

March 20, 2019

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: University of Utah – Trustee Property Action
Issue

As required by Regent policy the University of Utah is notifying the Board that in the November 2018 meeting its Board of Trustees approved the disposal of 4.45 acres of vacant land gifted to the University.

Background

Regent Policy R704, *Disposal of Real Property* delegates authority to institutional Board of Trustees to dispose of institutional property valued at less than \$500,000. The policy requires institutions to notify the Board regarding any approved Trustee property transactions in the next regularly scheduled State Board of Regents meeting.

During the November 13, 2018 meeting, the University of Utah Board of Trustees approved the disposal of 4.45 acres of vacant land located in the foothills above Holladay at 4961 and 5051 South Wasatch Boulevard in Salt Lake County. The University sold the property, which is undevelopable, for the appraised value of \$85,000 and the transaction closed on February 12, 2019. The attached letter from the University and property appraisal provide additional details on the Board of Trustee action and fulfills the requirement of the Regent policy.

Commissioner's Recommendation

This is an information item; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments

February 14, 2019

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

Dear Commissioner Buhler:

The University of Utah hereby notifies the Board of Regents' at the March 2019 meeting of the following sale of donated or gifted property:

1. 4.45 acres of vacant land located at approximately 4961 & 5051 South Wasatch Blvd. in Salt Lake County, Utah:
 - a. Gifted to the University by Lue Wana Gordon
 - b. Sold for \$85,000
 - c. The two parcels appraised for \$17,000 and \$68,000 respectively
 - i. Executive summary page of the University's appraisal is attached for reference. Please note that the University agreed with the buyer that the 0.708 acres located at 4961 South Wasatch Blvd is undevelopable
 - d. Transaction closed on February 12, 2019

Thank you, as always, for your consideration and support.

Sincerely,



Patricia A. Ross
Chief Business Strategy Officer

c: Ruth V. Watkins
Kimberly Henrie
Jonathon Bates



August 27, 2018

University of Utah
505 Wakara Way, Suite 210
Salt Lake City, Utah 84108

Attn: Jonathon Bates, CPM, Executive Director, Department of Real Estate Administration

Re: Appraisal Report – 0.708 Acre of Vacant Land, located at 4961 South Wasatch Boulevard, Millcreek, Utah, and 3.738 Acres of Vacant Land, located at 5051 South Wasatch Boulevard, Partially in Millcreek and Partially in Unincorporated Salt Lake County, Utah.

At your request for an appraisal concerning the market value of the afore-mentioned properties, we submit herewith this narrative appraisal report which contains the basis, data and analysis upon which our value estimates are predicated. The function of the report is to estimate market value as defined in the report for possible sales considerations.

The value estimates are for all rights of ownership in fee simple, except easements of record, if any.

This is an appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report set forth by the Appraisal Foundation as supplemented by the Appraisal Institute. As such, it presents discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.

Based on the valuation analysis contained in the following appraisal report, the market values are concluded as follows:

MARKET VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
0.708 Acre at 2961 South Wasatch Boulevard	If Developable – Fee Simple	July 27, 2018	\$180,000
0.708 Acre at 2961 South Wasatch Boulevard	If Not Developable – Fee Simple	July 27, 2018	\$17,000
3.738 Acres at 5051 South Wasatch Boulevard	Fee Simple	July 27, 2018	\$68,000

The usage of any extraordinary assumptions and hypothetical conditions might affect the assignment results.

SPECIAL ASSUMPTIONS: None

EXTRAORDINARY ASSUMPTIONS:

- We have estimated the square footage or acreage of the easement areas. These are subject to surveys. If surveys indicate different areas, the values in this appraisal would be subject to change.
- The 0.708 acre parcel at 4961 South Wasatch Boulevard is Lot 2 in the Lue Wana Gordon Subdivision. There are three potential property characteristics that restrict development. They are listed as follows: 1) Much of the lot is encumbered by the Metropolitan Water District Aqueduct Right-of-Way. 2) Much of the lot is encumbered by a Utah Power and Light Company easement. 3) Topography, which consists of some slopes greater than 30%, restricts development. We were not provided with a detailed topography map and therefore, cannot determine if the parcel can be developed with a dwelling. We contacted the Salt Lake County Planning Office. They indicated it is unknown if the subject parcel is developable with a single-family dwelling. They stated surveys would have to be conducted in order to determine if the parcel is developable. Therefore, we have conducted two valuations of the 0.708 acre parcel. The first will value the parcel as if it were not developable. The second will value the parcel as if it were developable.
- A survey shows 5051 South Wasatch Boulevard to be 3.738 acres. This is different from the county records. We used the acreage from the survey.

HYPOTHETICAL CONDITIONS: None

ESTIMATED EXPOSURE TIME: 12 months

ESTIMATED MARKETING TIME: 12 months or less

After talking with real estate brokers familiar with the subject area, the estimated exposure time is concluded to be 12 months or less. Marketing time is also considered to be 12 months or less. Both exposure and marketing time are defined later in the report.

The foregoing value estimates and conclusions are subject to the assumptions and limiting conditions contained in the report. We trust the report satisfies your request. Please call if you have any questions or need further assistance.