zoning classifications suitable and agreeable to the Morgan and Peacock Properties Company.
2. This offer is subject to the Morgan and Peacock Properties Company having the immediate right upon acceptance of the offer by the University of Nevada, to immediately apply for rezoning.
3. This offer is subject to the Morgan and Peacock Properties Company having the immediate right, upon acceptance of this offer, to apply to the City of Reno for annexation of his property to that of the City of Reno.
4. This offer is subject to the Morgan and Peacock Properties Company having the immediate right, upon acceptance

of his offer, to enter upon and over said property for the purpose of surveying and engineering.

5. This offer is made subject to the University of Nevada delivering possession of said property within 90 days after close of escrow. During term of possession of the property by the University of Nevada, adequate insurance shall be carried by the University of Nevada, covering and protecting the Morgan and Peacock Properties Company from any and all damages that may occur during possession of said property by the University of Nevada.
6. This offer is made subject to the Morgan and Peacock Properties Company having the time of 120 days after acceptance of offer to close escrow.
7. This offer is made subject to the University of Nevada furnishing to the Morgan and Peacock Properties Company a policy of Title Insurance covering said property in the amount of \$675,000.
8. This offer to purchase is subject to acceptance by Seller within 20 days from the date hereof.

It Is Agreed

- a) The University of Nevada shall pay for Revenue Stamps and 1/2 of the escrow charges.
- b) The Morgan and Peacock Properties Company shall pay 1/2 of escrow charges.

This is of the essence of this contract and all terms and conditions shall be binding upon Seller and Purchaser alike.

Dated: July 7, 1955

/s/ Jules J. Agostini, Jr.
President - Morgan & Peacock
Properties Company

President Stout in consultation with Dean Bertrand had prepared a report for presentation to the Regents, which was accepted by the Executive Committee, as follows:

Since receiving a copy of the July 7, 1955 offer of the Morgan and Peacock Properties Company to buy the University of Nevada South Virginia Farm for \$675,000 with certain conditions set up by them, I have studied it carefully in rela-

tion to: (a) the needs of the University of Nevada; (b) our experiences through previous offers for the Farm; (c) the value of the farm; (d) the problems involved in establishing a suitable replacement for it; and (e) acceptable conditions of sale.

During this study, I have sought the advice of Dr. John R. Bertrand, Dean of our Max C. Fleischmann College of Agriculture, under whose leadership we plan to develop an outstanding program of agriculture research, teaching and extension work for the State of Nevada. Dean Bertrand and I are in agreement on this reply to the present offer. In stating my position, may I call your attention to the following points, some of which will be a reiteration of previous statements:

- I. The South Virginia Street Farm is not just another piece of land to be bought and sold for speculative purposes. Instead, it is one of the main laboratories of the University of Nevada. It is just as essential to our students in Agriculture as are our laboratories in Mackay Science Hall important to our students of Physics and Chemistry. It serves as an experimental and demonstration laboratory for the students in the College of Agriculture where they study on-the-farm projects in soils, irrigation, agronomy, stock judging and animal physiology, nutrition and breeding. Not only our resident students who plan to become Nevada farmers and ranchers gain from constant use of this laboratory, but so do all of the present farmers and ranchers of this State who receive help as a result of the experimentation and demonstration on this farm. The knowledge gained is passed on to them through our extension division.

Examples of such knowledge gained in our agriculture research station and passed on to Nevada's agricultural people through the extension division include the control of Halogetan and Bacillary Hemoglobinuria (commonly called "red water disease"). Such information has been of great economic benefit to Nevada's agriculture.

Nevada's part in the national beef cattle improvement program is centered on the Virginia Farm. About 100 head of Herefords are being bred by our agriculture experiment station to develop characteristics which will make more efficient use of Nevada's livestock

ranges.

Another project to help Nevada agriculture is the investigation and demonstration of forage production and pasture management. The search for improved plant life and better techniques of irrigation suitable to this State is now in progress on the South Virginia Farm.

II. The Resolution regarding the sale of this farm passed by the Board of Regents on October 14, 1953:

In reaching a decision on the sale, or non-sale, of the University of Nevada Farm, located on South Virginia Street in Reno, the Board of Regents recognizes that its primary obligation is to the entire State of Nevada, rather than to any political subdivision of it. The Board is aware that sale of this property to private interests could result beneficially to the Reno area. Nevertheless, it is, in the opinion of its members, incumbent upon the Board to keep uppermost in mind the requirements and interests of the University. It is with this thought in mind that the Board announces its decision to sell the University Farm subject to the following general conditions:

1. Ability of the Regents to secure a suitable replacement property to carry on the work of the College of Agriculture.
2. Satisfactory assurances must be given that projected improvements will be accomplished as represented within a specified period of time. Otherwise, title would revert to the University.
3. The entire acreage to be sold as a single unit, at a minimum price of \$5000 per acre.

