

January 10, 2018

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Weber State University – Property Disposal

Issue

Regent Policy R704, *Disposal of Real Property* requires the Board of Regents to approve the disposal of institutional property over \$500,000. Weber State University (WSU) requests Board approval to dispose of an 8,323 square foot home that was gifted to the University located at 4140 Beus Drive in Ogden, Utah for a purchase price above appraised value.

Background

Owners of an 8,323 square foot private residence gifted the property to the University several years ago and rented it back from the University until their recent passing. WSU has listed the property for sale and received an offer of \$585,000, more than the recent appraised value of \$576,000. The University has determined the property to be surplus and requests Board authorization to sell the property located at 4140 Beus Drive in Ogden, Utah.

Additional information about this request may be found in the attached letter from the University and accompanying map as well as the executive summary of the property appraisal. Representatives from Weber 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 Weber State University to dispose of the property located at 4140 Beus Drive in Ogden, Utah for a negotiated price of \$585,000.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments



WEBER STATE UNIVERSITY

January 9, 2018

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

Dear Commissioner Buhler:

Weber State University (WSU) seeks authorization to sell a private residence in Ogden that was given to the University more than a decade ago. The residence was given to WSU by John and Telitha Lindquist. For several years, the home was rented back to the Lindquist's to live in until their passing. For the past two years, the home has been listed for sale.

The 8,323 square foot home (1981) is located at 4140 Beus Drive in Ogden, on the bench just east of the WSU-Ogden Campus. It recently appraised for \$576,000 by Lifferth-Lawson Appraisal Company (MAI). The offer received is for \$585,000. If approved, closing for this deal will occur on February 28, 2018.

Proceeds from the sale of the home are planned to be used as needed for the construction of an Institutional Residence on the Ogden campus.

Please place this item on the Regent's January 2018 action agenda.

Sincerely,

A handwritten signature in black ink, appearing to read 'Norm Tarbox'.

Dr. Norm Tarbox
Vice President for Administrative Services



APPRAISAL OF REAL PROPERTY



LOCATED AT

4140 Beus Dr
Ogden, UT 84403
ALL OF LOTS 73 & 74, BEUS HILLS SUBDIVISION, OGDEN CITY, WEBER COUNTY, UTAH.

FOR

OPINION OF VALUE

576,000

AS OF

11/27/2017

BY

Gentry Lawson
Lifferth-Lawson Appraisal Company, Inc.
765 E Gordon Ave
Layton, UT 84041
801 547-9700
gentry@appraiseutah.com

