

May 6, 2015

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Southern Utah University – Sale of Noncontiguous Property

Issue

Southern Utah University (SUU) has requested authorization to sell two Cedar City vacant lots that are not contiguous to campus. The lots are located at 311 West 200 North and 173 North 300 West as identified on the attached map.

Background

These lots were purchased as part of a plan to create a gateway to the campus with the potential construction of University hotel as part of the plan. In the more than a decade since the conception of that plan, for a variety of reasons it no longer appears feasible nor meets the highest needs of the institution. Accordingly, SUU wishes to sell them. The lots are situated between two properties currently owned by the Dixie and Anne Leavitt Foundation (DALF) that, as is noted in the attached letter from SUU, were purchased by DALF at the request of SUU. It is worth noting that according to a conversation between President Wyatt and the Commissioner, SUU is the main financial beneficiary of the DALF.

The two properties were purchased in 2004 for the combined appraised price of \$357,000 as approved by the Regents in their March 11-12, 2004 meeting (see attached agenda item). At that time, there were residences on both properties which, based on descriptions provided in the appraisals at the time, were in marginal to very poor condition. Both residences subsequently were razed and the properties are now vacant.

The intent is to offer the vacant lots to DALF as a first right of refusal at the currently appraised price of \$157,000 with SUU retaining an easement on the corner of 311 West 200 North that will allow University signage to remain in place.

Summaries of the two property appraisals are attached for your information. The substantial difference in the appraised prices of the two lots is the fact that the lot on the corner of 200 North and 300 West is zoned "commercial" while the other is "residential."

SUU officials will be present at the meeting to present this proposal as well as provide additional information and respond to questions from the Board.

Commissioner's Recommendation

Given the unique circumstances and history involving these properties, it seems reasonable to conclude that disposal of the property in the way that it is proposed is in the best interest of the institution. Accordingly, the Commissioner recommends that the Regents approve this sale of property as requested by SUU.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachments

April 24, 2015

Dr. Gregory L. Stauffer, Associate Commissioner for
Planning, Finance and Facilities
Utah System of Higher Education
State Board of Regents Building
60 South 400 West
Salt Lake City, UT 84101

RE: Proposed sale of noncontiguous University property at 200 North and 300 West

Dear Commissioner Stauffer:

This letter is a request for Board of Regents approval to sell two vacant lots currently owned by Southern Utah University (SUU) along 300 West to the Dixie and Anne Leavitt Foundation (DALF). This action has been approved by the University Board of Trustees and is presented for your consideration.

Previous University administrations envisioned purchasing the homes along 300 West between University Avenue and 200 North to create a gateway into campus. This vision also included construction of a University hotel on the property at a point in time when sufficient gateway property was acquired.

The University purchased two properties along 300 West but due to a scarcity of funds, asked the Dixie and Anne Leavitt Foundation to purchase additional properties toward the gateway vision as they became available. The University completed appraisals and all necessary arrangements for these purchases and leased the homes back as part of University housing stock once DALF had acquired them. However, as a consequence of the economic downturn beginning in 2008, the University cancelled its leases with DALF and discontinued management of their properties. We have had no involvement with the properties since.

After careful consideration, there is consensus among the current administration that this original vision, while laudable, is not an endeavor that would rise above other more pressing priorities. Since it was the University who asked DALF to acquire these properties originally, we believe there is a reasonable moral obligation to either purchase the four surrounding DALF properties or sell the SUU lots to DALF as a first right of refusal.

The University lots include 311 West 200 North and 173 North 300 West in Cedar City. Both lots are vacant of any structures but landscaped and include only a way finding sign directing traffic toward the University. Following Board of Regent policy, we coordinated an appraisal through Morley and McConkie Appraisers of St. George. The appraised value, and sales price, totals \$157,000. DALF has agreed to an easement on the corner lot of 311 W 200 N that will allow the University signage to remain in place. Attached, please find a map outlining the properties in question.

We appreciate your consideration of this action.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Dodge', with a long horizontal flourish extending to the right.

Marvin L. Dodge
CFO/Vice President
Finance and Administration

Attachment



311 W 200 N


SUU Property

DALF Property in Blue


Google earth

Google earth



	Client File #:	NA	Appraisal File #:	15CH007
	<h1>Summary Appraisal Report - Land</h1>			
	Appraisal Company: Morley & McConkie			
	Address: 393 S. Riverside Dr. #102, St. George, UT 84790			
Phone: 435-673-7720		Fax: 435-673-7718		Website: www.sutap.com
Appraiser: Cody Hymas		Co-Appraiser:		
AI Membership (if any): <input type="checkbox"/> SRA <input checked="" type="checkbox"/> MAI <input type="checkbox"/> SRPA		AI Membership (if any): <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA		
AI Status (if any): <input type="checkbox"/> Candidate for Designation <input type="checkbox"/> Practicing Affiliate		AI Status (if any): <input type="checkbox"/> Candidate for Designation <input type="checkbox"/> Practicing Affiliate		
Other Professional Affiliation: NA		Other Professional Affiliation:		
Email: cody@sutap.com		E-mail:		
Client: Southern Utah University		Contact: Marvin L. Dodge		
Address: 351 West University Boulevard, Cedar City, UT 84720				
Phone: 435-586-7871		Fax:		Email: marvindodge@suu.edu
SUBJECT PROPERTY IDENTIFICATION				
Address: 173 N. 300 W.				
City: Cedar City		County: Iron		State: UT ZIP: 84720-2507
Legal Description: See attached comment addendum.				
Tax Parcel #: B-0639-0000-0000		RE Taxes: 0		Tax Year: 2014
Use of the Real Estate As of the Date of Value: Vacant Lot				
Use of the Real Estate Reflected in the Appraisal: Vacant Lot				
Opinion of highest and best use (if required): Residential				
SUBJECT PROPERTY HISTORY				
Owner of Record: Southern Utah University				
Description and analysis of sales within 3 years (minimum) prior to effective date of value: No sales or transfers are noted in the past three years, according to Iron County records.				
Description and analysis of agreements of sale (contracts), listing, and options: The subject is not currently listed for sale and has not been listed for sale in the past three years according to the MLS and to the best of my knowledge.				
RECONCILIATIONS AND CONCLUSIONS				
Indication of Value by Sales Comparison Approach		\$ 45,000		
Indication of Value by Cost Approach		\$ NA		
Indication of Value by Income Approach		\$ NA		
Final Reconciliation of the Methods and Approaches to Value: The subject is a vacant lot and as such, the Sales Comparison Approach is the only applicable approach for development. The Cost Approach and Income Approach do not provide a reliable indication of value for vacant lots and were not developed in this analysis.				
Opinion of Value as of: March 9, 2015		\$ 45,000		
Exposure Time: Three to Six Months				
The above opinion is subject to: <input type="checkbox"/> Hypothetical Conditions and/or <input checked="" type="checkbox"/> Extraordinary Assumptions cited on the following page.				

