

November 5, 2014

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah State University – Acquisition of Properties Contiguous to the Logan Campus

Issue

Utah State University (USU) has requested authorization to acquire three properties that are located on Darwin Avenue and are contiguous to the Logan Campus (see Exhibit A). The acquisitions will be financed by a combination of exchange of property and purchase.

Pertinent Information

The first contract is for an exchange of approximately five acres of USU owned vacant commercial property that is located at 2200 North 400 East in North Logan (see Exhibit B). It will be exchanged for parcel #06-053-0005 shown on Exhibit A. This property currently houses a professional dental office. The estimated value of the property to be acquired is \$900,000.

The second contract is for an outright purchase of parcels #06-053-0009 and #06-053-0010 shown on Exhibit A. These properties are primarily used as residential apartments. Their estimated current value is \$700,000.

Appraisals for the properties have been requested and are expected to be received the first week of November 2014. Funding for the difference between the appraised values of the properties being exchanged and the outright purchase will be provided from USU property reserve funds.

As is noted in the attached letter from USU, management of the properties will be assigned to USU Housing and Residence Life. The current lease commitments on the properties will be honored. Thereafter, for the near term, the properties will be utilized by USU Housing and Residence Life. Ongoing O&M costs will be funded by lease income generated by the properties.

Acquisition of these properties was approved by USU Trustees on October 24, 2014. A copy of the USU letter requesting this approval is attached for your information. USU officials will be present at the meeting to provide additional information and respond to questions from the Regents.

Commissioner's Recommendation

The Commissioner recommends that the Regents authorize USU to proceed with acquisition of these properties subject to verification by the Office of the Commissioner that the amounts to be paid are in accordance with provisions in Regents Policy R710 regarding acquisition and disposal of properties at appraised values.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachment

October 30, 2014

Commissioner David L. Buhler  
Utah State Board of Regents  
Board of Regents Building The Gateway  
60 South 400 West  
Salt Lake City, Utah 84101-1284

Dear Commissioner Buhler:

Utah State University desires to acquire three parcels of developed commercial land adjoining the Logan campus that includes four buildings primarily used for residential apartments and one professional dental office as highlighted on the attached Exhibit A.

The University proposes to execute two separate contracts that value approximately \$1.6 million. One contract proposes to exchange approximately five acres of USU owned vacant commercial land located on the southwest corner of 2200 North and 400 East in North Logan, Utah (see Exhibit B) valued at approximately \$900,000 for parcel #06-053-0005 (see Exhibit A). The other contract proposes an outright purchase by USU of parcels #06-053-0009 and #06-053-0010 (see Exhibit A). The final exchange value and purchase amount will be at fair market value established by appraisals that are expected to be received the first week of November 2014.

In the immediate future, USU plans to assign the management, maintenance, and operation of the three parcels to the USU Housing and Residence Life. Funding of the one-time cash difference will come from university strategic property reserve funds. Lease income generated from the properties will adequately fund the operation and maintenance costs.

We appreciate your support and ask that you present this item to the Board of Regents for approval. This request received Board of Trustees approval on October 24, 2014.

Sincerely,



David T. Cowley  
Vice President  
for Business & Finance

cc: Greg Stauffer, Associate Commissioner for Planning, Finance & Facilities  
Stan Albrecht, President

**EXHIBIT A**

Logan Property Adjoining Campus  
Enlarged Area



Partial Overview of Logan Campus



EXHIBIT B

North Logan Property

