

Trend: Colleges buy land without specific purposes

By Marc Beja
ASSOCIATED PRESS WRITER

NEW YORK — Colleges and universities are buying up chunks of land at bargain prices, sometimes without a clear idea how they'll be used.

Some are taking advantage of good sales during a sluggish economy, while others, like Columbia University, are continuing a practice they've done for decades, buying even if the price isn't discounted.

The University of Dayton last year acquired the 115-acre world headquarters of technology company NCR Corp. for the fire sale price of \$18 million after buying 50 acres from the company for three times the per-acre price in 2005. And the University of Delaware last year bought a 272-acre former Chrysler auto plant in Newark, Del. for \$24 million.

The schools are banking on future growth to make their purchases good investments. In the interim, many are leasing the properties they're not using until they need them.

It's good that colleges are looking years or even decades ahead,

but investing in real estate can be risky, academic research analyst Jane Wellman said.

"People who just lost their shirts in the last real estate crash know the risk of real estate as an investment portfolio," Wellman said. Colleges "are banking that now is the low point in real estate, and it may not be."

For years, Columbia bought land wherever it could, amassing more than 17 acres on Manhattan's Upper West Side between 2002 and 2009. Construction has begun on a multibillion-dollar expansion that would build new housing, laboratories, open space and tree-lined sidewalks.

University President Lee Bollinger said it won't be finished for at least 30 years. And while some of the space has been dedicated to specific departments, Bollinger said he's intentionally not deciding how the rest of the buildings will be used.

"You want to give future generations the ability to create their own university," he said.

Dan Fasulo, a managing director for real estate research firm Real Capital Analytics, says many

colleges are jumping at new opportunities to buy land cheaply since the economic slump.

Previously, "universities were very much shut out of the market at its top," Fasulo said. "You really couldn't compete with private investors who were scooping up properties in their neighborhoods."

Some schools say the economic downturn drove prices so low that it was cheaper to buy land with existing buildings now than it would be to construct new ones later.

University of Dayton President Daniel Curran thought he got "the deal of a lifetime" five years ago, when the Ohio university bought 50 acres from NCR Corp. for \$25 million. Then he got a better offer: the company's expansive world headquarters property — complete with a moat and a mini golf course — for \$18 million.

The university started moving in this summer. The property includes a 415,000-square-foot building that will house a science facility, an alumni center and a huge parking garage. Curran said the university saved itself the expense of building new space,

and is leasing unused parts of the building for extra cash.

The university still has 90 acres available for expansion.

"We don't know what the library of the future is going to be, but we need a space for that library," Curran said.

The former Chrysler Group LLC plant the University of Delaware bought won't be completely built out for 50 years, said Executive Vice President Scott Douglass. Since nearly a quarter of it has no specific plans, it may be used for scientific testing, Douglass said.

At Columbia, where tuition and living expenses are soaring in New York, junior Jose Robledo said although he'd like his university to put more money toward financial aid, it's more important for it to expand and try to improve — even if he's not around to see it.

"If the university continues being a leader in research, that makes sure my degree is still valuable 20, 30 years down the road."

At York College in York, Pa., most of a 28-acre plot bought last year for \$5.8 million is being set aside. George Waldner, president of the 4,750-undergraduate cam-

pus, said it was better to buy now than wait, when "you're going to pay a premium because everyone is going to know you need a piece of land close to your campus."

Fasulo offered colleges some words of caution, though, saying land investment in a rural area is riskier than near a place like Columbia, in one of the nation's most desirable real estate markets.

"From a market perspective, there would be a lot less risk worrying about surplus property in a place like Manhattan than if you were out in the woods somewhere," he said. "Let's say enrollment falls in half, you can sell it off as a condominium."

And Wellman, executive director of the Delta Project on Postsecondary Education Costs, Productivity and Accountability, a nonprofit studying college costs, noted that even when a building isn't being used for academics, a university still has to pay to maintain it.

"You're going to have to keep raising money and getting more money every year just to keep the hamster running in the cage," she said.

