

September 12, 2018

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Salt Lake Community College – Property Disposal

Issue

Regent Policy R704, *Disposal of Real Property* requires the Board of Regents to approve institutional property disposals that exceed \$500,000. Salt Lake Community College (SLCC) requests Board approval to sell 38.3 acres of undeveloped property at the Jordan Campus above the appraised value of \$5,840,000.

Background

The Jordan Campus of Salt Lake Community College occupies approximately 115 acres along the border between the cities of South Jordan and West Jordan. The College requests authority to declare 38.3 acres of the Jordan Campus surplus and sell the property above the appraised market value of \$5,840,000. A private party has recently offered SLCC \$6,000,000 for the property, which the College proposes to use towards the construction of a Herriman Campus capital development project. SLCC believes future demand for educational services in southwest Salt Lake County are better served by developing the Herriman Campus than by building out the Jordan Campus. The College's Board of Trustees approved the sale of the property in the August 2018 meeting.

Additional information about this request may be found in the attached letter from the College with an accompanying map and the executive summary of the property appraisal. Representatives from Salt Lake Community College 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 Salt Lake Community College to sell property on the Jordan Campus as proposed.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments



28 August 2018

Board of Regents
c/o Commissioner David L. Buhler
Board of Regents Building, Two Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

RE: Disposal of 38.31 +/- acres located at approximately 9301 South Wights Fort Road, South Jordan, UT

Commissioner:

In accordance with the R704, Disposal of Real Property; SLCC is requesting the disposal/sale of property to be placed on the approval calendar agenda for the next Board of Regents meeting. The property is located at 9301 South Wights Fort Road, South Jordan, UT and:

- (1) The 38.31 +/- acres is located at the south end vacant land at our Jordan Campus
- (2) The College has been offered \$6,000,000 for the property
- (3) The property was appraised at \$5,800,000
- (4) The proceeds of the sale will be used towards the proposed Herriman Campus Building

It is proposed that Salt Lake Community College sell 38.31 +/- acres of the Jordan Campus undeveloped land, located approximately at 9301 South Wights Fort Road, South Jordan Utah. The property has remained undeveloped since the original purchase of the property for over 20 years.

In accordance with R704-3 Disposal of Property, the College has received approval to sell this portion of the undeveloped land from the Board of Trustees and is now seeking approval from the Board of Regents. With the growth in the southwest quadrant of the Salt Lake Valley, specifically Herriman, Riverton, Daybreak and Bluffdale, the College sees the need to address and support the growth in this sector of the valley. In support of our mission to provide quality higher education, the College will use these proceeds to contribute toward our #1 Capital Development Request of the building on our 90 acres in Herriman. The remaining undeveloped acres will allow for ample future expansion and growth on the Jordan Campus.

An official appraisal was completed and an offer from the prospective buyer is in possession of the College pending approval from Legal. In compliance with R704-5 Fair Market Value: the appraisal came in at \$5.84 M, with an offer of \$6.0 M from the buyer.

Respectfully submitted,

Malin B. Francis
Director, Planning & Design

SALT LAKE COMMUNITY COLLEGE • FACILITIES SERVICES — PLANNING & DESIGN
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Ms. Lori Anderson

July 3, 2018

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Conclusions of value have been obtained using the sales comparison approach. This is the practiced and accepted method of valuing land in the local market. Cost and income approaches typically apply to building improvements and will not be necessary for the valuation since the property is vacant land. Based on current market conditions and discussions with local real estate brokers and agents, the estimated marketing time would be 9 to 12 months.

Based on the analysis contained in the following report, my value conclusions involving the subject property are summarized as follows:

Value Conclusions

Valuation Scenario	Effective Date of Value	Value Conclusion
Fee Simple Title Market Value	June 28, 2018	\$5,840,000

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

The appraised value is based on the extraordinary assumption that the soil is clean of contamination. The presence of contamination exceeding action levels will substantially reduce the market value of the real property. It is assumed that the information provided by the ownership representative and city or county officials is accurate. Any material deviation from how this information was presented could result in a change in opinion of value.

Hypothetical Conditions:

None

This letter of transmittal is *not* to be misconstrued as a complete appraisal report, but merely indicates the final value estimate developed in the following narrative appraisal report. The following narrative appraisal report provides supporting data, assumptions, and justifications for our final value conclusions. The appraisal is made subject to the general assumptions and limiting conditions stated on following pages.

Respectfully submitted,

VALBRIDGE PROPERTY ADVISORS| Utah

Tyler Free, MAI
Senior Appraiser

Utah State - Certified General Appraiser
License # 6050225-CG00 (Exp. 12/31/18)

Douglas Fairbanks
Appraiser

Utah State – Licensed Appraiser
License #5478267-LA00 (Exp. 11/30/19)