



MEMORANDUM

TAB B

February 7, 2020

Dixie State University – Property Acquisition

Regent Policy R703, *Acquisition of Real Property* requires the Board of Regents to approve institutional property purchases that exceed \$500,000. Dixie State University (DSU) requests Board approval to purchase a 1,078 square foot residential house contiguous to campus on 0.31 acres for \$424,745 (above the appraised value of \$238,000) using institutional funds.

The University owns all but one property on the Atwood Innovation Plaza block just west of Trailblazer Stadium. Recently, the owner of the last privately-owned property (located at 424 S. University Avenue) expressed a willingness to sell if the buyer would pay off the remainder of their mortgage and help them purchase a similar house within the St. George downtown area (for a total cost of \$424,745). The Dixie Foundation contracted with the sellers at the request of the University and DSU now seeks authorization to repay the Foundation and acquire the property. This acquisition will give DSU complete ownership of the Atwood Innovation Plaza Block.

This proposal was approved by Dixie State University Board of Trustees in their January 31, 2020 meeting. Additional information about the project is provided in the attached letter, map, and executive summary of the property appraisal from the University. Representatives from DSU will be present at the meeting to provide additional information and respond to questions from the Board.

Commissioner's Recommendations

The Commissioner recommends the Board authorize Dixie State University to acquire property located at 424 S. University Avenue in St. George Utah as proposed.

Attachment

Paul C. Morris
Vice President for Administrative Services
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Email: morris@dixie.edu

December 20, 2019

Dr. David R. Woolstenhulme
Interim Commissioner of Higher Education
Board of Regents Building
60 South 400 West
Salt Lake City, Utah 84101

Dear Dr. Woolstenhulme:

Purpose

Dixie State University (DSU) is requesting Regent approval to purchase a residential house constructed on approximately .31 acres of land located contiguous to campus on the DSU Atwood Innovation Plaza Block (formerly East Elementary).

Background

The property is located at 424 S. University Avenue (west of Trailblazer Stadium). Currently, two small older homes remain on the Atwood Innovation Plaza Block with frontage on University Avenue. Dixie State University owns one of the dwellings, and the Dixie Foundation recently purchased the remaining dwelling at DSU's request. The completion of this proposed property acquisition from the Dixie Foundation will give DSU complete ownership of the Atwood Innovation Plaza Block.

DSU has been interested in purchasing this property for many years. The former long-time property owner and her husband have limited financial means, but they were willing to sell if the sale price would allow them to relocate. To relocate, they needed to purchase a similar property within the St. George downtown vicinity that would accommodate their living needs, which included a small tailoring business, and payoff the remainder of their mortgage. Recently, the former owners found a reasonably priced home that would meet these criteria.

As the St. George real estate market is strong and houses are generally selling shortly after listing, DSU moved rapidly to get the property under contract, providing the former owners the means to purchase a replacement home. To

accommodate the short-time frame, DSU approached the Dixie Foundation to have them purchase the house with the understanding that DSU would request Regent approval to buy the house from the Foundation. The Dixie Foundation closed the deal with the former owner on December 19th, 2019.

Dixie State University contracted with Morley & McConkie, LC, to determine the appraised value of the property. The appraisal completed by Matthew C. Morley values the property at \$238,000. The amount needed to repay the Dixie Foundation is \$424,745. Although the repayment amount exceeds the appraised value of \$238,000, the purchasing of this property was necessary for DSU to fully utilize the Innovation Plaza Block.

Dixie State University intends to demolish the two remaining dwellings and install additional parking that will support Atwood Innovation Plaza, Cox Auditorium, Trailblazer Stadium, Burns Arena, and academic quadrants on DSU's main campus.

DSU's reasoning for having the Dixie Foundation purchase the property now was based on the fact that if the opportunity to purchase the property adjacent to the Atwood Innovation Plaza was missed, it could have been many years before DSU would have another opportunity to purchase this property. This was a risk that DSU was unwilling to take.

The following attachments provide additional information relative to the purchase price, location, and importance of the property to Dixie State University.

- Attachment 1: Summary page of appraisal prepared by Morley & McConkie, LC
- Attachment 2: Arial view photograph of subject property

Sincerely,



Paul C. Morris

cc: Richard Williams, Sherry Ruesch

Attachment 1: Summary page of appraisal prepared by Morley &
McConkie, LC

Appraisal Report



LOCATED AT

424 S 700 E
St George, UT 84770

Subdivision: ST GEORGE CITY SUR PLAT 8 BLK 23 (SG) Lot: 8 BEG AT PT S 62 FT FM NE COR LOT 8 BLK 23 PLAT 8 SGCS TH S 101 FT TH W 132 FT; TH N 101 FT; TH E 11

FOR

Dixie State University
225 S University Ave
St George, UT 84770

OPINION OF VALUE

238,000

AS OF

12/16/2019

BY

Matthew C. Morley
Morley & McConkie, LC
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Attachment 2: Arial view photograph of subject property

