AGENDA

REGULAR MEETING OF THE
UTAH STATE UNIVERSITY BOARD OF TRUSTEES

Via Teleconference
September 15, 2016

9:00 a.m. Regular Meeting

• Introductory Items
• Chair’s Report
• Action Agenda
A. Information Items

1. Dinner Thursday September 15, 2016 with the Board of Regents (if available)
2. Breakfast Friday September 16, 2016 with the Board of Regents (if available)
3. Date of the next Board of Trustees Meeting, October 21, 2016 to be held in Logan, Utah
4. Founders Day October 21, 2016 following the Board of Trustees Meeting; details will follow
ACTIONS AGENDA

1. Disposal of land and industrial buildings located near Price, Utah

2. Approval to enter into a long-term lease agreement in Murray, Utah for the relocation of the USU Salt Lake Education Center
ITEM FOR ACTION

RE: Request Approval to Dispose of Land and Industrial Buildings Located Near Price, Utah

Details of the request to dispose of land and industrial buildings located near Price, Utah described below is submitted to the Utah State University Board of Trustees for review and approval. The President and Vice President for Business and Finance have reviewed the request and recommend approval.

EXECUTIVE SUMMARY

Utah State University desires approval to dispose of three parcels of land and three industrial buildings that are approximately 12 miles north of the USU Eastern Price Campus and located on both sides of Highway 191 in Indian Canyon. The parcels are approximately 272 acres as illustrated in Exhibit A and B.

The property was acquired by the College of Eastern Utah in 2006 for use as a mining training center supported by a grant. After the grant was greatly reduced and the local mining industry declined, the mining training program was relocated to the Price Campus. The buildings were later leased to a private company to manufacture a coal product known as clean coke. Subsequently, the technology used to manufacture the product was sold to another private entity. USU no longer has educational, commercial, or industrial use for the property and buildings due to the remote location and high operating and maintenance costs.

USU proposes to sell the property at the upcoming State of Utah School and Institutional Trust Lands Administration (SITLA) Land Auction on October 19, 2016. SITLA, who manages Utah’s trust lands, will advertise the property through websites, local newspapers, and direct mailings prior to the auction. The proposed selling price is based on an appraisal report recently obtained by USU which concluded a current fair market “as is” value of $840,000 for the buildings and land.

RECOMMENDATION

The President and Vice President for Business and Finance recommend that the Board of Trustees approve the request to dispose of land and industrial buildings located near Price, Utah.
RESOLUTION
UTAH STATE UNIVERSITY
BOARD OF TRUSTEES

WHEREAS, Utah State University desires approval to dispose of three parcels of land and three industrial buildings that are approximately 12 miles north of the USU Eastern Price Campus and located on both sides of Highway 191 in Indian Canyon, and

WHEREAS, The parcels are approximately 272 acres as illustrated in Exhibit A and B, and

WHEREAS, The property was acquired by the College of Eastern Utah in 2006 for use as a mining training center supported by a grant, and

WHEREAS, After the grant was greatly reduced and the local mining industry declined, the mining training program was relocated to the Price Campus, and

WHEREAS, The buildings were later leased to a private company to manufacture a coal product known as clean coke, and

WHEREAS, The technology used to manufacture the product was sold to another private entity, and

WHEREAS, USU no longer has educational, commercial, or industrial use for the property and buildings due to the remote location and high operating and maintenance costs, and

WHEREAS, USU proposes to sell the property at the upcoming State of Utah School and Institutional Trust Lands Administration (SITLA) Land Auction on October 19, 2016, and

WHEREAS, SITLA, who manages Utah’s trust lands, will advertise the property through websites, local newspapers, and direct mailings prior to the auction, and

WHEREAS, The proposed selling price is based on an appraisal report recently obtained by USU which concluded a current fair market “as is” value of $840,000 for the buildings and land:

NOW, THEREFORE, BE IT RESOLVED, The President and Vice President for Business and Finance recommend that the Board of Trustees approve the request to dispose of land and industrial buildings located near Price, Utah.

RESOLUTION APPROVED BY THE USU BOARD OF TRUSTEES:

______________________________
Date
EXHIBIT A

- 157 Acres
- 80 Acres
- 35 Acres
ITEM FOR ACTION

RE: Request Approval to Enter into a Long-term Lease Agreement

Details of the request to enter into a long-term lease agreement described below is submitted to the Utah State University Board of Trustees for review and approval. The President and Vice President for Business and Finance have reviewed the request and recommend approval.

EXECUTIVE SUMMARY

Utah State University desires approval to enter into a long-term lease agreement with Dakota Pacific Real Estate Partners for up to 24,087 square feet of newly constructed space located at 4800 South State, Murray Utah to relocate the USU Salt Lake Educational Center. The proposed lease would begin January 1, 2018 for a 20 – 25-year term with two options to extend the lease for an additional five years at Fair Market Value. The proposed lease rate is $20.50/sf with typical escalation for inflation over the life of the lease. The source of funding for lease payments will be from revenues generated from the instructional activities at the Center.

Since 2007, the USU Salt Lake Educational Center has leased space from the Granite School District. The current lease ends on July 31, 2017. The Granite School District has notified the University that it does not intend to renew the lease agreement due to expansion needs of the Granite Technical Institute which requires additional space. The University has requested, and the Granite School District has expressed a willingness to allow, that the lease be extended for the short period of time between the expiration of the current lease and the beginning of the new proposed lease.

RECOMMENDATION

The President and Vice President for Business and Finance recommend that the Board of Trustees approve the request to enter into a long-term lease agreement to relocate the USU Salt Lake Educational Center.
WHEREAS, Utah State University desires approval to enter into a long-term lease agreement with Dakota Pacific Real Estate Partners for up to 24,087 square feet of newly constructed space located at 4800 South State, Murray Utah to relocate the USU Salt Lake Educational Center, and

WHEREAS, The proposed lease would begin January 1, 2018 for a 20 – 25-year term with two options to extend the lease for an additional five years at Fair Market Value, and

WHEREAS, The proposed lease rate is $20.50/sf with typical escalation for inflation over the life of the lease, and

WHEREAS, The source of funding for lease payments will be from revenues generated from the instructional activities at the Center, and

WHEREAS, Since 2007, the USU Salt Lake Educational Center has leased space from the Granite School District, and

WHEREAS, The Granite School District has notified the University that it does not intend to renew the lease agreement due to expansion needs of the Granite Technical Institute which requires additional space, and

WHEREAS, The University has requested, and the Granite School District has expressed a willingness to allow, that the lease be extended for the short period of time between the expiration of the current lease and the beginning of the new proposed lease:

NOW, THEREFORE, BE IT RESOLVED, The President and Vice President for Business and Finance recommend that the Board of Trustees approve the request to enter into a long-term lease agreement to relocate the USU Salt Lake Educational Center.

RESOLUTION APPROVED BY THE USU BOARD OF TRUSTEES:

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Date