

September 9, 2015

MEMORANDUM

TO: State Board of Regents  
FROM: David L. Buhler  
SUBJECT: University of Utah – Rio Mesa Center Property Gift

Issue

Apple Lane, LLC, the owner of a 400 acre property located 40 miles northeast of Moab on the Dolores River, has offered the property as a gift to the University of Utah. The University has requested Board authorization to accept this generous gift.

Background

Since 2007, the University of Utah has been operating a multi-disciplinary field station on this property. The station, originally called Entrada Ranch, was renamed Rio Mesa Center in 2010. The property has been leased to the University since 2008 for a nominal rent of \$1 per year on the condition that it be used for academic research, teaching, and/or educational purposes. Based on the successful performance and growth of teaching, research, and outreach programs at Rio Mesa Center, the owners have agreed to donate the property to the University.

The letter from the University requesting authorization to accept this gift is attached together with attachments providing the following additional information:

- A document describing the Rio Mesa Center that provides a substantial amount of information about the programs provided and the infrastructure of the property.
- A pro forma financial summary showing actual revenue and expenditures for 3 years and an additional 4 years projected.
- A copy of the Board of Trustees agenda item for the proposed gift that was approved on August 11, 2015.

The due diligence required by Board Policy R710, *Capital Facilities* pertaining to acquisition of gifted property has been met. University representatives will be present at the Board meeting to present this item and respond to Board questions.

Commissioner's Recommendation

The Commissioner recommends Board approval of the request to accept this generous gift of property.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachments

August 27, 2015

Commissioner David Buhler  
Utah System of Higher Education  
Board of Regents Building, The Gateway  
60 South 400 West  
Salt Lake City, UT 84101-1284

Dear Dave:

I am writing to seek the approval of the Board of Regents for an exciting gift of property to the University of Utah.

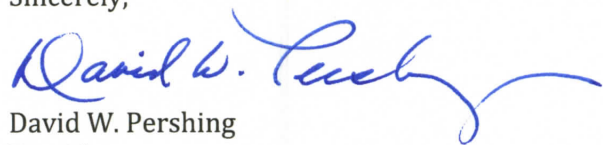
Since 2007, the University has operated the Rio Mesa Center, located 40 miles northeast of Moab on the Dolores River, as an interdisciplinary outdoor laboratory and classroom. The property is currently owned by Apple Lane, LLC, and has been leased to the University by Apple Lane for a nominal rent of \$1 per year since 2008 on the condition that the property be used for academic, research, teaching, and/or educational purposes. Based on the successful performance and growth of teaching, research, and outreach programs at Rio Mesa Center, the owners have agreed to donate the property to the University.

The gift includes 400 acres of land in Utah's red rock country, with approximately three miles of riverfront, existing buildings, and the associated water rights. The property is completely surrounded by public lands and has county-maintained roads for year-round access. The Center currently hosts research and educational scholars from Utah, Colorado, and Arizona universities, local high schools, as well as independent research institutions, such as the Chicago Botanic Garden and Desert Botanic Garden (Phoenix). The Center brings together scholars from the natural and social sciences, arts, humanities, and engineering to share ideas in an informal setting, and it offers many students their first introduction to the beauty and isolation of Utah's red rock country. Rio Mesa Center provides opportunities for memorable learning experiences that will follow students throughout their academic, professional, and personal lives.

As part of its due diligence, the University conducted appropriate title searches, environmental assessments, and engineering studies; the University also obtained an appraisal and a survey of the property. The University's Board of Trustees has carefully reviewed the programmatic plans and finances for the Center and the terms of the property conveyance and approved the proposed gift at its August 11, 2015, meeting.

We consider the gift of this property an opportunity for the University to enrich the undergraduate experience of our students and to expand the research and scholarly pursuits of our students and researchers for many years to come.

Sincerely,



David W. Pershing  
President

DWP:jj



Since 2007, the University of Utah has been operating a multi-disciplinary field station located approximately 40 miles northeast of Moab, along the banks of the Dolores River. The station, originally called Entrada Ranch, was renamed Rio Mesa Center in 2010. The Rio Mesa Center property was purchased by Apple Lane, LLC in 2008 and has been leased to the University of Utah with the intention of developing the property into a viable academic center for research, education, and public outreach directed at promoting environmental stewardship, understanding ecological communities of the Colorado Plateau geographic province, and learning about human-environment interactions, past and present.

Over the last six years, Rio Mesa Center has hosted courses and researchers from many academic disciplines, including various STEM disciplines, the social sciences, and the fine arts. Researchers utilizing the station have come from multiple universities many federal and state government agencies, and independent research institutions. The Center regularly hosts courses from U of U, UVU, USU, Grand County High School, Salt Lake Center for Science Education, and Colorado Mountain College, among other institutions.

