

November 13, 2016

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Utah Valley University – Property Acquisition

Issue

Utah Valley University (UVU) requests Board approval to purchase a warehouse in the Orem area in order to move storage and support services out of the Orem main campus and create more academic space. UVU would purchase the property at the appraised value of \$3,550,000 with institutional funds.

Background

Regent Policy R710, *Capital Facilities* requires the Board of Regents to approve institutional property purchases that exceed \$500,000. UVU requests Board approval to use institutional funds to purchase 41,405 square feet of warehouse space on a 3.93 acre site for the appraised value of \$3,550,000. The warehouse is located at the Orem Center Business Park; approximately one mile from campus.

UVU continues to struggle to meet student demand for classes and this property acquisition would allow the University to free up space on the Orem Campus for future remodel and renovation. UVU proposes to move storage and support services (such as mail, surplus, and printing) off of the Orem campus to this property. The vacated warehouse space could then be repurposed for academic and distance education space.

Additional information about this request may be found in the attached letter from the University with an accompanying map and exhibit, as well as an executive summary of the appraisal report. Representatives from UVU will be available on the conference call to provide additional information and respond to questions from the Board.

Commissioner's Recommendation

The Commissioner recommends that the Board authorize Utah Valley University to acquire warehouse property in the Orem area.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments



UTAH VALLEY UNIVERSITY
VICE PRESIDENT *for* FINANCE & ADMINISTRATION

October 6, 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 is requesting approval to purchase new warehouse space of 41,405 square feet located in the Orem Center Business Park for a cost of \$3,550,000.

The University has been exploring the possibility of moving its current warehouse, mail services, surplus services, and printing service to an off-site location. The space that is vacated can then be repurposed for academic space for the School of Computer Science and Engineering, School of the Arts, and Distance Education.

The proposed building is consistent with the University's master plan and moving non-academic functions to off-site locations.

The proposed building consists of

- 1525 West Business Park Drive, Orem, UT
- 41,405 square feet
- 3.93 Acre Site
- Fully Temperature Controlled
- 22' Clear Height
- 2 Dock Doors
- 1 Grade Door
- 2000 Amp of 208V
- Parking
- Yard Space

The cost is \$3,550,000 and the funding would come from institutional funds. The building's appraised valuation is \$3.55 million. The appraisal was conducted by Brett R. Slauch, MAI, on September 9, 2016

