

September 7, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah State University – Property Disposal in Carbon County

Issue

Utah State University (USU) requests Board approval to dispose of three parcels of property and facilities appraised at \$840,000 located in Carbon County, Utah. The property no longer supports the University's mission and has been deemed surplus. USU would like to dispose of this property by auction.

Background

Regent Policy R710, *Capital Facilities* requires the Board of Regents to approve all disposal of property greater than \$500,000 for USU and greater than \$250,000 for USU-Eastern. USU seeks Board approval to sell approximately 272 acres located twelve miles north of Price that has appraised for \$840,000. The property includes three industrial facilities used in the processing of coal and the manufacture of coal-related byproducts.

In 2006, the College of Eastern Utah acquired property twelve miles north of Price along highway 191 to support a mining training program. After the grant supporting the program was reduced and economic circumstances changed for the local mining industry, the mining training program was transferred to the Price campus. The property was then leased to a private manufacturer of coal byproducts who recently moved to a different location.

Due to the remote location in Carbon County, a lack of educational or research need, and the high maintenance costs of the facilities, USU desires to divest itself of this property by auction. The proposed selling price is \$840,000, the appraised fair market value of the property. The University desires approval to sell the property below appraised value should bids come in lower than expected.

Additional information about this request may be found in the attached letter from the University and the accompanying maps and exhibits. Representatives from Utah State University will be in attendance at the meeting to provide additional information and respond to questions from the Board.

Commissioner's Recommendation

The Commissioner recommends that the Board authorize Utah State University to dispose of the property in Carbon County and allow the sale of property below appraised value if warranted by the property auction.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments

August 24, 2016

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

Subject: Sell of Land Near Price, Utah

Dear Commissioner Buhler:

Utah State University desires approval from the Board of Regents to sell three parcels of land and three industrial buildings that are approximately 12 miles north of the USU Eastern Price Campus and located on both sides of Highway 191 in Indian Canyon. The parcels are approximately 272 acres as illustrated in Exhibit A.

The property was acquired by the College of Eastern Utah in 2006 for use as a mining training center supported by a grant. After the grant was greatly reduced and the local mining industry declined, the mining training program was relocated to the Price Campus. The buildings were later leased to a private company to manufacture a coal product known as clean coke. Subsequently, the technology used to manufacture the product was sold to another private entity. USU no longer has educational, commercial, or industrial use for the property and buildings due to the remote location and high operating and maintenance costs.

USU proposes to sell the property at the upcoming State of Utah School and Institutional Trust Lands Administration (SITLA) Land Auction on October 19, 2016. SITLA, who manages Utah's trust lands, will advertise the property through websites, local newspapers, and direct mailings prior to the auction. The proposed selling price is based on an appraisal report recently obtained by USU which concluded a current fair market "as is" value of \$840,000 for the buildings and land.

We appreciate your support and ask that you present this item to the Board of Regents for approval during the September 16, 2016 meeting. This request will receive Board of Trustees approval prior to the Regents meeting.

Sincerely,

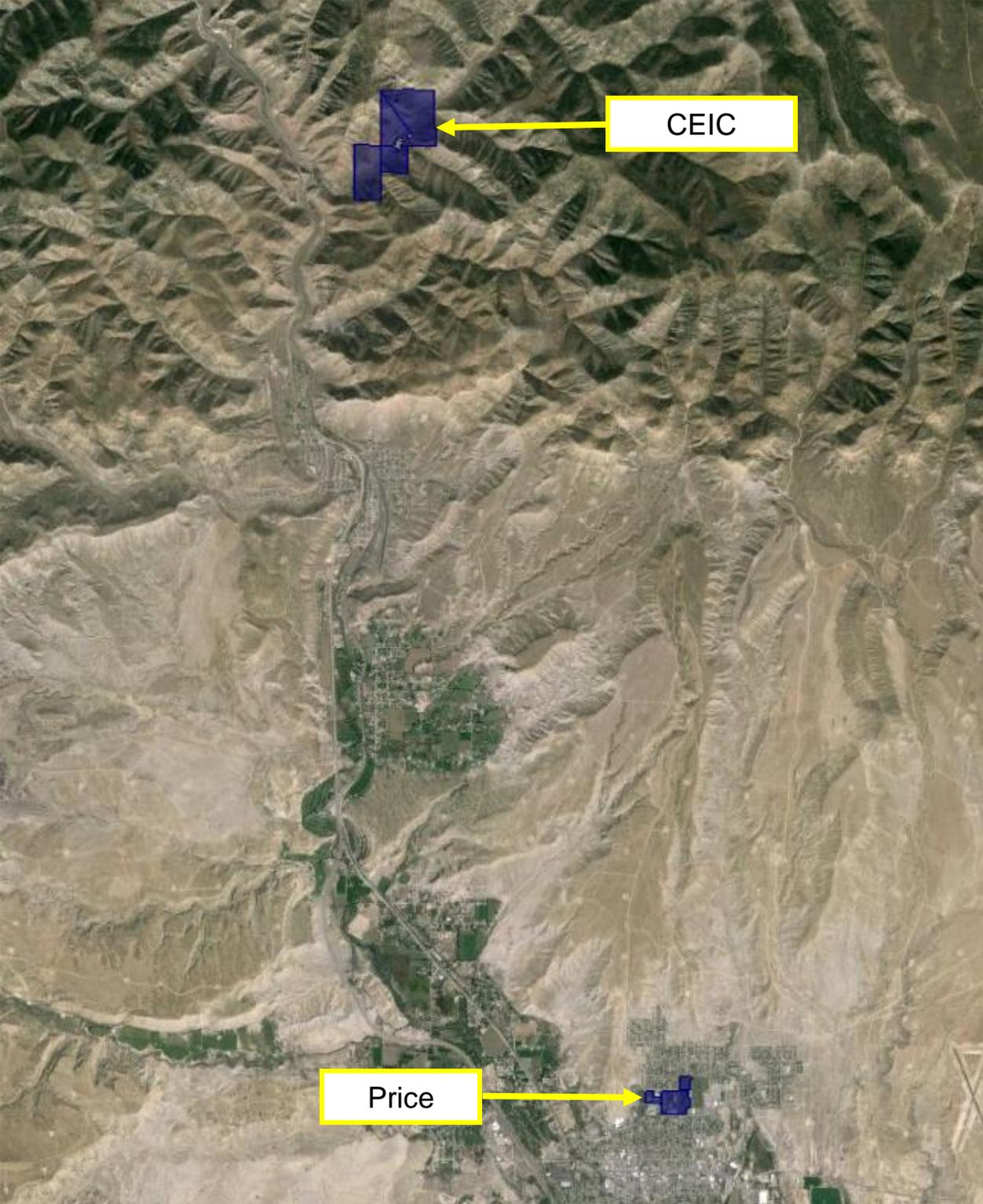


David T. Cowley
Vice President for
Business and Finance

C: Kimberly Henrie, Associate Commissioner for Finance & Facilities
Rich Amon, Assistant Commissioner for Business Operations
Stan Albrecht, President

EXHIBIT A





CEIC

Price