

November 5, 2014

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Annual Report on Leased Space

Issue

The USHE Annual Report of Leased Space, as required by Regent Policy 710, is attached for your information. A summary of this information will subsequently be submitted to DFCM and the Building Board for inclusion in the State Building Board Five-year Building Program document.

Background

USHE institutions have submitted their detailed lists of leased space currently under contract. A summary of those leases by institution, including changes from the prior year, is provided in the following table:

| Institutional Leased Space Summary | | | | | | | | | |
|------------------------------------|---------------|------------------|----------------------|---------------|------------------|----------------------|--------------------|--------------|---------------|
| Institution | 2013 | | | 2014 | | | Summary of Changes | | |
| | No. of Leases | Square Feet | Rent | No. of Leases | Square Feet | Rent | % Change | | |
| | | | | | | | No. of Leases | Square Feet | Rent |
| UU | 147 | 1,359,087 | \$ 20,614,072 | 145 | 1,460,057 | \$ 23,714,424 | -1.4% | 7.43% | 15.04% |
| USU | 22 | 216,462 | 1,030,649 | 23 | 221,669 | 1,109,560 | 4.5% | 2.41% | 7.66% |
| WSU | 6 | 28,632 | 226,363 | 6 | 32,743 | 232,596 | 0.0% | 14.36% | 2.75% |
| SUU | 13 | 48,579 | 510,716 | 13 | 64,579 | 543,877 | 0.0% | 32.94% | 6.49% |
| Snow | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| DSU | 4 | 27,700 | 281,205 | 4 | 27,700 | 339,202 | 0.0% | 0.00% | 20.62% |
| UVU | 4 | 38,603 | 232,556 | 4 | 38,603 | 232,941 | 0.0% | 0.00% | 0.17% |
| SLCC | 9 | 153,872 | 1,489,917 | 8 | 123,083 | 1,358,909 | -11.1% | -20.01% | -8.79% |
| Total | 205 | 1,872,935 | \$ 24,385,478 | 203 | 1,968,434 | \$ 27,531,509 | -1.0% | 5.10% | 12.90% |

As noted on the summary, four of the institutions show double-digit percentage changes from the prior year:

- University of Utah – The larger percentage increase in rent primarily is the result of the inclusion of the Common Area Maintenance (CAM) cost, where applicable, as part of the lease cost, which was not included in data reported in prior years.
- Weber State University – The larger percentage increase in leased space without a corresponding increase in total rent payments is the result of a nearly 5,000 square foot increase in space leased for the UCAID – Indulgent Food project without a commensurate increase in the rental cost.

- Southern Utah University – The large percentage increase in space leased results from a temporary low cost rent of space required for the Shakespeare Festival during construction of the new facility.
- Dixie State University – By the end of the year (2013), DSU had rented all 23,100 square feet of the University Plaza complex, but they had all the space for only 9 months, so the rental payment amount in 2013 was only for those 9 months, not for the full year as in 2014. The property is owned by the Dixie College Foundation.
- Salt Lake Community College – The reduction reflects the closing of the Highland Center.

A more detailed summary showing the sources of funding for the leases is attached for your information. A listing of all leases, which includes additional detail about each of the institutional leases, is on file in the Office of the Commissioner.

Commissioner's Recommendation

This is an information item only; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachment