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

Sincerely,

Val L. Peterson
Vice President

FOR LEASE

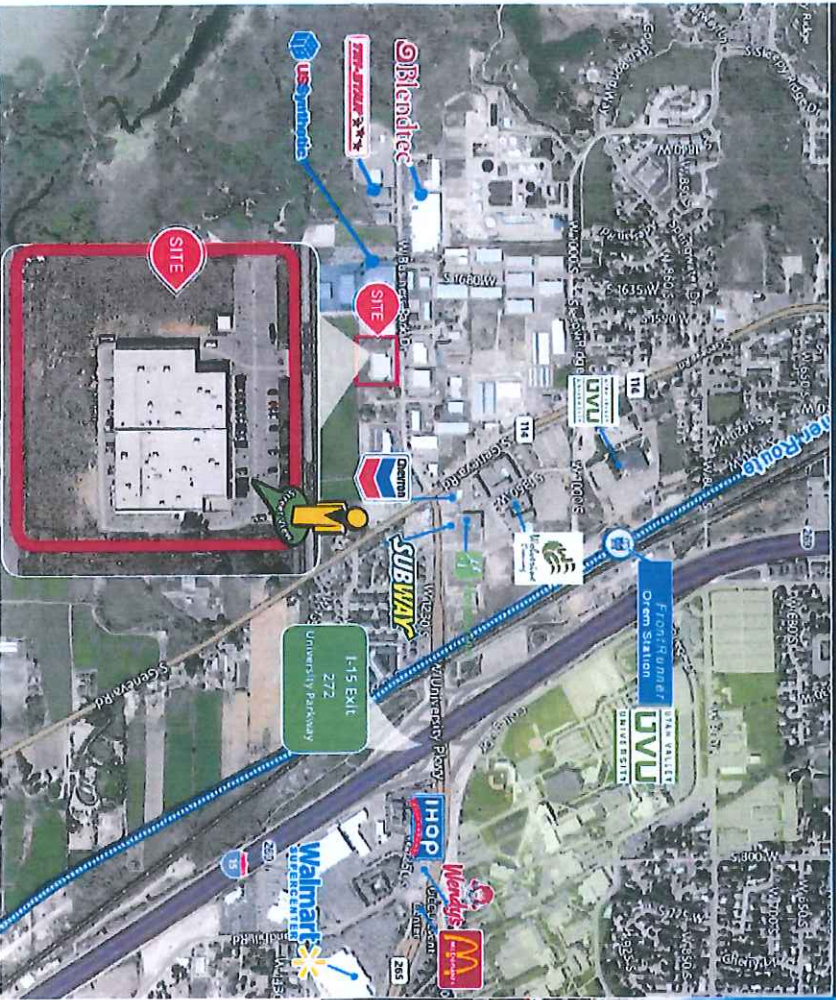


INDUSTRIAL



ADVISORS

FOR LEASE



1525 WEST BUSINESS PARK DRIVE OREM, UTAH OREM CENTER BUSINESS PARK

PROPERTY INFORMATION

- Lease Rate: \$0.57 SF MONTH NNN (\$6.84 SF Year NNN)
- 41,406 SF Industrial Warehouse & Office Space
- 3.93 Acre Site
- Fully Temperature Controlled
- 22' Clear Height
- 2 Dock Doors, 1 Grade Level Door
- 2,000 Amps Of 208V Power (600 V Service)
- Clean Rooms And Lab Space
- Excellent Freeway Access (Via University Parkway)
- Excess Parking / Yard Space

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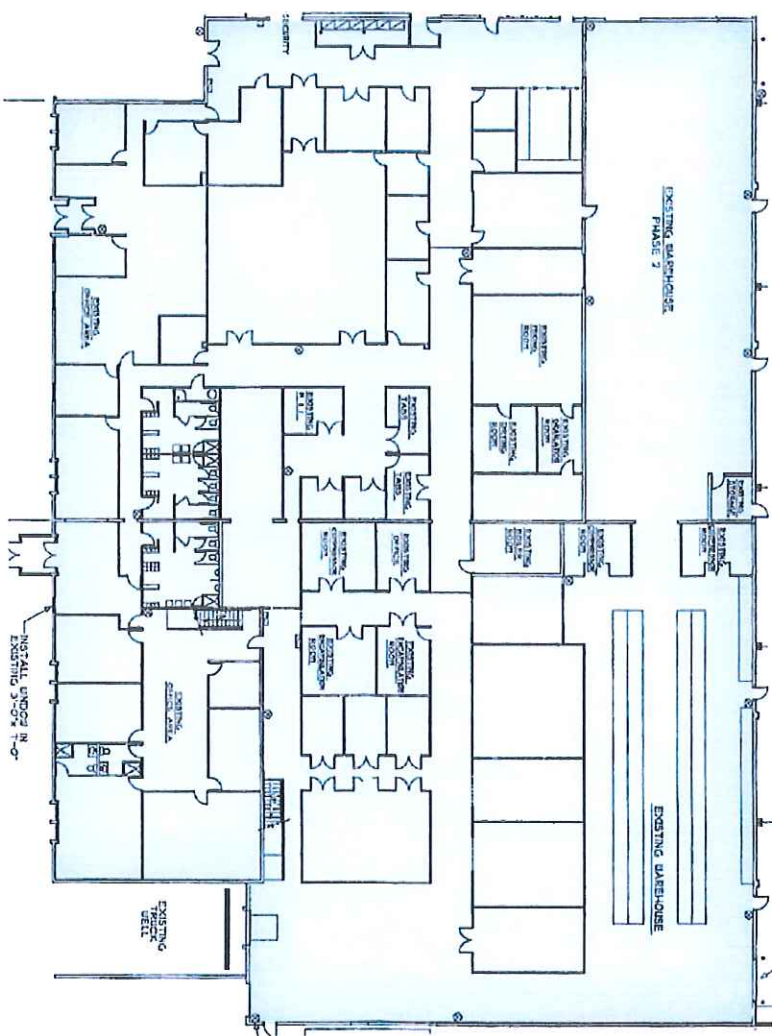
1525 WEST BUSINESS PARK OREM, UTAH
OREM CENTER BUSINESS PARK