Use of Rio Mesa Center has increased from just a few hundred user-days per year in 2007 and 2008 to more than 2000 user days annually in calendar years 2013 and 2014. Based on the success of the field station, Apple Lane has expressed its willingness to gift the Rio Mesa Center property in its entirety to the University of Utah with the stipulation that the property should continue to be used to further the research, education, and outreach goals previously described.

### *ABOUT THE CENTER*

Rio Mesa Center includes nearly 400 acres of land set in a picturesque red rock valley of southeast Utah, with more than 3 miles of meandering riverfront. The property is a somewhat unique inholding of private land, completely surrounded by BLM property, including three large box canyons that are accessible only from Rio Mesa Center. Historically, the Rio Mesa property was a homestead and has been used for agriculture and cattle ranching for much of its history. More recently, the property was operated as a guest ranch.

Rio Mesa Center has developed and operates under the oversight of the Vice President for Research. Current staffing levels require 2.95 FTEs. Staff includes a campus-based director (0.8 FTE), a tenure-track faculty research director (0.2 FTE), an on-site facility manager (1.0 FTE), a seasonal facilities assistant (0.75 FTE), and a part-time staff conservation biologist (0.25 FTE) that has in the past been shared with Red Butte Garden. The office of the Vice President for Research provides additional administrative support. Rio Mesa Center currently operates approximately nine months per year (March-November).

Infrastructure at the station includes three rustic ranch houses and two small sleeping cabins on the west end of the property, primarily constructed in the 1970s. On the east end, a camping facility was constructed in 2011-2012. The camping facility has potable water, a bathhouse, 8 canvas platform tents, a shade pavilion, and a 30' yurt. There is electrical service to the buildings on the west-end, while the east-end is off grid and served wholly by solar electric and hot water systems.

Instrumentation at the Center includes two meteorological stations, a USGS stream gauging station, a stream-bed antenna for tracking radio-tagged fish, two PCs and a wireless computer network. Communications to and from the station are primarily through satellite-based internet as no cellular or LAN line phone service is available. A satellite phone is available for emergencies.

### *RESEARCH AT RIO MESA CENTER*

Much of the research at Rio Mesa Center is currently focused on restoration ecology and utilizes the land-use history of the property to assess the nature of competitive interactions between native and invasive plant species, and to develop effective landscape restoration strategies. A memorandum of understanding was signed with the Bureau of Land management in 2010 that established a partnership with the BLM's Colorado Plateau Native Plant Program (CPNPP) and has been pivotal to establishing Rio Mesa Center as a hub for native plants and restoration ecology research. Currently researchers from Northwestern University, the Chicago Botanic Garden, Northern Arizona University, the Desert Botanic Garden (Phoenix), USGS, and U of U are conducting research projects on native plant or landscape restoration topics. Rio Mesa Center has also hosted the past three annual science meetings for the CPNPP, bringing together researchers and land managers from across the region.

In addition to plants and restoration ecology, the station currently hosts or has hosted research in ornithology, entomology, anthropology and archaeology, fisheries, geology, geography, architecture, engineering, painting, photography, sculpture, and music. As is common at field stations, the place-based research focus at Rio Mesa Center has led to several new interdisciplinary collaborations, and recruitment of new researchers because of the availability of collocated datasets and the ability to utilize existing instrumentation and infrastructure.

One of the priorities established for the center early on was an emphasis on creating undergraduate research opportunities. To promote these opportunities, development funds are used in conjunction with other University programs to fund undergraduate research projects. These awards provide undergraduates the chance to plan and carry out advised research at the field station over the course of a year. These undergraduate opportunities have been very successful in training undergraduates and in helping them gain experience that aids them as they move into their careers.

### *EDUCATION AT RIO MESA CENTER*

Rio Mesa Center serves the campus and broader educational community by providing place-based education opportunities that cannot be found elsewhere. Since 2008, Rio Mesa Center has hosted courses from University of Utah colleges of Science, Architecture + Planning, Engineering, Social and Behavioral Sciences, Fine Arts, Health, and Honors at U of U, as well as courses from other universities and K-12 institutions.

For many students, their fieldtrip to Rio Mesa Center is their first experience in southern Utah, and it provides an experience of solitude and true immersion in the landscape, but with the safety of emergency communications and trained-staff, the educational benefits of research instrumentation and long-term datasets onsite, the opportunity to observe or participate in a multitude of research projects, and a casual environment where they can engage their instructors and researchers at the station in a more relaxed setting than the standard classroom.