Utah System Of Higher Education

Annual Leased Space Report - FY 2015

| Location | # of Leases | Gross Sq. Ft. | Average Cost Per Sq. Ft. | Annual Lease Payment | Source of Funding | Type of Space |
|--|-------------|------------------|--------------------------|----------------------|-------------------|--|
| University of Utah | | | | | | |
| Building Leases: | | | | | | |
| Bountiful, Academic Outreach & Continuing Education | 1 | 29,856 | \$ 2.87 | \$ 85,584 | State | Classroom/Office |
| Murray, Academic Outreach & Continuing Education | 1 | 11,765 | 13.11 | 154,272 | State | Classroom/Office |
| Sandy, Academic Outreach & Continuing Education | 1 | 20,000 | 18.80 | 376,012 | State | Classroom/Office |
| St. George, Academic Outreach & Continuing Education | 1 | 6,600 | 16.95 | 111,879 | State | Classroom/Office |
| Tanner Creative Dance - Ogden/Park City/SLC/Brigham | 4 | Varies | | 7,857 | Other | Classroom/Office |
| Research Park, Development Office | 1 | 29,228 | 22.76 | 665,115 | Other | Office |
| Research Park, Human Resources & Payroll Office | 1 | 29,977 | 29.98 | 898,620 | Other | Office |
| Research Park, Office of Technology Commercialization | 1 | 14,314 | 24.45 | 349,997 | Other | Office |
| Research Park, Information Technology Services | 4 | 37,264 | 22.51 | 838,833 | Other | IT Service/Training/Storage |
| Research Park, College of Health - Occupational Therapy | 1 | 3,877 | 23.08 | 89,481 | Other | Occupational/Medical Training Facility |
| Washington D.C., Hinkley Institute Apartments | 7 | | | 212,520 | Other | Student Apartments for Interns |
| Dialysis Centers, Various Locations | 16 | 103,328 | 20.04 | 2,070,841 | Clinical | Office/Clinical/Teaching & Research |
| Research Park, Hospital, Clinical, & Research | 35 | 527,869 | 21.53 | 11,362,845 | Clinical/Other | Office/Clinical/Research/Storage |
| Other Off-campus Leases, Hospital, Clinical, & Research* | 60 | 611,054 | 10.49 | 6,409,464 | Clinical/Other | Office/Lab/Research/Storage |
| Subtotal Building Leases | 134 | 1,425,132 | 16.58 | \$ 23,633,320 | | |
| Land Leases: | | | | | | |
| KUER/KUED Communication/Transmitter Sites | 9 | 27,000 | N/A | 79,544 | State | Ground |
| Tooele City Corporation | 1 | 7,925 | N/A | - | Other | Ground |
| 1260 Elgin Avenue, Storage Unit 115 | 1 | N/A | N/A | 1,560 | Other | Ground |
| Subtotal Land Leases | 11 | 34,925 | N/A | \$ 81,104 | | |
| TOTAL - UU | 145 | 1,460,057 | N/A | \$ 23,714,424 | | |

* Includes 2 parking structures

Utah State University

| | | | | | | |
|---|---|--------|---------|------------|-------------|---|
| Building Leases: | | | | | | |
| Brigham City, Life Span Learning Center | 4 | 66,755 | \$ 3.52 | \$ 235,304 | State/Other | Classroom/Office/Storage |
| Logan, Airport | 1 | 7,040 | 1.85 | 13,040 | Other | Office/Hanger |
| Castle Dale, SW Early Intervention | 1 | 1,760 | 4.09 | 7,200 | Other | Classroom/Office |
| Blanding, CTE Program-Trucking & Hvy. Equip. Operations | 1 | 56,628 | | 6,000 | State | Classroom/Office/Maint. Shop/Storage |
| Logan, USU VP Commercialization & Res. Development | 2 | 9,679 | 13.56 | 131,295 | Other | Tech. Commercialization Office (Research) |
| Logan, USU Advancement | 1 | 12,183 | 14.85 | 180,918 | Other | Office/Classroom/Lab |
| Logan, Tech. Assistance in Special Education | 1 | 4,291 | 16.01 | 68,691 | Other | Office/Classroom |

| Location | # of Leases | Gross Sq. Ft. | Average Cost Per Sq. Ft. | Annual Lease Payment | Source of Funding | Type of Space |
|---|-------------|----------------|--------------------------|----------------------|-------------------|---|
| Geology Luminescence Lab | 1 | 799 | 14.37 | 11,480 | Other | Office (Research) |
| Logan, Cache Valley Center for the Arts | 1 | 980 | 1.53 | 1,500 | Other | Radio Station/Office |
| Moab, CDP SW Early Intervention | 1 | 1,200 | 8.50 | 10,200 | Other | Classroom/Office |
| Price, CDP SW Early Intervention | 1 | 1,290 | 7.91 | 10,200 | Other | Classroom/Office |
| Orem, Provo Education Center | 1 | 3,117 | 16.44 | 51,243 | Other | Classroom/Office |
| Salt Lake City, Development Office | 1 | 1,601 | 10.99 | 17,592 | Other | Development Office/Retail |
| Salt Lake City, Granite School District | 1 | 25,689 | 8.75 | 224,808 | Other | Classroom/Office |
| Washington D.C. Appartments | 4 | 6,157 | 22.75 | 140,088 | Other | Student Appartments for Interns/Advisor |
| USU/CEU, Prehistoric Museum | 1 | 22,500 | 0.00 | 1 | State | Museum/Office |
| TOTAL - USU | 23 | 221,669 | 5.01 | 1,109,560 | | |

| Weber State University | | | | | | |
|-------------------------------------|----------|---------------|--------------|-------------------|-------------|---|
| Building Leases | | | | | | |
| Kaysville, Davis High School | 1 | 1,600 | \$ 10.26 | \$ 16,420 | State | Classroom |
| Roy, WSU West | 1 | 7,556 | 15.62 | 118,012 | State/Other | Classroom/Office/Storage/Student Center |
| DATC, UCAID USTAR | 1 | 210 | 20.86 | 4,380 | Other | Office |
| Morgan School District | 1 | Varies | \$15/room/hr | Varies | Contin. Ed. | Modular Classrooms |
| UCAID - Indulgent Food (Farmington) | 1 | 18,857 | 2.59 | 48,828 | Other | Labs/Office |
| CE - United Way Building | 1 | 4,520 | 9.95 | 44,956 | Other | Work Rooms/Offices |
| TOTAL - WSU | 6 | 32,743 | 7.10 | \$ 232,596 | | |

