

July 6, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah Valley University – Payson Property Purchase

Issue

Utah Valley University (UVU) requests Board approval to purchase 30 acres in Payson, Utah, for a future satellite campus using \$900,000 of donated funds.

Background

Regent Policy R710, *Capital Facilities* requires the Board of Regents to approve property purchases exceeding \$500,000 and when the property being purchased is not contiguous to campus. UVU is proposing a property purchase of 30 acres located in Payson, Utah. This request is consistent with the UVU campus master plan, approved by the Board of Regents in November 2014. The UVU Board of Trustees reviewed and approved this proposal at its June 16, 2016 meeting. UVU now requests Board approval to use \$900,000 in donated funds to purchase the 30 acres of property in Payson as described in the attachments.

Recently, UVU negotiated with Property Reserve Inc. (the development arm of the Church of Jesus Christ of Latter-Day Saints) for a 30-acre parcel of land with close access to I-15 in Payson. The negotiated price is \$30,000 per acre and includes a first right of refusal to purchase an additional 20 acres at market value. The appraised value of the 30-acre property is \$890,000. The negotiated sales price is \$900,000.

Additional information about this request may be found in the attached letter and map from the University, the property appraisal summary, and the most recent master plan. Representatives from Utah Valley University will be available to address questions from the Board.

Commissioner's Recommendation

The Commissioner recommends that the Board authorize Utah Valley University to proceed with the acquisition of property in Payson, Utah.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments



UTAH VALLEY UNIVERSITY
VICE PRESIDENT *for* FINANCE & ADMINISTRATION

June 22, 2016

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

Dear Commissioner Buhler:

Utah Valley University has been evaluating locations for a potential South Utah County satellite campus for a number of years and has worked with various stakeholders for potential locations. The University has been in negotiations with Property Reserve, Inc. on a location in South Utah County which is located along I-15 and provides good access. Property Reserve, Inc. has offered Utah Valley University a 30 acre parcel with the first right of refusal for an additional 20 acres. The University would have 15 years to construct their first building on the site.

PRI has offered the first 30 acres at a price not to exceed \$30,000 per acre. The property must be utilized for educational purposes or PRI has the first right of refusal to buy back the property. The second 20 acres would need to be purchased at market rate.

The satellite campus would be part of a larger integrated project which includes retail, and residential developments. The location offers easy access from the I-15 Interstate. Currently, UDOT is conducting a study of the Payson Interchange reviewing the current functionality of the roadway.

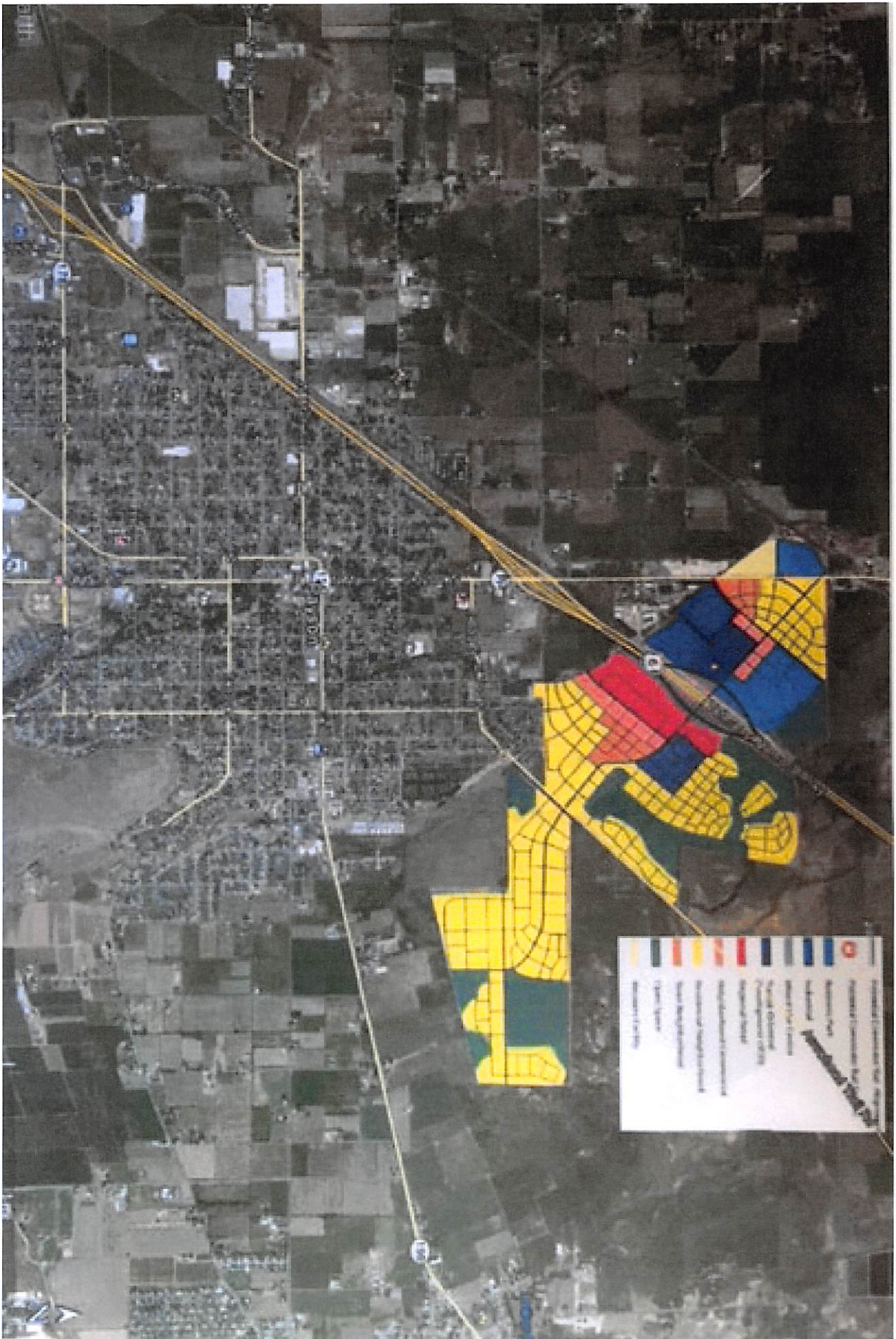
The contract for the 30 acres is \$900,000 funded through donated funds.