### *OUTREACH AT RIO MESA CENTER*

In addition to education and research, Rio Mesa Center has been a valuable tool in reaching out to the local community and providing educational opportunities to a much broader population. Multiple times a year, public events are held at Rio Mesa Center to engage the community and to provide an opportunity to educate and showcase the work being done by the University. University scholars working at Rio Mesa Center have participated in community lecture series. The Center also utilizes local businesses and tradespeople, helping to bring the direct economic benefits of a university campus to a remote part of Utah.

### *FINANCIAL PROJECTIONS*

The gifting of Rio Mesa Center represents a tremendous benefit to the University as a resource for education and research, as well as an opportunity for the University to establish a more visible presence in rural southeast Utah. Currently, user fees from the center cover only a small portion of operating costs, with the majority of support coming from State allocations and institutional overhead. The gift agreement with Apple Lane requires the University to continue its financial commitment at a level of \$250,000 for at least ten years. To ensure the long-term viability of the Center and to reduce University operational support, plans exist to raise an operations endowment of \$5Million by the end of that 10-year term.

The value of the property based on an independent appraisal is: \$2,455,000.

**Rio Mesa Center  
5 Year Pro Forma**

	ACTUAL EXPENDITURES			PROJECTION			
	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>							
<i><b>Personnel</b></i>							
Center Director (.8 FTE)	\$41,876	\$43,986	\$55,000	\$59,860	\$61,656	\$63,505	\$65,411
Facilities Management (On-site) (1.0 FTE)	\$47,634	\$48,110	\$55,326	\$56,986	\$58,695	\$60,456	\$62,270
Facilities Assistant (.75 FTE)		\$11,004	\$15,823	\$22,145	\$22,809	\$23,494	\$24,198
Staff Biologist (.25 FTE-shared)		\$1,200	\$6,135	\$12,463	\$12,837	\$13,222	\$13,619
Research Directors (0.2 FTE)	\$16,200	\$20,000	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Benefits (not covered by state)	\$169	\$1,340	\$207	\$15,706	\$16,894	\$18,125	\$19,399
<b>Total Personnel</b>	<b>\$105,879</b>	<b>\$125,640</b>	<b>\$152,491</b>	<b>\$187,760</b>	<b>\$194,110</b>	<b>\$200,657</b>	<b>\$207,407</b>
<i><b>Programming</b></i>							
Catering	\$1,997	\$2,418	\$3,864	\$3,000	\$3,500	\$4,000	\$4,500
Marketing (PR and Web)	\$1,618	\$2,450	\$788	\$3,500	\$3,500	\$3,800	\$3,800
Supplies	\$360	\$1,267	\$916	\$1,700	\$1,900	\$2,100	\$2,300
Postage	\$100	\$182	\$100	\$250	\$250	\$250	\$250
Books, Subscriptions, Memberships, Permits	\$330	\$525	\$255	\$1,000	\$1,000	\$1,000	\$1,000
Travel	\$6,643	\$2,763	\$2,772	\$8,500	\$9,000	\$9,500	\$10,000
Young Scholars Grants/Teaching Support		\$12,500	\$11,182	\$12,000	\$12,000	\$12,000	\$12,000
Miscellaneous	\$6,812	\$8,871	\$16,902	\$7,200	\$7,500	\$7,800	\$8,200
<b>Total Programming</b>	<b>\$17,860</b>	<b>\$30,976</b>	<b>\$36,779</b>	<b>\$37,150</b>	<b>\$38,650</b>	<b>\$40,450</b>	<b>\$42,050</b>
<i><b>Facilities Operations</b></i>							
Utilities (ELEC + TOILET)	\$2,253	\$3,963	\$2,177	\$3,500	\$3,700	\$3,900	\$4,100
Internet/Cable/Sat Phone	\$3,409	\$3,575	\$2,670	\$3,100	\$3,200	\$3,300	\$3,500
Travel Expenses (mileage reimburse)	\$2,730	\$3,125	\$1,080	\$1,500	\$1,500	\$1,500	\$1,500
Fuel (tractor/pumps/truck)	\$689	\$837	\$3,265	\$3,500	\$3,500	\$3,500	\$3,500
Maintenance and Repairs	\$6,950	\$11,684	\$9,109	\$12,500	\$13,000	\$13,500	\$14,000
Training (First Aid, Water Ops, Chem Applicator)	\$1,035	\$950	\$650	\$1,500	\$1,530	\$1,561	\$1,592
Supplies	\$6,141	\$6,592	\$4,561	\$6,600	\$7,000	\$7,400	\$7,900
Repair and Renewal Funding				\$7,000	\$7,000	\$7,000	\$7,000
Major Equipment (or one time purchase)	\$3,600	\$57,547	\$4,150				
<b>Total Facilities Operations</b>	<b>\$26,807</b>	<b>\$88,273</b>	<b>\$27,662</b>	<b>\$39,200</b>	<b>\$40,430</b>	<b>\$41,661</b>	<b>\$43,092</b>
<b>Total Expenses</b>	<b>\$150,546</b>	<b>\$244,889</b>	<b>\$216,932</b>	<b>\$264,110</b>	<b>\$273,190</b>	<b>\$282,767</b>	<b>\$292,549</b>