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s) in the specific contents of the AI Reports®. AI Reports® AI-120.04 Summary Appraisal Report -Land © Appraisal Institute 2013, All Rights Reserved

 <p>AI Reports™ Form 120.04*</p>	Client File #: NA	Appraisal File #: 15CH006	<h1 style="margin:0;">Summary Appraisal Report - Land</h1>
Appraisal Company: Morley & McConkie Address: 393 S. Riverside Dr. #102, St. George, UT 84790			
Phone: 435-673-7720		Fax: 435-673-7718	Website: www.sutap.com
Appraiser: Cody Hymas		Co-Appraiser:	
AI Membership (if any): <input type="checkbox"/> SRA <input checked="" type="checkbox"/> MAI <input type="checkbox"/> SRPA		AI Membership (if any): <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA	
AI Status (if any): <input type="checkbox"/> Candidate for Designation <input type="checkbox"/> Practicing Affiliate		AI Status (if any): <input type="checkbox"/> Candidate for Designation <input type="checkbox"/> Practicing Affiliate	
Other Professional Affiliation: NA		Other Professional Affiliation:	
Email: cody@sutap.com		E-mail:	
Client: Southern Utah University		Contact: Marvin L. Dodge	
Address: 351 West University Boulevard, Cedar City, UT 84720			
Phone: 435-586-7721		Fax:	Email: marvindodge@suu.edu
SUBJECT PROPERTY IDENTIFICATION			
Address: 311 W. 200 N.			
City: Cedar City	County: Iron		State: UT ZIP: 84720-2507
Legal Description: See comment addendum.			
Tax Parcel #: B-0637-0638-0000		RE Taxes: 0	Tax Year: 2014
Use of the Real Estate As of the Date of Value: Vacant Lot			
Use of the Real Estate Reflected in the Appraisal: Vacant Lot			
Opinion of highest and best use (if required): Commercial			
SUBJECT PROPERTY HISTORY			
Owner of Record: Southern Utah University			
Description and analysis of sales within 3 years (minimum) prior to effective date of value: No sales or transfers are noted in the past three years, according to Iron County records.			
Description and analysis of agreements of sale (contracts), listing, and options: The subject is not currently listed for sale and has not been listed for sale in the past three years according to the MLS and to the best of my knowledge.			
RECONCILIATIONS AND CONCLUSIONS			
Indication of Value by Sales Comparison Approach		\$ 112,000	
Indication of Value by Cost Approach		\$ NA	
Indication of Value by Income Approach		\$ NA	
Final Reconciliation of the Methods and Approaches to Value: The subject is a vacant lot and as such, the Sales Comparison Approach is the only applicable approach for development. The Cost Approach and Income Approach do not provide a reliable indication of value for vacant lots and were not developed in this analysis.			
Opinion of Value as of: March 9, 2015		\$ 112,000	
Exposure Time: Three to Six Months			
The above opinion is subject to: <input type="checkbox"/> Hypothetical Conditions and/or <input checked="" type="checkbox"/> Extraordinary Assumptions cited on the following page.			

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s) in the specific contents of the AI Reports®. AI Reports® AI-120.04 Summary Appraisal

March 3, 2004

MEMORANDUM

TO: State Board of Regents
FROM: Richard E. Kendell
SUBJECT: Southern Utah University – Purchase of Property Near Campus

Issue

Regent Policy R710 requires the Board of Regents to review and approve all institutional requests for property acquisitions that commit institutional funds in excess of \$25,000.

Background

Southern Utah University proposes to purchase two adjoining residential properties near the campus which have become available. Purchase of these properties will provide SUU with a presence on 200 North Street, which is one of the main thoroughfares of Cedar City. The University proposes to purchase these properties for the appraised values of \$260,000 and \$97,000. Funds for this purchase will come from proceeds from a recent sale of property and from other institutional funds.

The University plans to add a privately-funded visitor's center and possibly a marquee sign at this location sometime in the future. The SUU Board of Trustees is expected to approve this purchase at its meeting on Thursday, March 11, 2004.

Recommendation

It is the recommendation of the Commissioner that the Board approve SUU's purchase of these properties at the appraised prices of \$260,000 and \$97,000.

Richard E. Kendell, Commissioner

REK/MHS
Attachment