| Southern Utah University | | | | | | |
|--|----|--------|-------|------------|-------|------------------|
| Building Leases | | | | | | |
| Cedar City, Business Resource Center | 1 | 3,026 | 13.79 | 41,714 | State | Office |
| Cedar City, Global Engagement | 1 | 4,097 | 8.46 | 34,680 | State | Office |
| Cedar City, Community Engagement | 1 | 2,658 | 10.36 | 27,540 | State | Office |
| Head Start, Various Locations | 6 | 25,488 | 7.97 | 203,075 | Other | Classroom/Office |
| Cedar City, Utah Center for Rural Health | 1 | 525 | 8.57 | 4,500 | Other | Residential |
| Cedar City, Community Outreach Center | 1 | 11,705 | 14.87 | 174,048 | State | Office |
| Cedar City, Utah Shakespeare Festival | 1 | 16,000 | 2.25 | 36,000 | Other | Office/Other |
| Cedar City, Early Intervention | 1 | 1,080 | 9.56 | 10,320 | Other | Classroom |
| Subtotal Building Leases | 12 | 64,579 | 8.24 | \$ 531,877 | | |
| Land Leases: | | | | | | |
| Cedar City, Parking Services | 1 | N/A | N/A | 12,000 | State | Parking |
| Subtotal Land Leases | 1 | N/A | N/A | \$ 12,000 | | |

| Location | # of Leases | Gross Sq. Ft. | Average Cost Per Sq. Ft. | Annual Lease Payment | Source of Funding | Type of Space |
|-------------|-------------|---------------|--------------------------|----------------------|-------------------|---------------|
| TOTAL - SUU | 13 | 64,579 | N/A | \$ 543,877 | | |

Snow College - No Leases

| Dixie State University | | | | | | |
|---|---|--------|----------|------------|-------|------------------|
| Building Leases: | | | | | | |
| St. George, University Plaza (Bldgs. B1 and B2) | 1 | 23,100 | \$ 10.02 | \$ 231,420 | State | Classroom/Office |
| St. George, Larkin Properties | 3 | 4,600 | \$ 23.43 | 107,782 | State | Office/Other |
| TOTAL - DSU | 4 | 27,700 | \$ 12.25 | \$ 339,202 | | |

| Utah Valley University | | | | | | |
|--------------------------|---|--------|---------|------------|-------------|-----------------------------------|
| Building Leases: | | | | | | |
| Canyon Park Building L | 1 | 38,603 | \$ 4.84 | 186,761 | State | Classrooms/Kitchens/Offices/Other |
| Subtotal Building Leases | 1 | 38,603 | \$ 4.84 | 186,761 | | |
| Land Leases: | | | | | | |
| Provo, Airport | 3 | N/A | N/A | \$ 46,180 | State/Other | Ground/Hanger |
| Subtotal Land Leases | 3 | N/A | N/A | \$ 46,180 | | |
| TOTAL - UVU | 4 | 38,603 | N/A | \$ 232,941 | | |

| Salt Lake Community College | | | | | | |
|-----------------------------------|---|---------|---------|--------------|-------------|-----------------------------|
| Building Leases: | | | | | | |
| Salt Lake City, Writing Center | 1 | 1,545 | \$ 7.06 | \$ 10,905 | State | Classroom/Office |
| Salt Lake City, Library Square | 1 | 33,725 | 14.35 | 483,936 | State | Classroom/Office |
| Salt Lake City, Westpointe Center | 1 | 35,700 | 17.16 | 612,663 | State/Other | Classroom/Office |
| Salt Lake City, Warehouse | 3 | 30,000 | 3.96 | 118,800 | State | Storage |
| Salt Lake City, Airport Center | 2 | 22,113 | 6.00 | 132,605 | State | Classroom/Office/Lab/Hanger |
| TOTAL - SLCC | 8 | 123,083 | 11.04 | \$ 1,358,909 | | |

| TOTAL - USHE Institutions | | | | | | |
|---------------------------|-----|-----------|-------|------------|--|--|
| Building Leases | 188 | 1,933,509 | 14.17 | 27,392,225 | | |
| Land Leases | 15 | 34,925 | N/A | \$ 139,284 | | |
| TOTAL - USHE | 203 | 1,968,434 | N/A | 27,531,509 | | |