RESIDENTIAL APPRAISAL REPORT

File No.: 6-88-26W.2

SUBJECT	Property Address: 4140 Beus Dr		City: Ogden		State: UT		Zip Code: 84403	
	County: Weber		Legal Description: ALL OF LOTS 73 & 74, BEUS HILLS SUBDIVISION, OGDEN CITY, WEBER COUNTY, UTAH.					
	Tax Year: 2017		R.E. Taxes: \$ 0		Special Assessments: \$ 0		Assessor's Parcel #: 06-088-0026 & 06-088-0026	
	Current Owner of Record: Weber State University		Borrower (if applicable): Weber State		Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing		HOA: \$ <input type="checkbox"/> per year <input type="checkbox"/> per month	
ASSIGNMENT	Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		Market Area Name: Beus Hills Subdivision		Map Reference: 36260		Census Tract: 2015.00	
	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)							
	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective							
	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input checked="" type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)							
MARKET AREA DESCRIPTION	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)							
	Intended Use: To establish market value for listing purposes.							
	Intended User(s) (by name or type): The intended user is Weber State University and no other intended users.							
	Client: Weber State University Address: 1430 Edvalson Drive, Ogden, UT							
SITE DESCRIPTION	Appraiser: Gentry Lawson Address: 765 E Gordon Ave, Layton, UT 84041							
	Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant Occupancy		One-Unit Housing		Present Land Use	
	Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		<input type="checkbox"/> Owner		PRICE AGE (yrs)		One-Unit 85% <input checked="" type="checkbox"/> Not Likely	
	Growth rate: <input checked="" type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		<input type="checkbox"/> Tenant		430 Low 20		2-4 Unit 3% <input type="checkbox"/> Likely * <input type="checkbox"/> In Process *	
DESCRIPTION OF THE IMPROVEMENTS	Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input type="checkbox"/> Vacant (0-5%)		715 High 46		Multi-Unit 2% * To:	
	Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		<input type="checkbox"/> Vacant (>5%)		520 Pred 21		Comm'l 5%	
	Marketing time: <input checked="" type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-5 Mos. <input type="checkbox"/> Over 6 Mos.						Vacant Land 5%	
	Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): The attached Market Conditions form shows the data from the competitive market and provides the support for the above conclusions.							
DIMENSIONS	Dimensions: Irregular--see plat map		Site Area: 30,056 sf					
	Zoning Classification: R-1-10		Description: Single Residential 10,000 sf min.					
	Are CC&Rs applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown		Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning					
	Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)		Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No		Ground Rent (if applicable) \$ /			
UTILITIES	The current use, which is residential, is considered to be the highest and best use.							
	Actual Use as of Effective Date: Residential Use as appraised in this report: Residential							
	Summary of Highest & Best Use: The current use, which is residential, is the highest and best use.							
FEMA	Public		Other		Provider/Description		Off-site Improvements	
	Electricity <input checked="" type="checkbox"/>		<input type="checkbox"/>				Type	
	Gas <input checked="" type="checkbox"/>		<input type="checkbox"/>				Public	
	Water <input checked="" type="checkbox"/>		<input type="checkbox"/>				Private	
FLOOD	Sanitary Sewer <input checked="" type="checkbox"/>		<input type="checkbox"/>				Topography	
	Storm Sewer <input checked="" type="checkbox"/>		<input type="checkbox"/>				Sloping	
	Other site elements: <input checked="" type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input checked="" type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)						Size	
	FEMA Spec Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 49057C0441E		Shape	
FLOOD	Flood Map Date 12/16/2005						Irregular	
	Site Comments: No adverse site conditions or external factors were noted in the area that would adversely affect the subject property's value.							
GENERAL	General Description		Exterior Description		Foundation		Basement	
	# of Units 1 <input type="checkbox"/> Acc. Unit		Foundation Concrete/Gd		Slab		Area Sq. Ft. 3,858	
	# of Stories 1		Exterior Walls Stone/Gd		Crawl Space		% Finished 50	
	Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>		Roof Surface Metal/Gd		Basement X		Ceiling Shtrck/Gd	
HEATING	Design (Style) Rambler		Gutters & Dwnspl. Alum/Gd		Sump Pump <input type="checkbox"/>		Walls Shtrck/Gd	
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und. Cons.		Window Type Thrmpn/Gd		Dampress <input type="checkbox"/>		Floor Cpt/Gd	
	Actual Age (Yrs.) 36		Storm/Screens Mesh/Gd		Seallment		Cooling Central X	
	Effective Age (Yrs.) 25				Inestation		Other	
FLOORS	Interior Description		Appliances		Attic <input type="checkbox"/> None		Amenities	
	Floors Prky, CT, Cpt/Avg		Refrigerator <input checked="" type="checkbox"/>		Stairs <input type="checkbox"/>		Fireplace(s) # 4	
	Walls Shtrck/Avg		Range/Oven <input checked="" type="checkbox"/>		Drop Stair <input type="checkbox"/>		Patio 2	
	Trim/Finish Wood/Avg		Disposal <input checked="" type="checkbox"/>		Scuttle <input checked="" type="checkbox"/>		Deck None	
BATH	Bath Floor CT, Cpt/Avg		Dishwasher <input checked="" type="checkbox"/>		Doorway <input type="checkbox"/>		Porch Open	
	Bath Wainscot CT/Good		Fan/Food <input checked="" type="checkbox"/>		Floor <input type="checkbox"/>		Fence None	
	Doors Wood/Gd		Microwave <input type="checkbox"/>		Heated <input type="checkbox"/>		Pool In-ground	
			Washer/Dryer <input type="checkbox"/>		Finished <input type="checkbox"/>			
FINISHED	Finished area above grade contains: 7 Rooms		3 Bedrooms		4.0 Bath(s)		4,465 Square Feet of Gross Living Area Above Grade	
	Additional features: See attached addenda.							
	Describe the condition of the property (including physical, functional and external obsolescence): The improvements have been adequately maintained but feature typical physical depreciation due to normal wear and tear. The home is well built and is constructed of very good quality materials and workmanship. The interior decor is dated but is functionally adequate. The home was vacant at the time of inspection. Deferred maintenance includes the needed repair of the swimming pool. It is noted that the home has been listed for sale since 9/29/2016. A conversation with the real estate agent disclosed that potential buyers are concerned about the investment to update the home. Although the home has been well maintained, it has dated decor.							

RESIDENTIAL APPRAISAL REPORT

File No.: 6-88-26W.2

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s):

1st Prior Subject Sale/Transfer

Date:

Price:

Source(s): Public Records

2nd Prior Subject Sale/Transfer

Date:

Price:

Source(s):

Analysis of sale/transfer history and/or any current agreement of sale/financing: The subject has not sold or transferred title during the prior three year period. However, it is currently listed for sale as MLS#1439738 for \$599,000. Prior to this, it was listed for sale on 9/29/2016 for \$624,000 but expired on 3/30/2017.

SALES COMPARISON APPROACH TO VALUE (if developed)

☐ The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	4140 Beus Dr Ogden, UT 84403	4085 Beus Dr Ogden, UT 84403	1829 Choclaw Rdg Ogden, UT 84403	2305 Regency Dr Ogden, UT 84403
Proximity to Subject		0.09 miles N	1.46 miles S	2.05 miles S
Sale Price	\$	\$ 519,995	\$ 513,700	\$ 715,000
Sale Price/GLA	\$ /sq.ft.	\$ 135.84 /sq.ft.	\$ 128.10 /sq.ft.	\$ 176.37 /sq.ft.
Data Source(s)		WFRMLS#1443276;DOM 96	WFRMLS#1462923;DOM 80	WFRMLS#1415237;DOM 213
Verification Source(s)		Doc#2880951 09/27/2017	Doc#2886388 10/27/2017	Doc#2866432 07/06/2017
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing		Conventional	Conventional	Conventional
Concessions		0	0	0
Date of Sale/Time		s09/17;c07/17	s10/17;c09/17	s07/17;c03/17
Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Location	N;Res;	N;Res;	N;Res;	N;Res;
Site	30,056 sf	17860 sf	22651 sf	63162 sf
View	Residential	Residential	Residential	Residential
Design (Style)	Rambler	Rambler	2Stry	2Stry
Quality of Construction	Very Good	Very Good	Good	Very Good
Age	36	39	21	25
Condition	Average	Average	Average-Good	Very Good
Above Grade	Total Adms Baths	Total Adms Baths	Total Adms Baths	Total Adms Baths
Room Count	7 3 4.0	9 5 4.0	6 4 3.0	7 3 3.5
Gross Living Area	4,465 sq.ft.	3,828 sq.ft.	4,010 sq.ft.	4,054 sq.ft.
Basement & Finished	3858sf1929sfwo	1904sf1714sfwo	1895sf1895sfwo	1903sf1903sfwo
Rooms Below Grade	1r1br1.5ba1o	1r0br1.0ba1o	1r1br1.0ba0o	1r2br1.0ba2o
Functional Utility	Good	Good	Good	Good
Heating/Cooling	GFWA/CAC	GFWA/CAC	GFWA/CAC	GFWA/CAC
Energy Efficient Items	Thermopane	Thermopane	Thermopane	Thermopane
Garage/Carport	2 Car Garage	2 Car Garage	3 Car Garage	3 Car Garage
Porch/Patio/Deck	Pch/2Ptos	Pch/3Dck	Pch/Pto/2 Dck	Pch/2Ptos/2Dck
Fireplaces	4 Fplcs	2 Fplcs	2 Fplcs	2 Fplcs
Landscaping	Landscaping	Landscaping	Landscaping	Landscaping
Extra Features	SwimmingPool	Mthr-in-Law Apt	WetBar	Mthr-in-Law Apt
Net Adjustment (Total)		⊗ + □ - \$ 55,500	⊗ + □ - \$ 63,000	□ + ⊗ - \$ -130,500
Adjusted Sale Price of Comparables		10.7 \$ 575,495	12.3 \$ 576,700	18.3 \$ 584,500

Summary of Sales Comparison Approach

The subject is a large rambler. Few ramblers of the subject's size exist and two-story homes therefore had to be used to compare with the subject's large size. The subject is constructed of very good materials and the finish work is professional in nature. However, the home has had minimal updating recently. Based on a conversation with the listing agent, the market (potential buyers) are sensitive to the dated condition because it would take approximately \$100,000 to update the home to current standards. Heavy condition adjustments are therefore made to account for the subject's dated condition. The comparables bracket the subject in site size, age, GLA, sales price and adjusted sales price. Specific adjustments are made as follows: Comp 1 is located on the same street as the subject. It has a smaller site and is adjusted upward accordingly. It is smaller in GLA and basement area. This comp features a mother-in-law apartment, which is considered a wash to the subject's in-ground swimming pool. This home is otherwise similar to the subject. Comp 2 is a 2-story home that is inferior in quality of construction as it has inferior materials and interior finish work. A large upward quality adjustment is warranted. However, it is superior in condition as it has undergone some updating. It has a smaller site and is smaller in GLA and basement area. It features a 3-car garage and a wetbar. Comp 3 is also a 2-story home but is used because it is one of the few comparables that is remotely close in size to the subject. It features a 3-car garage and a mother-in-law apartment. Comp 4 is located over one mile away in the neighboring and competing community of North Ogden. It is used to bracket on the high-end of site size and GLA. However, this comp has no basement. It is superior in condition and warrants a downward adjustment. This comp features a 4-car garage and a large shop. Comp 5 is a current listing and is adjusted downward for the average sale to list price ratio. It has a smaller site and is smaller in GLA. However, this comp is superior in condition and warrants an upward adjustment. It is smaller in GLA and basement area. This comp features a 3-car garage and a sports court. The comparable sales indicate an adjusted sales price range of \$575,495 to \$584,500. The final value is based on Comp 1 as it is located on the same street, has the least amount of adjustments and is the most similar to the subject. However, the final value is rounded up to \$576,000 due to the upward pull of the other comparable sales.

Indicated Value by Sales Comparison Approach \$

576,000



Form GPRES2 - "TOTAL" appraisal software by a la mode, inc. - 1-800-ALAMODE

3/2007