

November 5, 2014

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: University of Utah – Property Renovation (525 East 100 South)

Issue

The University of Utah has requested authorization to design, bid, and complete the renovation of a building they own located at 525 East 100 South, Salt Lake City, Utah.

Background

The University was authorized by the Board to purchase this building at their July 18, 2014 meeting. The acquisition was authorized to enable the University to provide more economical space for University Health Sciences departments currently leasing space in other locations and to provide space for relocation of Health Sciences departments from the School of Medicine Building that is scheduled for demolition and replacement.

Details about the proposed relocations is provided in the attached letter from the University that also provides information about project costs and proposed sources of funding. The \$3.2 million of capital costs will not require any state appropriated funds, and because of the clinical nature of the activities to be housed in the building, ongoing O&M costs will be funded from clinical revenues.

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

Commissioner's Recommendation

The Commissioner recommends Regent authorization of this project for presentation to the State Building Board for final approval to proceed with its design and construction.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachments

October 20, 2014

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

Dear Commissioner Buhler:

The University of Utah would like to receive authorization to design, bid, and award a construction contract to complete the following proposed renovation project in the newly acquired property located at 525 East 100 South in Salt Lake City, Utah.

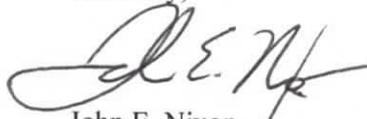
The proposed project will provide new clinical space for the relocation of the UNI Adult Behavioral Clinic from leased space in Research Park resulting in an anticipated annual savings of \$90,000 in rental expenses. Additionally, office space is being renovated in order to facilitate the relocation of Perinatal Education, Risk Management, Health Informatics, Nursing Informatics and EPE/Value Engineering out of the Hospital and School of Medicine to assist in the decanting of Building 521. This project will also address ADA and code compliance issues that were discovered through the building acquisition due diligence process.

The proposed total project budget, approved by the University of Utah's Board of Trustee meeting on October 14, 2014, is \$3,200,000 of which the University of Utah Research Foundation will fund \$2,500,000 and \$700,000 will be funded from hospital department funds. The funding for this project was included in the financial analysis presented as justification for the acquisition of the 525 East 100 South Building.

The University of Utah would appreciate an opportunity to present this renovation project to the Finance and Facilities Committee at the November 14, 2014 Board of Regents Meeting.

Thanks, as always, for your consideration and support.

Sincerely,



John E. Nixon,
Chief Business Officer

c: David W. Pershing
Dr. Gregory L. Stauffer
Ralph Hardy
Arnold B. Combe
Jonathon Bates

Board of Trustees Project Summary

Project Name: 525 East 100 South – Clinical and Office Space Remodel

Project Owner: Administrative Services - The University of Utah

Preliminary Cost Estimate: \$ 3,200,000

Total Project Space (Gross Square Feet): 36,000 s.f (\$91 per sq. ft.)

Sources of Funding: **University of Utah Research Foundation - \$2,500,000 (included in building purchase financial proforma)**

University of Utah Hospital & Clinics - \$700,000

History:

The 525 Office Building is a new University of Utah Research Foundation Property located at 525 East 100 South in Salt Lake City. It is located across 100 South from the University of Utah Hospital & Clinics Business Services Building (former Ambassador Building). This area has good public transportation links and the conveniences of a downtown location. The 525 Office Building is in relatively good shape and the goal is to fill current vacancies and future available space with University of Utah departments.

Need:

This project will provide new clinical space for the relocation of the UNI Adult Behavioral Clinic from leased space in Research Park resulting in an anticipated annual savings of \$90,000 in rental expense. Additionally, office space is being renovated in order to facilitate the relocation of Perinatal Education, Risk Management, Health Informatics, Nursing Informatics and EPE/Value Engineering out of the Hospital and School of Medicine to allow for the decanting of Building 521. This project will also address ADA and code compliance issues that were discovered through the acquisition due diligence process.

Timeline:

Design Completion 4-2015

Construction Completion 11-2015

Status:

Building purchase completed on September 11, 2014.

Photographs and Maps:

