

November 5, 2014

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: University of Utah – Sale of Gifted Residential Property in Arizona

Issue

The University of Utah wishes to notify the Board of its sale of a gifted residential property in Tucson, Arizona. Because repairs to make the property more marketable were estimated to cost in excess of \$5,000, the property was sold for \$179,500 which is \$5,500 below the appraised value of \$185,000.

Board policy (R710, Capital Facilities, Section 4.5.4.5) requires institutions to dispose of gifted property at or above appraised value unless the following conditions are present:

4.5.4.5.2. The property shall be sold at or above fair market value as determined by an appraisal completed by a State of Utah licensed MAI appraiser unless:

- a) the value of the property does not warrant the cost of the appraisal (e.g., low valued recreational property or seriously deteriorated properties, where sale proceeds would be seriously reduced or eliminated due to the cost of obtaining an appraisal)
- b) the gifted property has preexisting conditions that affect the future sales price (e.g., an undivided property interest with the sale controlled by the majority holders, or the property comes from a donor with a sale or price already negotiated or in process with a buyer)

These approved exceptions do not specifically include the circumstances that often are faced in disposing of gifted residential properties. That notwithstanding, the fact that this residential property would have required an investment of more than \$5,000 in repairs to make it marketable at the appraised value would justify selling it below the appraised value.

Commissioner's Recommendation

The Commissioner recommends that the Board ratify this sale of property.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachment

October 20, 2014

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

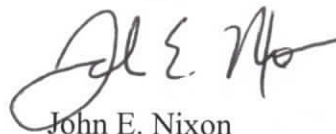
Dear Commissioner Buhler:

The University of Utah would like to notify the Board of Regents' at their next meeting of the following sales of donated or gifted property:

1. 257 East Crooked Stick Drive, Tucson, Arizona
  - a. Gifted to the University by Robert Anderson for the benefit of the College of Social Work.
  - b. Sold for \$179,500.
  - c. Appraised for \$185,000.
    - i. Sold for less than appraised value due to necessary repairs anticipated to cost in excess of \$5,000.

Thanks, as always, for your consideration and support.

Sincerely,



John E. Nixon  
Chief Business Officer

c: David W. Pershing  
Dr. Gregory L. Stauffer  
Ralph Hardy  
Arnold B. Combe  
Jonathon Bates