

August 21, 2008

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Jonesboro, Arkansas

Mr. Tony Vogelgesang  
Legislative Analyst  
Bureau of Legislative Research  
Arkansas Legislative Council  
State Capitol, Room 315  
Little Rock, AR 72201

Dear Mr. Vogelgesang:

In response to your email to Robert Evans on Tuesday, August 19, 2008, following is the information you requested.

1. Is there a house on Norfolk Lake, or any other lake, that the President or Chancellors have access to? If so, who or what entity owns it and what would be the yearly (fiscal) valuation of that use?

Response: Arkansas State University owns a house in Mountain Home at Mallard Point that was donated to the University in 1985 by Mr. and Mrs. McAdams for the retreat use of the President. The house is used minimally during the year. The President of ASU used it for 13 overnight stays during the Fiscal Year 08. Seven nights were for personal purposes, and six were for conducting business in Mountain Home. The valuation of that use is \$230.10.

2. Is there a condominium or other structure in Little Rock, or at some location, owned by the president or a chancellor which is leased or rented to the institution or some related entity? If so, who owns it and what is the yearly (fiscal) amount exchanged?

Response: No.

3. Were there multiple real estate transactions by the institution or some related entity in Jonesboro's RidgePoint subdivision or at some other Jonesboro location? If so, what was the acting entity and what were the addresses, dates, and amounts of, and the reasons for, the transactions?

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Response: Arkansas State University leased a house in a Jonesboro neighborhood located at 27 Plantation Oaks Lane, from August 2006 until May 2008. The owner was in transition to participate in an overseas ministry and was willing to rent the home fully furnished to the University for \$800 per month. The University sought approval from the State for the lease which was approved. The university exercised the lease in order to have housing available for visiting dignitaries. The new incoming Chancellor and his wife resided in the house for several months. The Chancellor and his wife were relocated to the RidgePointe subdivision under a leasehold interest held by the ASU Foundation. The ASU Foundation lease was in place until December 14, 2007 at which time the University purchased the house for \$439,067.15 from Southwest Financial Fund, LLC. The University had the use of the residence which afforded ASU the opportunity to assure that no major problems existed with the house, such as termite, structural problems, or land ownership before the house was purchased. The University purchased the house in December, 2007 and used the proceeds from two land sales to purchase the RidgePointe house and make it the permanent home for the Jonesboro Chancellor. The transaction involved selling two land parcels to acquire a piece of real estate that, in the University's judgment, should escalate in value at a greater rate. Consequently, the final transaction was to the financial benefit of the University and assisted in the Board's requirement to permanently house the newly hired Jonesboro Chancellor.

Very sincerely,



Leslie Wyatt  
President

LW:nf

XC: Senator Paul Bookout