

AN ACT

ENTITLED, An Act to expand the options for the beneficial disposition or use of certain real estate located in Minnehaha County, to make certain appropriations, and to declare an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That section 1 of chapter 51 of the 2017 Session Laws be amended to read:

[Section 1.] Notwithstanding any other provision of law, upon the request of the Board of Regents and the Governor, the commissioner of school and public lands shall sell, exchange, or lease for commercial purposes all or any portion of the following real estate and any related personal property and improvements located on the property:

- (1) All unplatted land located in the South Half of Section 15, Township 101 North, Range 49 West of the 5th Principal Meridian, Minnehaha County, South Dakota under the control of the Board of Regents, consisting of 14.35 acres, more or less.

Section 2. That section 2 of chapter 51 of the 2017 Session Laws be amended to read:

[Section 2.] Any real estate and related personal property and improvements on the property which are generally considered a part of the tracts described in section 1 of this Act but not specifically included in the legal descriptions set out in section 1 of this Act may be sold, exchanged, or leased for commercial purposes as provided in this Act as though the property and improvements were specifically described in section 1 of this Act.

Section 3. That section 3 of chapter 51 of the 2017 Session Laws be amended to read:

[Section 3.] The real estate and other property described in section 1 of this Act shall be appraised by the board of appraisal established by § 5-9-3. Any unplatted land, fixtures and appurtenances located in the Southwest ¼ of Section 15, Township 101 North, Range 49 West of the 5th Principal Meridian, Minnehaha County, South Dakota under the control of the Board of Regents may be sold pursuant to this Act in any manner described in chapter 5-9. Any unplatted

land, fixtures and appurtenances located in the Southeast ¼ of Section 15 may be sold pursuant to this Act for cash or on terms allowed under § 5-9-10. Property located in the Southeast ¼ of Section 15 may be offered for sale either at public auction, through sealed bids or, at the option of the Board of Regents, pursuant to section 4 of this Act, through competitive sealed proposals. Any exchange of property described in section 1 of this Act shall be made pursuant to § 5-3-7, provided that any cash received to meet the full appraised value requirement is deposited in accordance with section 4 of chapter 51 of the 2017 Session Laws as amended by section 5 of this Act. However, notwithstanding the requirements of § 5-3-7, the value of the exchanged property may be less than seventy-five percent of the value of the property described in section 1 if the Board of Regents certifies that the exchanged property meets all operating requirements of the School for the Deaf. Any of the property described in section 1 of this Act may be offered for commercial lease at public auction or through sealed bids. Any sale, exchange, or lease for commercial purposes may be made, on the terms and conditions as the Governor, at the request of the Board of Regents, may require, subject to all applicable constitutional reservations.

Section 4. The Board of Regents may sell lands lying in the Southeast ¼ of Section 15, Township 101 North, Range 49 West of the 5th Principal Meridian, Minnehaha County, South Dakota pursuant to a competitive sealed proposal issued and negotiated as follows:

- (1) The board may issue a public request for proposals to use or to develop lands lying in the Southeast ¼ of Section 15 for purposes that, as determined by the board, complement the operation of the School for the Deaf on adjoining grounds;
- (2) The request for proposals shall state the necessity of offering a price equal to or exceeding the appraised value of the property as determined pursuant to chapter 51 of the 2017 Session Laws and shall state the relative importance of evaluation criteria to be used in the ranking of proposals. The board shall include the following evaluation criteria in any

request for proposals:

- (a) Record of past performance, including quality of work, ability to secure all necessary permits and authorizations, meet schedules, control costs and administer contracts, and evidence that use or occupancy of past projects was consistent with projections;
  - (b) Resources, including proposer's capital and financing sources, available to perform the work within the projected time limits for realizing the proposed use or development project;
  - (c) Experience, structure, and leadership of the proposing team, and technical competence as demonstrated by the proposed approach and methodology for achieving the use or development objectives within projected time limits; and
  - (d) Familiarity with the project locale and aesthetic potential and appeal of the proposed use or development and the complementary nature, as determined by the board, of the proposed project with the School for the Deaf and neighboring properties;
- (3) Public notice of a request for proposals shall be given by the publication once each week for at least four consecutive weeks in the official newspapers of Minnehaha County;
- (4) Each proposal shall be opened so as to avoid disclosure of contents to competing proposers during the process of negotiation. A register of proposals shall be prepared documenting the name and address of each proposer and identifying each proposer awarded a contract. The register shall be open for public inspection after proposal acceptance;
- (5) As provided in the request for proposals, a discussion may be conducted with any responsible proposer for the purpose of clarification to assure full understanding of, and

responsiveness to, the solicitation requirements. Each proposer shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of a proposal. A revision may be permitted after a submission and prior to an award for the purpose of obtaining the best and final proposal. In conducting any discussion, there may be no disclosure of any information derived from any proposal submitted by a competing proposer; and

- (6) An award shall be made to the responsible proposer whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the board, taking into consideration price and the evaluation factors set forth in the request for proposals. Only factors or criteria included in the solicitation may be used in the evaluation. The contract file shall contain the basis on which the award is made. Written notice of the award of a contract to the successful proposer shall be promptly given to each proposer. The board may reject any and all proposals and readvertise for proposals if none of the proposals are satisfactory.

