

January 10, 2017

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: University of Utah – Long-term Lease

Issue

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; commit the institution for ten or more years; or lead to the establishment of regular state-supported daytime programs of instruction. The University of Utah requests Board approval to expand an existing lease to accommodate growth of the David Eccles School of Business partnership with the Education@Work program.

Background

Education@Work is a non-profit organization partnering with colleges and universities to provide students with business experience and tuition assistance. The University of Utah currently leases 12,090 square feet in the American Plaza III building located at 47 West 200 South in Salt Lake City for the David Eccles School of Business in partnership with Education@Work. Due to increased demand and the success of the partnership, the University requests authorization to expand the lease for the remaining term (approximately 4.5 years) to 26,553 square feet with an annual rent of \$457,500.

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 expand the current lease for space in the American Plaza III building in Salt Lake City for the David Eccles School of Business partnership with Education@Work.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachment

January 2, 2018

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 requests approval from the Board of Regents' for the following lease of space in American Plaza III located at 47 West 200 South in downtown Salt Lake City. The lease specifications are:

- 26,553 square feet
- Average annual rent of \$457.5k (full service)
- Total lease term commitment of \$2.02M
- Term remaining: Four (4) years and five (5) months (February 1, 2018 – June 30, 2020)

The David Eccles School of Business (DESB) currently leases 12,090 rentable square feet at the American Plaza III building. This space is utilized by Education@Work in partnership with DESB to accomplish the following:

- Provide entry level business experience, including training in customer product sets and customer service operations for DESB students;
- Provide opportunity for DESB students to learn about consumer-focused companies;
- Offer work hours tailored to student schedules;
- Compensate employment for up to 200 students;
- Award scholarships based on work and student achievement; and
- Provide leadership and advancement opportunities for students.

The current Education@Work program has been very successful. In order to accommodate forecasted growth and further opportunities for DESB students, the University of Utah is requesting approval to amend the existing Lease Agreement increasing the square footage of leased space.

The DESB agreement with Education@Work includes provisions that scholarship/tuition assistance funded to the University will exceed the rental obligations outlined above.

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Commissioner Buhler

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

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

Sincerely,

A handwritten signature in blue ink, appearing to be 'Patricia A. Ross', with a long, sweeping flourish extending to the right.

Patricia A. Ross
Chief Strategy Officer

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