<b>Support and Revenue</b>							
Research Overhead	\$101,673	\$75,701	\$75,701	\$99,407	\$105,000	\$112,000	\$117,000
State Appropriated Direct	\$89,463	\$89,463	\$91,250	\$93,075	\$94,937	\$96,835	\$98,772
State Funds from SrVPAA	\$35,350	\$35,350	\$35,350	\$35,350	\$35,350	\$35,350	\$35,350
Fees	\$3,189	\$4,175	\$6,888	\$11,500	\$12,000	\$12,500	\$13,000
Other - Development				\$25,000	\$26,000	\$27,000	\$28,500
<b>Total Support and Revenue</b>	<b>\$229,675</b>	<b>\$204,689</b>	<b>\$209,189</b>	<b>\$264,332</b>	<b>\$273,287</b>	<b>\$283,685</b>	<b>\$292,622</b>

A truck was purchased for the station in May 2014. Reimbursement of expenses to site manage for use of personal vehicle is expected to drop, while fuel and maintenance costs on the Rio Mesa Truck will be incurred.

New satellite internet and satellite phone services have been set up in FY 2015 that are considerably less expensive than in previous years.

Programming travel is expected to increase with increased use, and with addition of staff biologist.

Increased need for R&R funding anticipated as additional tents and Yurt have been added, along with truck. Increased use is also anticipated.





## **Agenda Item Details**

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Meeting	Aug 11, 2015 - Board of Trustees
Category	6. Action Agenda (9:35 am)
Subject	6.05 Conveyance of Rio Mesa Center property in Moab to the University
Access	Public
Type	Action (Consent)
Recommended Action	The President recommends to the Board of Trustees that the Board approve the conveyance by Apple Lane, LLC ("Apple Lane") to the University of the Rio Mesa Center property in Moab, Utah (the "Property").

## **Public Content**

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Since 2008, Apple Lane, LLC ("Apple Lane"), the owner of the Property, has generously allowed the University to use the Property for academic, research, and educational purposes, for nominal rent of \$1 per year.

The Property possesses open space, wildlife, habitat, and ecological values (the "Conservation Values") that Apple Lane would like to protect.

Apple Lane desires to convey fee title to the Property to the University, for no cost, but with the following stipulations:

1. The University will continue to use the Property in furtherance of the Conservation Values and for (i) education and research pertaining to ecology, the environment, modern and historic human-environment interactions, and (ii) other academic pursuits with the goal of developing public appreciation for conservation, sustainability, and the environment, including the Conservation Values (collectively, the "University Purposes").
2. The University will provide an annual operating budget for the Property of at least \$250,000.00 per year through June 30, 2024.

To accomplish the foregoing, Apple Lane will record restrictive covenants requiring that the Property be used in perpetuity for purposes consistent with the Conservation Values. Apple Lane will then convey the Property to the University. The deed conveying the Property to the University will require that the Property be used in furtherance of the Conservation Values and for the University Purposes. It will also require that the University offer to convey the Property to Apple Lane or its successors for nominal consideration should the University no longer desire to own the Property. If Apple Lane or its successors decide not to take the Property, the University may, at a price and on other terms acceptable to University, convey the Property to an entity whose primary stated mission includes the furtherance of values consistent with the Conservation Values.

Approval is requested to authorize the University to receive this Property.

Please see the following documents for more information.

[RMC Pro Forma-with 2015 Actuals.pdf \(295 KB\)](#)

[RIO MESA CENTER-Project Summary.pdf \(85 KB\)](#)



## **Administrative Content**

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## **Executive Content**

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*Our adopted rules of Parliamentary Procedure, Robert's Rules, provide for a consent agenda listing several items for approval of the Board by a single motion. Documentation concerning these items has been provided to all Board members in advance to assure an extensive and thorough review. Items may be removed from the consent agenda, deferred to another meeting, or moved to the Action Agenda at the request of any board member.*