

May 8, 2019

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Salt Lake Community College – Acquisition of Property

Issue

Regent Policy R703, *Acquisition of Real Property* requires the Board of Regents to approve institutional property purchases that exceed \$500,000. Salt Lake Community College (SLCC) requests Board approval to purchase 2.5 acres including a 36,600 square foot office building currently leased by the College for instruction at the Westpointe campus for \$7,000,000 using institutional funds and a future budget request for operation and maintenance for the facility.

Background

Salt Lake Community College currently leases a 36,600 square foot office building across the street from the new Westpointe Workforce Training and Education building in Salt Lake City at 2150 West Dauntless Avenue. The lease payment is \$578,857 with a three percent annual escalation. The facility supports academic instruction for electronics, non-destructive testing, flight training, and general education programs as well as student services for the Westpointe campus. SLCC has the opportunity to purchase the 2.5-acre property including the facility and a paved parking lot for the appraised value of \$7,000,000. The College requests Board approval to acquire the property using institutional funds and to make a future budget request of the State Legislature for operation and maintenance funds for the facility.

Additional information about this request may be found in the attached letter and map from SLCC, the executive summary of the property appraisal, and a presentation handout. Representatives from Salt Lake Community College will attend 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 acquire property at 2150 West Dauntless Avenue in Salt Lake City, Utah as proposed.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments



26 April 2019

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: Acquisition of property located at 2150 W Dauntless Ave, Salt Lake City, UT

Commissioner:

In accordance with the R710, Capital Facilities Policy; SLCC is requesting the property acquisition be placed on the action calendar agenda for the next Board of Regents meeting.

The property is located at 2150 W Dauntless Ave, Salt Lake City, UT and:

- (1) Is contiguous to SLCC's current Westpointe Workforce Training & Education Center property
- (2) Has an appraised value of \$7M
- (3) Has an agreed-upon sales price of \$7M
- (4) To support this acquisition a request for ongoing O&M funds will be made for consideration during the upcoming Legislative Session

The acquisition of this property supports the SLCC Master Plan. The purchase of this property was approved by the Board of Trustees in April 2019.

Thank you for your continued attention to the College's mission of providing great accommodations for our student body. Let me know if there is anything else you need regarding this proposal.

Respectfully submitted,

Malin B. Francis

Malin B. Francis
Director, Planning & Design
cc: Jeffrey J. West

SALT LAKE COMMUNITY COLLEGE • FACILITIES SERVICES — PLANNING & DESIGN
TAYLORSVILLE REDWOOD CAMPUS — GUNDERSEN FACILITIES SERVICES BUILDING
P.O. Box 30808, Salt Lake City, UT 84130-0808 | Phone 801-957-5177 | Fax 801-957-3839 | www.slcc.edu







1100 East 6600 South | Suite 201
Salt Lake City, Utah 84121
801-262-3388 phone
800-747-0552 toll-free
valbridge.com

August 21, 2018

Mr. Tyson Gregory
Director of Real Estate and Property Management
Salt Lake Community College
2675 South 900 West, GFSB 122
Salt Lake City, Utah 84119

RE: Narrative Appraisal Report
Existing Office Building
2150 West Dauntless Avenue
Salt Lake City, Utah, 84116

Dear Mr. Gregory:

In accordance with your request, we have prepared the following narrative report on the above-referenced property. This analysis sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions.

The subject property is an office building located at 2150 West Dauntless Avenue in Salt Lake City, Utah. The subject is further identified as Assessor's Parcel Number (APN) 08-28-276-002. The site encompasses 2.50 acre or 108,900 square feet and is improved with a low rise office building encompassing 36,638 square feet of gross building area. Based on the configuration of the existing building and site improvements on the site, there is no excess land area that could be independently marketed. Salt Lake Community College is currently leasing the subject and have entered into an agreement to purchase the property for \$7,000,000.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

Mr. Tyson Gregory of Salt Lake Community College is the client in this assignment. The intended user of this report is Mr. Tyson Gregory of Salt Lake Community College. The purpose of the appraisal is to estimate the "as is" market value of the subject property for possible sale purposes.



Mr. Gregory
August 21, 2018
Page 2

The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

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 / Hypothetical Conditions:

In the valuation process, the sales comparison and income capitalization approaches were used in determining the value of the property and lead to good correlation of value. The cost approach was not developed due to the fact that the subject building was originally constructed in 2000 and is over 18 years old. Estimating various forms of depreciation is subjective and reduces the reliability of this approach. 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, our value conclusions involving the subject property are summarized as follows:

Value Conclusions

Valuation Scenario	Effective Date of Value	Value Conclusion
Market Value ("As Is") with Leased Fee Estate Property Rights	August 15, 2018	\$7,000,000



Westpointe Leased Building

- **General Information**
 - 36,638 Square Feet
 - Annual Lease Payment \$578,857
 - Original Lease started July 2011
 - Landlord – HCPI/Utah II, LLC
 - Property Management by Boyer
 - Built in 2000

Westpointe Leased Building

- **Programs**
 - Electronics
 - Non-Destructive Testing
 - Flight Training
 - General Education

Westpointe Leased Building

- **Remodel**
 - In 2017 Student Services was added to support the programs in the leased building and also the programs in the newly added Westpointe Workforce Training & Education building
 - Advising
 - Financial Aid
 - Veterans Services
 - DRC
 - Career Services
 - Cashiering
 - Faculty Support
 - Tutoring
 - Writing Center/ePortfolio
 - Testing

Westpointe Leased Building

- **Miscellaneous facts**

- Easy access from I-215
- Approximately 150 parking stalls
- Mature Landscape
- Building is un-sprinkled
 - \$130K to install code compliance system
- Completed due diligence in preparation for purchase
 - College Staff performed various condition assessments
 - Electrical systems – plenty of space for new equipment
 - Mechanical systems – relatively in good shape
 - Plumbing systems – generally in good condition
 - Roof condition – nearing life expectancy

Westpointe Leased Building

- **Request**

- Appraised Value - \$7M
- Purchase Price - \$ 7M
- Projected closed date June 2019