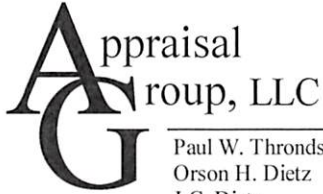
If you have any questions please feel free to contact me at 801-863-8424 or petersva@uvu.edu.

Sincerely,

A handwritten signature in black ink, appearing to read 'Val Peterson', written over a circular stamp or seal.

Val L. Peterson
Vice President
Administration and Finance





Paul W. Throndsen, MAI
Orson H. Dietz
J.C. Dietz
Jacob P. Throndsen

7396 So. Union Park Avenue, Suite 301
Midvale, Utah 84047
(801) 263-1200 Fax (801) 352-4951
www.appraisalgrp.com

June 9, 2016

PROPERTY RESERVE, INC.

Attn: Mr. Daniel Wright
79 South Main Street, Suite 600
Salt Lake City, Utah 84111

RE: Appraisal Report – 30± acres of agricultural land with a storage building located at 1000-1600 North Bamberger Road, Payson, Utah 84651. The property is owned by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints (CPB).

Dear Mr. Wright:

At your request, we have performed an appraisal of the property referenced above utilizing all applicable approaches. This is an "Appraisal Report" in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

As an Appraisal Report it is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice. As a summary format, it presents only a brief summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of values. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraisers are not responsible for unauthorized use of this report.

The purpose of this report is to form an opinion of the "as is" market value of the subject property. The date of our most recent physical inspection of the property was May 9, 2016. The intended use of the report is for asset management and possible sale considerations. Property Reserve, Inc. is the client and the intended user.

The terms "market value" and "fee simple" are defined in the body of the report.

We have been asked to appraisal the subject for its current agricultural use, which is permitted within the current PC (planned community zone).



PAUL W. THRONSDEN, MAI
REAL ESTATE APPRAISER & CONSULTANT

After careful consideration and analysis of the market data summarized in the attached report, the following "as is" market value opinion as of May 9, 2016, has been concluded at:

**EIGHT HUNDRED NINETY THOUSAND DOLLARS
(\$890,000)**

This equates to \$29,700 per acre. The projected marketing period (prospective) for the subject at the concluded values is 12 months. Exposure time (retrospective) is also concluded to be 12 months.

The value opinion is subject to the assumptions and limiting conditions contained in the report. We trust the report is complete in sufficient detail to accomplish its intended use. Please call if we can be of any further assistance.

