

**ARIZONA BOARD OF REGENTS  
NORTHERN ARIZONA UNIVERSITY  
March 11, 2015**

**Schedule of Events and Meetings**

**Tuesday, March 10, 2015**

6:00 p.m. – 7:30 p.m. Reception – Lobby of the High Country Conference Center

**Wednesday, March 11, 2015**

8:30 a.m. – 12:00 p.m. ABOR Meeting – Humphreys Room

12:00 p.m. – 1:15 p.m. Executive Session – Rees Room  
12:15 – 12:45 p.m. (NAU Athletic Director)  
12:45 – 1:15 p.m. (President Klein Review of Assignments)

12:00 p.m. – 1:15 p.m. Staff Lunch – Agassiz/Fremont Room

1:15 p.m. – 2:30 p.m. ABOR Meeting – Humphreys Room

2:30 p.m. – 4:30 p.m. Executive Session – Rees Room  
President Cheng Review of Assignments

**EXECUTIVE SUMMARY**

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**Issue:** The board is asked to approve Northern Arizona University's request to purchase the South Beaver Elementary School from the Flagstaff Unified School District for the price of \$ 2.75 million.

**Statutory/Policy Requirements:**

· Board Policy 7-203 requires committee review and board approval for the purchase of real property valued greater than \$500,000.

**Background:**

Northern Arizona University (NAU) has been leasing the South Beaver School from Flagstaff Unified School District (FUSD) inform December 2010 until the present. The space has been used predominantly for the Program in Intensive English. The lease amount is \$20,000 per month or \$240,000 per year. The funding sources have been local funds. The square foot cost was approximately \$8.57 per square foot per annum.

South Beaver School was built in 1935-36 and is located at 506 S. Beaver Street in Flagstaff, Arizona, immediately adjacent to the east side of the Flagstaff main campus and is within the University acquisition zone. The land and building acquisition helps the University meet its strategic goals and will continue to be used for program instruction for the Program in Intensive English to serve the University mission of educating International Students.

The site has 300 feet of frontage on both Beaver Street to the west and Leroux Street to the east, with 243 feet on Ellery Avenue to the north, and 243 feet on Franklin Avenue to the south. The total area of the site amounts to approximately 73,020 square feet, or +/- 1.68 acres. At present, access to the site is primarily from Beaver Street, as there is a playground area east on the east portion of the property that is fenced.

The main building is a one and two-story structure of native malpais stone construction which has always been used as a school. The main building is shaped like an inverted L, and is located on the northwesterly and westerly sections of the site, with small parking areas along the west, and immediately south of the structure. Two modular classroom buildings are located at the northeast corner of the property.

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## **EXECUTIVE SUMMARY**

District records indicate that the modular units were added in phases beginning around 2002. The main structure has approximately 23,829 square feet of finished area and the modular units have approximately 4,176 square feet, for a total square footage of 28,005 +/- . These square footages do not include the basement or the attic which are unfinished.

Overall, the facility is considered to be in average condition for its effective age and would be considered to be above average for most buildings of its chronological age due in part to the periodic upgrades and renovations that have been made to the property in recent years by the School District staff.

NAU has had two appraisals completed on the property. The purchase price is within the appraised values.

### **Summary of Business Terms of the Purchase**

The primary terms of the purchase are as follows:

- o Property to be purchased with cash at \$2.75 million. Funds to come from local reserves;
- o Building square footage is approximately 28,005 +/-;
- o Existing lease between NAU and FUSD is to be canceled upon close of escrow;
- o Site includes 1.68 acres +/-; and  
Closing is estimated to be May/June 2015.

Exhibit A – Site Map of Real Property

### **Recommendation to the Board**

It is recommended that the board approve Northern Arizona University's request to purchase land and buildings from the Flagstaff Unified School District, as described in this executive summary, and on such other terms as are acceptable to the Vice President for Finance and Administration and in such form as is acceptable to the NAU General Counsel. NAU further requests authorization that the President, the Vice President for Finance and Administration, or any successor titles to such positions, are each separately authorized in the name and on behalf of the board, to take all appropriate actions to execute the real property purchase, with final documents made available for review by ABOR Counsel prior to execution.

**EXECUTIVE SUMMARY**

Exhibit A – Site Map of Real Property

