July 9, 2014

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Weber State University – Approval of Station Park Property Lease in Farmington, Utah

Issue

Weber State University (WSU) is requesting authorization to lease 10,992 sq. ft. in Farmington, Utah to establish a Professional Education Center for expansion of its Continuing Education programs.

Background

The location of the space is in Station Park, a new mixed-use development in Farmington, Utah. It is located in the rapidly growing area of Farmington/Kaysville/Centerville and is a site where WSU has been looking for an opportunity to establish an instructional presence. It is conveniently located where I-15, Utah Highway 89, Legacy Parkway, and mass transit converge (Station Park is adjacent to a Frontrunner Station that is also served by multiple UTA bus routes).

The space will be used by WSU Continuing Education (WSUCE) for instructional purposes. The $263,808 annual lease payment will be paid from WSUCE operating income, and under the terms of the lease, 10 months of the base lease will be waived. Other major terms of the lease are summarized in the attached letter from WSU. Also attached are a map showing the location of the property, and a WSUCE document describing the instructional program and pro forma financial provisions of the proposal. A copy of the lease is on file in the Office of the Commissioner.

WSU officials will be present at the meeting to provide additional information and respond to questions from the Board.

Commissioner's Recommendation

The Commissioner recommends Board authorization of the WSU request to lease property in Farmington's Station Park for expansion of the Continuing Education programs of the University.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachment
June 25, 2014

Mr. David Buhler, Commissioner
Utah System of Higher Education
Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

Dear Commissioner Buhler:

Weber State University requests authorization to lease 10,992 square feet of space in Station Park, the new mixed-use real estate development in Farmington. The space would be used by WSU Continuing Education (WSUCE) for instructional purposes.

WSU has long sought a good opportunity to establish an instructional presence in Central Davis County. In the early 1990's as the Regents studied potential sites for a future WSU Davis Campus--ultimately established on the Layton/Clearfield border--an alternative site in Farmington was seriously considered. It is this site on which Station Park has now been built. The advantages of having an educational presence at this location have only enhanced over time. It is conveniently located in the rapidly growing population center of Kaysville/Farmington/Centerville, and is ideally connected to both mass transit and Interstate 15.

Details of what would be offered by WSUCE at this site is outlined in the attached document. Also attached is a map showing the location of the office building in which WSU would lease a full floor.

A copy of the draft lease is provided. Major provisions of the lease are:
- A 10-year base-lease term with two additional 5-year options,
- A fully-loaded lease rate of $24 per square foot with 10 months of base lease being waived,
- A 2.5% annual escalation factor,
- A tenant-improvement budget of $55 per square foot,
- Favorable parking and signage rights,
- State required language regarding Regent approval, indemnity and insurance.

Funds needed to pay for the space would come from WSUCE operating income. Please place this item on the Regents July agenda.

Sincerely,

[Signature]

Dr. Norm Tarbox
Vice President for Administrative Services
WSU Station Park Professional Education Center

Consistent with its mission assigned by the State Board of Regents, WSU seeks to establish a fourth permanent instructional location known as the WSU Station Park Professional Education Center.

Station Park, located in Farmington, is an ideal location for a professional education center. This new, mixed-use development is located at the junction of Interstate 15, Legacy Parkway, and U.S. Highway 89. In the geographic center of Davis County, Station Park is also serviced by UTA’s Frontrunner system via Farmington Station. Unparalleled access to this locale from all parts of Davis County, as well as Southern Weber, Morgan and Northern Salt Lake Counties, provides a unique opportunity for WSU to efficiently offer targeted, high-quality professional programs aligned with the needs of the region.

In its 3rd year of operation, Station Park has become one of the most successful Transit Oriented Developments in Utah’s history and draws thousands of patrons every day from throughout the region. The mixed-use project includes 850,000 square-feet of high quality office, retail, recreation and residential spaces. In the midst of this development would be located WSU’s Station Park Professional Education Center.

The 10,000 square-feet of space to be leased by WSU would be located on the third floor of Building C (see map) and would include the following:

- Two executive seminar/classrooms
- Three classrooms
- One computer classroom
- One conference room
- Two offices
- Reception area

The list of potential programs to be offered at the Station Park site has been crafted to compliment, and not compete with, offerings at WSU's Davis Campus--located 8 miles to the north in Layton, Utah. Research conducted by WSU Continuing Education (WSUCE) suggests strong demand for the following programs at Station Park.

- Masters of Health Administration
- Masters of Taxation
- Masters Certificate in Sales
- Six Sigma graduate certificates
- Computer user experience/interface
- Computer Boot Camp
- Computer Forensics
Space constraints would prohibit all of these programs being offered simultaneously. The nature of the leased space would enable WSUCE to be flexible in its offerings and focus on intensive, cohort-oriented programs.

Below is a pro-forma prepared by WSUCE that shows a financial break-even point for the Center occurring in Year 2. Projected student counts are provided as well.

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<th>FY16</th>
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<th>FY18</th>
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<tr>
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The Station Park Professional Education Center is a vital component of WSU’s long-term plan to strengthen its reputation as a premier dual-mission institution and to broaden its reach in the Weber, Davis and Morgan county service area.