FOR LEASE

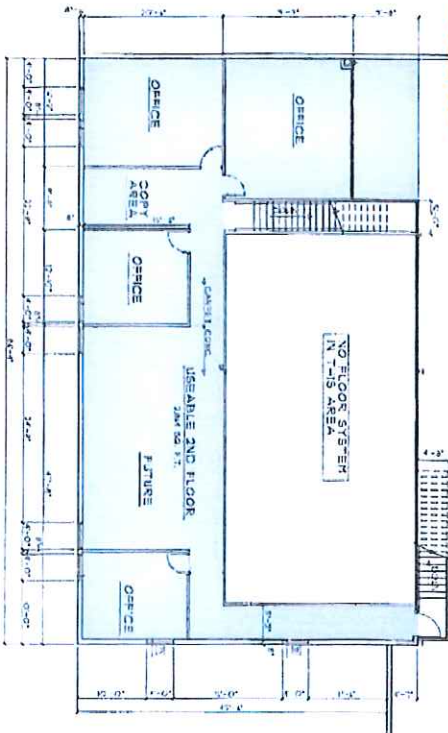
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This information is intended to provide a general overview of the property and is not intended to constitute an offer of real estate. The information is provided for informational purposes only and is not intended to constitute an offer of real estate. The information is provided for informational purposes only and is not intended to constitute an offer of real estate. The information is provided for informational purposes only and is not intended to constitute an offer of real estate.

Appraisal Report

OFFICE/WAREHOUSE BUILDING



Located At

**1525 West Business Park Drive
Orem, Utah 84058**

Prepared For:

**UTAH VALLEY UNIVERSITY
Attn: Ms. Jeana Miner
500 West 1200 South
Orem, Utah 84058**

Valuation Date:

September 9, 2016

Prepared By:

BRET R. SLAUGH, MAI

LANDMARK REALTY ADVISORS, INC.

**957 South 850 West, Heber City, UT 84032
(801) 979-2475**

LANDMARK REALTY ADVISORS, INC.

Bret R. Slauch, MAI
brslauch@gmail.com

957 South 850 West
Heber City, UT 84032

(801) 979-2475

September 22, 2016

UTAH VALLEY UNIVERSITY

500 West 1200 South
Orem, Utah 84058

Attn: Ms. Jeana Miner

Re: Appraisal Report - Office/Warehouse Building located at 1525 West Business Park Drive, Orem, Utah 84058. Property is owned by Hum (De) QRS 11-45 Inc.

Dear Ms. Miner:

At your request, I have completed an analysis of the market value of the afore-referenced property. This "Appraisal Report" was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

This Appraisal Report it is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice. As such, the scope of work used to develop the appraisal, information analyzed, appraisal methods and techniques employed, and the reasoning that supports the opinions and conclusions are summarized within the report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use.

The purpose of the report is to provide an opinion of the "As Is" market value of the subject property. The intended use of the report is to assist with asset review and possible purchase considerations. Utah Valley University is the client and intended user of the report.

Real property interest appraised includes all rights of ownership in the fee simple estate. The opinion of market value is in terms of cash or financing terms equivalent to cash. The terms *market value* and *fee simple* are defined in the body of the report.



BRET R. SLAUGH, MAI

After careful consideration and analysis of the data contained in the attached report, it is my opinion that the market value of the property is as follows:

| Type | Interest Appraised | Date of Value | Value Conclusion |
|---------|--------------------|-------------------|------------------|
| "As Is" | Fee Simple | September 9, 2016 | \$3,550,000 |

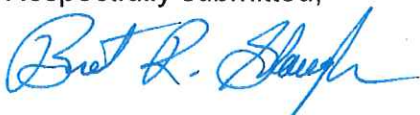
The projected marketing period (prospective) for the subject at the concluded value is 12 months. Exposure time (retrospective) is also concluded to be 12 months.

Extraordinary Assumption

- 1) Some warehouse lights were missing at inspection and were taken down when part of the lab/office area was demolished. Lights are reportedly included and are assumed to be included with the purchase of the building. It is assumed cost to rehang lights and/or restore various items in the building is \$8,000± as reported.

Use of an ordinary assumption might have affected the assignment results. The value opinion is subject to the extraordinary assumption above and the general assumptions and limiting conditions contained in the report. I trust this report is completed in sufficient detail to accomplish its intended use. Please contact me if I can be of further assistance.

Respectfully submitted,



Bret R. Slauch, MAI

Utah State-Certified General Appraiser
Certificate 5508109-CG Expires 10-31-16