Section 5. That section 4 of chapter 51 of the 2017 Session Laws be amended to read:

[Section 4.] The proceeds from the sale of any unplatted land, fixtures and appurtenances located in the Southwest  $\frac{1}{4}$  of Section 15, Township 101 North, Range 49 West of the 5th Principal Meridian, Minnehaha County, South Dakota under the control of the Board of Regents shall be deposited into the permanent fund created for the South Dakota School for the Deaf pursuant to S.D. Const., Art. VIII, § 7. The proceeds from any unplatted land, fixtures and appurtenances located in the Southeast  $\frac{1}{4}$  of Section 15, Township 101 North, Range 49 West of the 5th Principal Meridian, Minnehaha County, South Dakota under the control of the Board of Regents, net of any costs associated with the preparation for sale and subsequent sale of the real estate and other property described in section 1 of this Act, shall be deposited into the real property acquisition and capital

improvement fund for the South Dakota School for the Deaf, as provided in §§ 5-2-2.1 to 5-2-2.3, inclusive.

Section 6. That chapter 51 of the 2017 Session Laws be amended by adding NEW SECTIONS to read:

[Section 6.] The Board of Regents may undertake renovations to the facilities used or occupied by the School for the Deaf as may be required to enhance the operations of the School for the Deaf, including construction of new garage facilities for specialty vehicles used to provide mobile audiology laboratory services. The board may also acquire and equip an additional mobile audiology laboratory unit. Any moneys deposited into the real property acquisition and capital improvement fund for the School for the Deaf pursuant to this Act are hereby appropriated to the Board of Regents for such purposes.

[Section 7.] The Board of Regents may undertake renovations as may be required to adapt for commercial leasing portions of the facilities not used by the School for the Deaf for its operations. Any moneys remaining in the real property acquisition and capital improvement fund for the School for the Deaf pursuant to this Act are hereby appropriated to the Board of Regents for such purposes.

Section 7. That § 5-2-2.1 be amended to read:

5-2-2.1. The Board of Regents may sell extraneous real property subject to the provisions of the Constitution and approval of the Legislature.

The proceeds from a sale of institutional endowment lands shall be deposited as provided in chapter 5-3 and the proceeds of other extraneous real property, net of any costs associated with the sale of the land, including in the case of a sale comprising both endowment lands and other extraneous real property, costs allocable to the sale of endowment lands, shall be deposited with the state treasurer and credited to a fund specifically designated as the real property acquisition and capital improvement fund for each institution under the Board of Regents involved in such

transaction. The proceeds shall be invested by the State Investment Council in accordance with chapter 4-5. Expenditures from the fund shall be approved by the Legislature.

Section 8. That § 5-2-2.3 be amended to read:

5-2-2.3. Except for the proceeds from the sale of endowment lands, the net proceeds, and accumulated interest from sale of land under the Board of Regents pursuant to § 5-2-2.1 shall be used by the Board of Regents for acquisition of real and personal property or capital improvements subject to the approval of the Legislature. For purposes of this section, the definition of capital improvement contained in § 5-14-1 applies.

Section 9. That § 5-10-1 be amended to read:

5-10-1. The income from the leased lands of each class of school and public lands and the interest on the permanent fund of that class shall be assigned by the state treasurer to a fund to be known as the interest and income fund of such class. However, the income from any commercial lease made by the commissioner of school and public lands pursuant to sections 1 to 3, inclusive, of this Act shall be continuously appropriated to the endowed institution for use in maintaining the property and supporting the operations of the endowed institution. The principal of money derived from the sale of each class of lands granted to the state for educational and charitable purposes shall be assigned by the state treasurer to a fund to be known as the permanent fund of such class.

Section 10. That chapter 13-62 be amended by adding a NEW SECTION to read:

The Board of Regents may lease for commercial purposes portions of School for the Deaf buildings that are no longer regularly and actively used by the School for the Deaf in the conduct of school's operations. The purposes, terms, and conditions of each lease shall be both economical and consistent with the stewardship of public property. The board may permit a lessee to undertake renovations on the following conditions:

- (1) The construction is of comparable kind and quality as the original structure;

- (2) The board has the right to prior review and approval of renovation designs and specifications that may affect shared building structural systems and related equipment and infrastructure;
- (3) The lessee provides such as-built documentation as the board may require; and
- (4) The lessee agrees title to the renovations shall vest with the board on behalf of the state.

The board shall establish lease rental rates consistent with the rates for commercial leases for comparable properties in Sioux Falls and Minnehaha County. The board may offer the leases to the public in any commercially reasonable manner. Lease income received through the leases by the board pursuant to this section shall be continuously appropriated to the School for the Deaf for use in maintaining the property and supporting the operations of the School for the Deaf.

Section 11. The executive director of the Board of Regents shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 12. Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

An Act to expand the options for the beneficial disposition or use of certain real estate located in Minnehaha County, to make certain appropriations, and to declare an emergency.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1064

\_\_\_\_\_  
Chief Clerk

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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1064  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_ , A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_ , 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State