Fire triggers evacuations

By Dan Elliott
ASSOCIATED PRESS WRITER

DENVER — A wind-driven wildfire broke out in the rugged Colorado foothills and quickly spread across 4 square miles Monday, destroying some homes and triggering evacuations of as many as 400 others.

No injuries were reported. Authorities could not say how many structures burned down, but they said at least some of them were houses.

The fire started in Four Mile Canyon northwest of Boulder, and erratic winds gusting to 45 mph spread the flames both to the west and northeast.

At least four roads in the area were closed, and a billowing, white plume of heavy smoke was visible for miles. The cause was unknown.

"It's fast-moving. We've got a lot of wind up there," Boulder County sheriff's Cmdr. Rick Brough said. He said emergency crews were concentrating on evacuations.

About 200 homes scattered in and near the canyon were evacuated earlier in the day. Brough said residents of two other subdivisions closer to Boulder, each with about 100 homes, were ordered to evacuate Monday afternoon.

At least 100 buildings were threatened. One fire vehicle was destroyed, said Patrick von Keyserling, a spokesman for the Boulder County Office of Emergency Management.

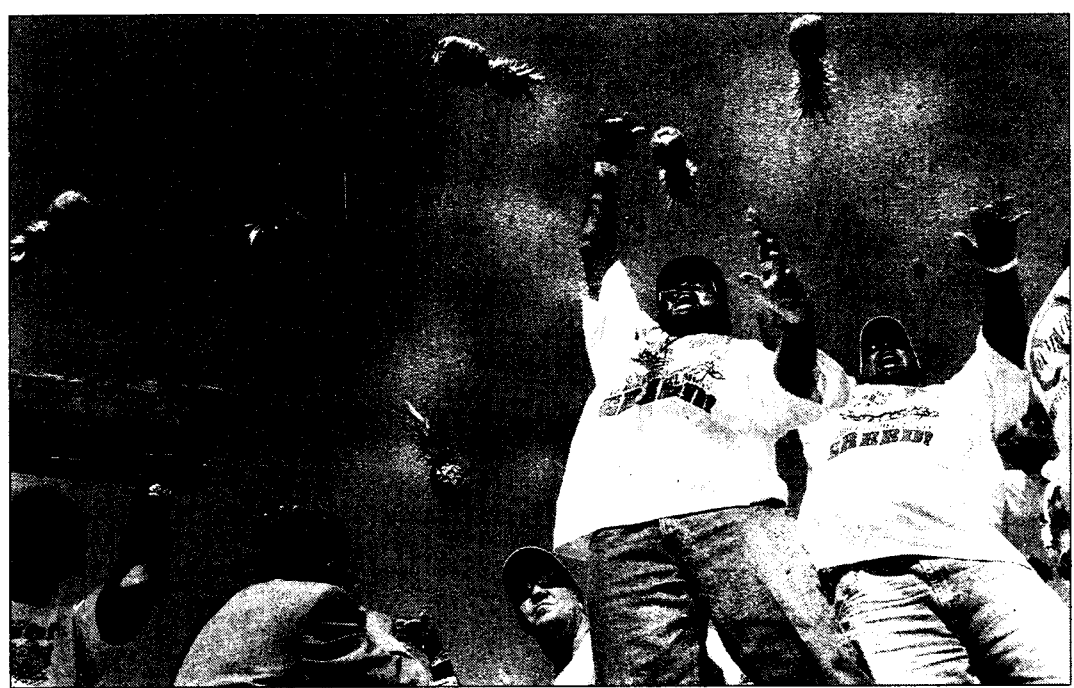
At least two heavy air tankers were sent to the Rocky Mountain Metropolitan Airport southeast of Boulder to help, but the winds were too strong for them to fly over the fire.

"They just can't get up until the wind dies down," Brough said.

The strong winds accompanied a cold front moving across the state. They weren't expected to slacken until Monday night, said Scott Entekin, a National Weather Service meteorologist.

About 100 ground crews were on the scene and 75 more were on standby, Brough said.

FOOD FIGHT



Matt Rourke/Associated Press

The Delaware Longshoremen's Association union in Philadelphia tosses Del Monte company pineapples into the Delaware River during a Labor Day parade in Philadelphia on Monday. The union members were protesting the possible loss of jobs.

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