The price of \$5000 per acre was arrived at through a comparison with sales of similar properties located in the same general area as the University property, and through an informal appraisal. It is the Board's understanding that a tract of land adjacent to the University Farm recently changed hands at \$6500 per acre. While the Board is cognizant of the fact that a price of \$5000 per acre

might appear to be high, it is, nevertheless, the opinion of the Board that this is well justified in view of existing commercial values in the area.

It is to be remembered that any sale of University property is, by State law, subject to the approval of the Governor.

III. The value of the South Virginia Street Farm was set by Governor Russell's advisory committee in July 1954 at \$795,200.

IV. The value of the farm as expressed in bids by the Morgan and Peacock Properties Company:

1. June 1953, \$400,000 cash (rejected)
2. October 1953, \$400,000 cash (rejected)
Alternate offer \$150,000 cash plus the Faretto Farm of 207A (rejected)
3. April 1954, \$200,000 plus 440A (withdrawn)
4. June 1954, \$550,000 cash (rejected)
5. July 1955, \$675,000 cash.

The fact that this company has seen fit to increase its offer by \$275,000 in 2 years time appears to justify our previous decisions. The relative value of this farm is not decreasing and we need not be in a hurry to sell.

V. The conditions of the present offer favor the buyer to the harm of the University's agricultural experimentation program.

1. They would interrupt present experimental work with plants and animals with little regard for the Federal money which has been invested in this research during the past several years.
2. Should this experimental work be interrupted as suggested, Federal support for future agricultural experimental work in this State would be seriously jeopardized. Unless we protect fully the previous expenditures of Federal money for agricultural research in Nevada, it is almost certain that the

\$408,921.58 Federal money which we are scheduled to receive during the 1955-57 biennium would be withdrawn.

VI. If the South Virginia Farm is sold, the conditions of sale must protect our agricultural research program.

1. We must be allowed the undisturbed use of the property for approximately one year after the time of our securing an acceptable replacement for the South Virginia Street Farm.
2. We must receive full payment in cash for the value of the farm at the time of sale. The advance payment would enable us to purchase and equip a new experimental farm. Thus our experimental work could continue and our obligation to the Federal money could be met.

In view of the above points, I recommend that the July 1, 1955 offer of the Morgan and Peacock Properties Company to buy our South Virginia Street Farm be refused.

President Stout then read a recommendation, which was approved, as follows:

I wish to request authorization from you to enable me to in turn authorize Dean Bertrand to make a careful study of the future needs of the University of Nevada's Max C. Fleischmann College of Agriculture needs in terms of laboratory farms and ranches. This study, among other things, would involve:

A. The selection and appointment by Dean Bertrand of a Statewide Committee of Leaders in Nevada Agriculture and others to advise and counsel him with regard to:

1. The Selection of an equal or better property to serve as a replacement of the South Virginia Street Farm laboratory near the University at a reasonable price.
2. The consideration of acquiring, for experimental and demonstration purposes:
 - a. A livestock ranch somewhere in the Northern part of the State where range research could be maintained.
 - b. A farm in Southern Nevada to be used as the

permanent site for experimental work there.

- B. The making of periodic reports to me as the study progresses and a final report when it is completed.

It is my belief that this authorization will enable us to take a definite and wise step forward in the advancement of our Max C. Fleischmann College of Agriculture if and when our South Virginia Street Farm is sold.

Following discussion, the Executive Committee agreed upon a recommendation to be made to the Board of Regents as follows:

That the offer of the Morgan and Peacock Properties Company of July 7, 1955 should not be accepted because:

1. The price offered is not commensurate with the appraised value of the property.
2. The University does not have an adequate replacement to serve as a laboratory farm.

It is absolutely necessary that the University have an equal or better property to serve as a laboratory farm before the Regents can consider the sale of the South Virginia Street Farm. Therefore, the Board of Regents should request the President of the University and the Dean of the College of Agriculture to renew the search for such a laboratory farm. (This search was discontinued last July.)

When a satisfactory replacement is selected, the Board of Regents will again offer the South Virginia Farm for sale.

Motion by Mr. Thompson carried unanimously that the above statement (recommendation) be released to the Press and that the Secretary write a letter to Morgan and Peacock Properties Company in response to their offer of July 7, 1955 informing them of the recommendation of the Executive Committee.

The meeting adjourned at 12:05 A.M.