IOWA STATE UNIVERSITY PROPOSED ACCEPTANCE OF FARMLAND

Action Requested:  Consider recommending acceptance of the terms of the Revocable Trust Agreement (RTA) of Lavonne D. Gregory.

Executive Summary:
The Regents are authorized under Iowa Code §262.9(8) to acquire real estate for Regent Institutions. Gifts are to be accepted by the institution only if they are supportive of the institution’s mission per the Policy Manual §7.08(C)(2).

Lavonne D. Gregory has generously offered to gift her farmland to the University upon her death. She has requested confirmation that the University and the Board of Regents accept the terms of the RTA and manage the property and proceeds pursuant to it. To meet the first half of her request, Warren Madden, Senior Vice President of Business and Finance for Iowa State University, has accepted the terms of the RTA on behalf of the University. Approval by the Board would meet the second half of her request for evidence of acceptance of the RTA’s terms.

The RTA provides that upon her death, Ms. Gregory’s farmland, currently constituting approximately 389 acres in two parcels (see Attachment A), shall be distributed to the State of Iowa for the use and benefit of Iowa State University of Science and Technology. The land is approximately 12 miles northeast of Mason City, Iowa in Worth County. The Corn Suitability Rating (CSR), a measure of land productivity, of 86.2 is excellent. The estimated value of the land is $3.6 million.

The RTA states that the land shall be “owned by the State of Iowa in perpetuity and farmed under management of University, and that the net income, after deduction of reasonable expenses of management, be divided equally into two funds . . .” One-half of the proceeds would go to the College of Agriculture and Life Sciences (CALS) for “purposes of teaching and research in areas directly related to the care of companion animals.” The other half would be distributed to the College Veterinary Medicine (CVM) “for purposes directly related to teaching University students in the care of companion animals, improving companion animal health care provided through the Lloyd Veterinary Medical Center, and conducting research related to maintenance of the health of companion animals.”

In the event the Board refuses to accept the farmland under the conditions identified in the RTA, the farmland shall be distributed to the Iowa State University Foundation. The farmland shall be owned and managed by the Foundation for a period of 25 years, after which the Foundation is permitted to dispose of the property. The assets from any sale shall be distributed equally between CALS and CVM, as more fully described in the RTA.

The Colleges of Agriculture and Life Sciences and Veterinary Medicine fully support acceptance of the gift. CALS personnel regularly manage remote farmland and are ready to manage this parcel. This productive land would provide ongoing funding for educational programs relating to companion animals for the benefit of students and their future careers and to address research questions of growing importance.
IOWA STATE UNIVERSITY
PROPOSED ACCEPTANCE OF FARMLAND MAP
(Worth County, northwest of Mason City)