Sincerely,



Paul W. Thronsen, MAI

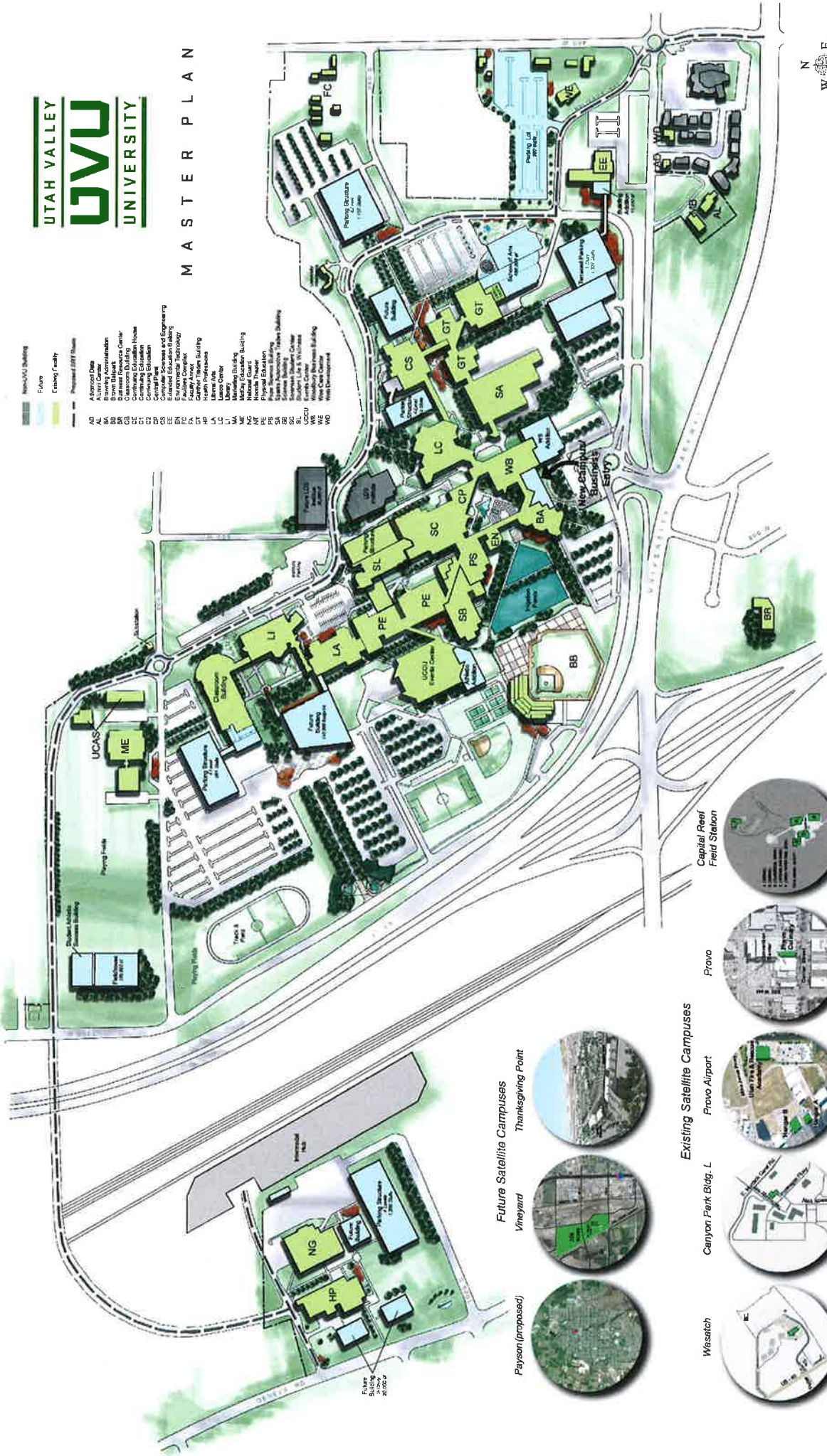
Utah State-Certified General Appraiser
Certificate 5451070-CG00 Expires 6-30-17



Orson H. Dietz, Appraiser

Utah State-Certified General Appraiser
Certificate 5451620-CG00 Expires 5-31-17

- Renovated Building
 - Future
 - Existing Facility
 - Proposed Bldg. Phase
- | | |
|-----|----------------------------------|
| AD | Advanced Design |
| AK | Alumni Center |
| BA | Business Administration |
| BR | Business Resource Center |
| CB | Classroom Building |
| CI | Continuing Education |
| CL | College of Education |
| CS | Computer Science and Engineering |
| EN | Environmental Technology |
| FC | Faculty Complex |
| GT | Garrett Thomas Building |
| LA | Library |
| LC | Library Annex |
| LI | Lane Center |
| MA | Manufacturing Building |
| ME | Medical Education Building |
| NE | Northeast |
| PE | Physical Education |
| PS | Physical Sciences |
| SA | Student Activities Center |
| SC | Student Center |
| SL | Student Life & Wellness |
| UCU | University Center |
| WB | West Campus |
| WG | West Gateway |



Future Satellite Campuses



Existing Satellite Campuses



Heber
Orem