

July 22, 2015

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Dixie State University – East Elementary School Block Property Purchase

Issue

Dixie State University has requested Board approval to purchase a residential property that is contiguous to the campus on the city block where the East Elementary School is located.

Background

The details of this request are described in the attached letter from Dixie State University (DSU). Since the property is contiguous to the existing campus and falls under the cap established in Regent policy, DSU would normally have been able to proceed with purchase of this property once Board of Trustee approval was secured. However, because the seller obtained a separate appraisal for the property, the price required to acquire it now exceeds the value identified in the DSU appraisal. As a result, Regent approval is required as an exception to policy.

Acquisition of such properties is a high priority for the university and it is important to acquire them when they come available. While the purchase price exceeds the appraisal obtained by DSU, the dollar amount is not large, and if it is not acquired now, it is likely that when it becomes available again it will be at a significantly higher price.

Commissioner's Recommendation

The Commissioner recommends approval of the DSU request to purchase this desirable property at the \$122,500 asking price.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachments

Paul C. Morris  
Vice President for Administrative Services  
Phone: 435-652-7504  
Email: [morris@dixie.edu](mailto:morris@dixie.edu)

July 10, 2015

Dr. David L. Buhler  
Commissioner of Higher Education  
Board of Regents Building  
60 South 400 West  
Salt Lake City, Utah 84101

Dear Dr. Buhler,

#### Purpose

Dixie State University (DSU) is requesting Regent approval to purchase a residential home constructed on approximately  $\frac{1}{4}$  acre of land located contiguous to campus on the East Elementary block.

#### Background

The property is located on the corner of University Avenue and 400 S. (West of Hansen Stadium). Currently, three homes are located along University Avenue on the East Elementary Block. Dixie State University already owns one of the homes and the other two are privately owned. The proposed property acquisition is one of the two remaining privately owned parcels on the East Elementary Block.

Dixie State University contracted with Johnson Appraisal, Inc. to help determine the value of the property. The appraisal completed by Johnson Appraisal valued the property at \$100,000. The property owner believes the value of the property to be higher than appraised by Johnson. As a result, the property owner hired Appco Appraisal Service to value the property. The Appco appraisal values the property at \$122,500. The disparity in the two appraised values is minimal and the property is strategically important to the future footprint of Dixie State University. As a result, Dixie State University requests Regent approval to purchase the property at \$122,500 as valued by Appco Appraisal Service.

The following attachments provide additional information and documentation to substantiate the purchase price and describe the location and importance of the property to Dixie State University.

- Attachment 1: Summary page of appraisal prepared by Johnson Appraisal, Inc.
- Attachment 2: Summary page of appraisal prepared by Appco Appraisal Service
- Attachment 3: Aerial and street view photographs of subject property

Sincerely,

Paul C. Morris

cc: Richard Williams, Sherry Ruesch

**Attachment #1**

**JOHNSON APPRAISAL, INC.**

REAL ESTATE APPRAISERS  
784 S. RIVER ROAD, #104  
ST. GEORGE, UTAH 84790

DANIEL JOHNSON, MAI, SRA  
RYAN JOHNSON

TELEPHONE  
(435) 674-2191  
FAX (435) 674-2192

June 19, 2015

LETTER OF TRANSMITTAL

Jackie Freeman  
Director of Purchasing Services  
Dixie State University  
225 South 700 East  
St. George, Utah 84770

Dear Ms. Freeman:

We have completed an investigation and appraisal of the existing single family residence, with a legal address of 414 South 700 East, in the City of St. George, County of Washington, State of Utah, legally described on page 6 of this appraisal report.

This report has been prepared in conformity with and is subject to the Code of Professional Ethics of the Appraisal Institute, the 2014-2015 Edition of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

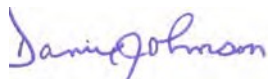
The subject property being appraised is a single family residence that was built in 1945. It contains a total of 1,136 square feet of area on a single level. It is divided into a living room, kitchen, family room, den, two bedrooms, and one bathroom. It is also improved with an attached carport.

Exposure time is the amount of time in retrospect necessary to achieve a sale by the appraisal date and is based on immediate past market trends from applicable market data. The market value of the property is an estimate assuming an exposure time of six months to one year prior to the hypothetical consummation of a sale based on the effective date of the appraisal. Based on an inspection of the property, and the analyses contained in this report, it is our opinion that the "As Is" Market Value of the subject property, with an effective date of June 18, 2015, is:

ONE HUNDRED THOUSAND DOLLARS  
(\$100,000)

This report is subject to the Certification and Assumptions and Limiting Conditions, which are contained on pages 2 through 4 of this report, and govern the use and validity of this appraisal.

Sincerely,



Daniel Johnson, MAI, SRA  
Utah State Certified General Appraiser  
License No. 5452150-CG00  
Expires July 31, 2015



Ryan Johnson  
Utah State Certified General Appraiser  
License No. 5791778-CG00  
Expires November 30, 2016



	Client File #:		Appraisal File #:	15-149
	<b>Summary Appraisal Report · Residential</b>			
	Appraisal Company: Appco Appraisal Service			
	Address: 385 W Brigham Rd #23, St. George, UT 84790			
Phone: 801-690-6511		Fax:		Website:
Appraiser: David W. Hunter		Co-Appraiser:		
AI Membership (if any): <input type="checkbox"/> SRA <input 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:		Other Professional Affiliation:		
Email: dave4036@gmail.com		E-mail:		
Client: Laura Kay Cooper Trust		Contact: Laura Frei		
Address: 98 East 700 South, St. George, Utah 84770				
Phone: (435)703-8772		Fax:		Email: LauraFreisg@gmail.com
<b>SUBJECT PROPERTY IDENTIFICATION</b>				
Address: 414 S 700 E				
City: St. George		County: Washington		State: UT ZIP: 84770-3813
Legal Description: St. George City Survey Plat B Block 23 (SG) Lot: 8 North 82 Ft Lot 8 Block 23 Plat B of the St. George City Survey				
Tax Parcel #: SG-913		RE Taxes: 674		Tax Year: 2014
Use of the Real Estate As of the Date of Value: Single Family Residential Rental				
Use of the Real Estate Reflected in the Appraisal: Single Family Residential				
Opinion of highest and best use (if required): Single Family Residential				
<b>SUBJECT PROPERTY HISTORY</b>				
Owner of Record: Laura Kay Cooper Revocable Living Trust				
Description and analysis of sales within 3 years (minimum) prior to effective date of value: No title activity within the prior 3 years as of the effective date of this appraisal.				
Description and analysis of agreements of sale (contracts), listing, and options: No sales contract or listing of the subject property have been presented to this appraiser.				
<b>RECONCILIATIONS AND CONCLUSIONS</b>				
Indication of Value by Sales Comparison Approach		\$ 122,500		
Indication of Value by Cost Approach		\$ 124,500		
Indication of Value by Income Approach		\$ 0		
Final Reconciliation of the Methods and Approaches to Value: The income approach to value has been developed and considered as likewise the cost approach to value. Most emphasis has been placed on the market approach to value given its current use being that of a single family residential rental property. The other approaches to value were also considered in this evaluation.				
<b>Opinion of Value as of:</b> 07/03/2015		<b>\$</b> 122,500		
Exposure Time: 60-120 days on market				
The above opinion is subject to: <input type="checkbox"/> Hypothetical Conditions and/or <input 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-100.04 Summary Appraisal



