AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Authorization to dispose of the Stone House, USM

2. **INITIATED BY:** James H. Page, Chancellor

3. **BOARD INFORMATION: **
   
   **BOARD ACTION:** X

4. **BACKGROUND:**

   The University of Southern Maine requests permission, pursuant to Board of Trustee Policy 802 and in accordance with the gift agreement which transferred the property, to dispose of the property at 642 Wolfe’s Neck Road, Freeport, Maine.

   The parcel consists of an approximately 4-acre lot and a 10,000 square foot building known as the Stone House. Policy 802 requires approval of the Board of Trustees for the sale or other transfer of real property whenever the value is greater than $50,000. The appraised value of the parcel and structure are expected to exceed that threshold. The Town of Freeport Assessor’s Office values the property at $1.15 million.

   The property is subject to certain gift constraints and the University has been and continues to work in collaboration with the Wolfe’s Neck Farm Foundation which, pursuant to the gift, is to advise the University regarding the property and is to direct the disposition of the house should disposition occur.

   The Stone House is located approximately 22.5 miles from USM’s Portland campus. The primary use of the property is for 40-days a year between June 15th and October 15th, and then again during the month of January. The total number of people utilizing the property over the 40 days of use is approximately 250. The primary uses are for a Masters in Fine Arts (MFA) in Creative Writing, the Stone Coast Writers’ Conference and a summer Book Arts program. These programs can be relocated to a suitable alternative location.

   As with Portland Hall (sale approved by the Board of Trustees at the July 2007 meeting) and 68 High Street (sale approved at the by the Board of Trustees at the May 2009 meeting), the Stone House is under-utilized and needs extensive renewal. The Stone House is the largest USM facility identified by Sightlines as having a low utilization rate and being in poor condition. Because USM’s over-abundance of buildings that are in the “over fifty year old” renovation age category, which includes this building, and the much higher than normal levels and rate of accrual of deferred maintenance such buildings demand, USM is taking steps to reduce the number of square footage in this age category. The Stone House would be the third major building disposal at USM in the last five years.
The National Landmark Home was designed by renowned Maine architect John Calvin Stevens as a summer residence and occupies a location with deeded water views of both the Harraseeket River and Casco Bay.

The building and property have significant deferred maintenance and major infrastructure improvements needs. Though in working order for a seasonal house designed more than 95 years ago, it needs extensive work to make it suitable as a year-round conference center or meeting location with all levels of the facility compliant with standards established by the Americans with Disabilities Act. The estimated amount of maintenance and infrastructure work is approximately $8,500,000. Additionally, a property of this type as a University facility would require an annual operation/maintenance budget of between $75,000 and $110,000, after all systems and the building were restored so that it would not again fall into disrepair.

The property uses are limited by deed restrictions and zoning requirements. Changes to the exterior of the house are limited by deed and, because of the environmentally and regulatory sensitive nature of the land, care will need to be taken when working on the septic and water systems. Additionally, because of the history of the house and the close association with the Wolfe’s Neck Farm Foundation, care must be taken to ensure the property maintains the special characteristics of such a diverse piece of property (ecology, conservation, marine life, land use planning and coastline development).

The April 23, 1984 (amended August 16, 1985) Memorandum of Agreement between Mrs. Smith, the American Farm Land Trust, and the University of Southern Maine establishes a special process that must be followed if the Stone House, referenced as the “Main House” cannot be operated as a conference center and retreat. It states that:

“… the Board of Directors of the Foundation shall direct appropriate disposition of the Maine House (including a sale to private owners as one possible disposition) consistent with the spirit of this Agreement.”

Upon approval of the necessary resolution by the Board of Trustees, USM will continue to work with the Wolfe’s Neck Farm Foundation to define and execute a public process with opportunity for community engagement that complies with the spirit of the agreement and which seeks to preserve and solidify the future of this unique house and property. USM will regularly report on the status of the disposition process.

The Finance, Facilities and Technology Committee approved this recommendation to be sent to the Consent Agenda for Board of Trustees approval.

5. TEXT OF PROPOSED RESOLUTION:

That the Board of Trustees approve the recommendation of the Finance, Facilities and Technology Committee to authorize the sale or other transfer of property located at 642 Wolfe’s Neck Road, Freeport, Maine following a public engagement process and subject to the written concurrence of the Chair of the Board of Directors of the Wolfe’s Neck Farm Foundation on behalf of that Board consistent with the terms of the gift agreement which transferred the property to the University as well as review and approval of the final terms and conditions by the University of Maine System Vice Chancellor of Finance and Administration and General Counsel.

09/11/2014