

## R703, Acquisition of Real Property<sup>1</sup>

**R703-1 Purpose:** To provide guidelines and requirements for the acquisition of real property by institutions of higher education and to specify the approval process for certain types of real property acquisitions.<sup>2</sup>

### R703-2 References

- 2.1 Utah Code Title 53B, Chapter 20, Property Rights – Title and Control
- 2.2 Utah Code Title 63A, Chapter 5b, Part 8, Acquisitions of Real Property Interests
- 2.3 Board Policy R220, Delegation of Responsibilities to the President and Board of Trustees
- 2.4 Board Policy R315, Designation of Service Regions and Approval of Out-of-Region Instructional Programs, Branch Campuses, Instructional Service Centers, and Extension Centers

**R703-3 Board of Higher Education Review of Property Acquisitions:** Except as provided by section 703-6, the Utah Board of Higher Education (“Board”) shall review and consider for approval all institutional requests for real property acquisition that commit institutional funds that exceed \$1,500,000.

#### 3.1 Board Approval Required for Property Purchased Outside of an Institution’s

**Service Area:** The Board shall review and consider for approval, regardless of term or purchase price, all institutional requests for real property acquisition that will include instructional space located outside of the institution’s designated service area under Board Policy R315.

**R703-4 Required Appraisal:** For acquisitions of property by purchase or exchange, institutions shall establish the fair market value based on an appraisal completed by a State of Utah licensed appraiser with the purchase price not to exceed the appraised value unless otherwise justified.

**R703-5 Property Acquisition Guidelines:** When practicable, institutions shall use the following guidelines when acquiring property, whether by purchase, exchange, or to be accepted as a gift designated for ongoing institutional use, regardless of the location of the property. Based on the circumstances of a specific property, some or all of the following guidelines may not apply.

**5.1 Proof of Clear Title:** Established by a title report or an owner’s policy of title insurance if clear title is deemed to be necessary.

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<sup>1</sup> Adopted January 20, 2017; amended January 15, 2021, and November 18, 2022.

<sup>2</sup> Technical edits August 30, 2024.

**5.2 Phase I Environmental Assessment or Greater:** When there are questions about the possibility of environmental issues that would materially affect the use of the property, a Phase I or greater Environmental Assessment may be required by the Board prior to purchase, exchange, or acceptance of a gifted property.

**5.3 Code and Requirements Review:** Used to determine the suitability of a property under all applicable codes and requirements, including any applicable provisions of Utah law.

**5.4 Engineering Assessment:** For all improved real property valued at \$250,000 or above the institution should obtain an engineering assessment of mechanical systems and structural integrity of improvements located on the property. This need may be waived if an engineering assessment has been performed within the past 12 months or if the land is unimproved. The institution may perform an engineering assessment for real property valued at less than \$250,000.

**5.5 Past Maintenance and Operational Expenses:** Where possible, past maintenance and operational expense histories should be obtained.

**5.6 Sites, Zoning, and Planning Information:** This information should be obtained where applicable or when it is determined to be needed.

**5.7 Land Survey:** An Alta/ACSM Land Title Survey should be obtained unless such a survey has been performed in the prior 12 months.

**R703-6 Delegation of Authority to Approve the Acquisition of Real Property:** The Board delegates the authority to acquire real property in the following limited circumstances:

**6.1 Board of Trustee Approval:** An institution's Board of Trustees may approve the acquisition of real property with institutional funds if the property is consistent with the approved campus master plan, the purchase price does not exceed \$1,500,000, and the space does not contain instructional space located outside of the institution's service area designated by Board Policy R315.

**6.2 Acquisitions with Endowment or Foundational Funds:** An institution's Board of Trustees may approve the acquisition of real property purchased with endowment funds or funds from independent foundations regardless of cost or location.

**6.3 Gifts of Real Property:** An institution's president may accept gifts of real property from donors, development initiatives, and fund raising in accordance with standards and procedures

approved by their institution's Board of Trustees. The institution may sell the gifted property, hold it for future development or investment, or use it for any other institutional purpose.

**6.4 University of Utah Health Care System:** In accordance with Board Policy R220, the University of Utah Board of Trustees may review and approve all property acquisitions for the University of Utah Health Care System.

**6.5 Purchase Price Below Appraised Value:** All property acquisitions approved under this section must have a supporting appraisal and the purchase price may not exceed the appraised value.

**6.6 No Request for Operation and Maintenance:** Institutions may not request operations and maintenance funding for property acquired under this section. If there is a need for operations and maintenance funds, the purchase must be approved by the Board.

**6.7 Reporting of Property Acquisitions:** Institutions shall report all property acquisitions or options approved under this section at the next regularly scheduled Finance and Facilities Committee meeting.