AGENDA ITEM SUMMARY

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

2. INITIATED BY: Norman L. Fournier, Chair

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

The University of Southern Maine requests permission pursuant to Board of Trustee Policy 802 to dispose of the property at 642 Wolfe’s Neck Road, Freeport, Maine, consisting 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. This parcel and structure are expected to exceed that threshold.

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 an MFA in Creative Writing, the Stone Coast Writers’ Conference and a summer Book Arts program. These programs can be relocated to a campus location or to suitable off campus sites.

As with Portland Hall (sale approved by the Board of Trustees at the July 2007 meeting) and 68 High Street (sale approved 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.

This is the third major building in the last five years to be disposed of by a sale. 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 needed. 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. 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 is 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 states that the Board of Directors of the Wolfe’s Neck Farm Foundation shall direct appropriate disposition of the house. Upon approval of the necessary resolution by the Board of Trustees, USM will work with the Wolfe’s Neck Farm Foundation to do so in a manner that secures the best return while preserving the uniqueness of the house and property. USM will regularly report on the sale’s status.

The University would seek two appraisals of the property to help determine its value. The Town of Freeport Assessor’s Office values the property at $1.15 million.

5. **TEXT OF PROPOSED RESOLUTION:**

That the Finance, Facilities and Technology Committee forward this item to the Consent Agenda at the July 21, 2014 Board of Trustees meeting for the following resolution:

That the Board of Trustees authorizes the sale of property located at 642 Wolfe’s Neck Road, Freeport, Maine, subject to review and approval of the Treasurer and General Counsel of the final terms and conditions, with the proceeds to be used for purposes that support the University of Southern Maine’s growth into a sustainable urban Metropolitan University.

06/20/2014