

January 10, 2018

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: University of Utah – Short-term Lease for Student Housing

Issue

The University of Utah requests Board approval to enter into a four year lease with a private apartment complex in Salt Lake City to increase the supply of near-campus housing for sophomore students. The new lease will be negotiated at market rates.

Background

Regent Policy R705, *Leased Space* requires the Board of Regents to approve institutional leases with state-appropriated funds that are more than \$250,000 per year or commit the institution for ten or more years. The University of Utah seeks Board approval to enter into a four-year lease with an apartment complex located at 343 South 500 East in Salt Lake City, Utah for approximately 270 beds.

The University projects that the increase in first-year students for Fall 2018 will produce a shortage of on-campus housing for sophomore students. Out-of-state and international students and families are concerned with navigating the Salt Lake City housing market to find appropriate housing for 2018-19. During the September 2017 Regent meeting the Board approved the University to move forward with plans to construct an approximately 1,336-bed housing and dining facility on-campus. While the University plans, designs, and constructs the new housing facility, there will continue to be a shortage in on-campus bed-space to accommodate demand. The University therefore proposes to rent beds in a privately-owned housing complex for approximately four years while the new University housing is completed.

The University's Board of Trustees approved this lease request in the December 12, 2017 meeting. Additional information about this request may be found in the attached letter from the University and representatives from the University will be in attendance at the meeting to provide additional information and respond to questions from the Board.

Commissioner's Recommendation

The Commissioner recommends that the Board authorize the University of Utah to enter into a short-term lease for student housing to accommodate student demand.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachment



December 12, 2017

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

Dear Commissioner Buhler:

The University of Utah hereby requests approval from the Board of Regents' for the lease of approximately 150 apartment units located at 343 South 500 East in Salt Lake City, Utah for a period of four (4) years. These units will accommodate up to 270 beds to assist the University in addressing the forecasted shortage of on-campus beds for upper-class students, primarily sophomores.

Over the last ninety (90) days the University completed an in-depth RFP process that surveyed opportunities to lease apartments within the downtown Salt Lake City area. This process resulted in a preferred location at the Elevate on 5th Apartment complex located at 343 South 500 East.

The attached Executive Summary outlines the proposed lease agreement, as well as the challenges this arrangement proposes to address.

The lease obligations will be funded by non-state appropriated, discretionary University funds as well as student tuition.

The University of Utah would welcome an opportunity to present this proposed lease agreement to the Finance and Facilities Committee at the January 19, 2018 Board of Regents meeting.

Thank you, as always, for your consideration and support.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia A. Ross", with a stylized flourish at the end.

Patricia A. Ross
Chief Strategy Officer

c: Dr. David W. Pershing
Dr. Kimberly Henrie
Richard P. Amon
John E. Nixon
Jonathon Bates