

March 21, 2018

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: University of Utah – Student Housing Lease Update

Issue

The University of Utah received Board approval to enter into a four-year lease with a private apartment complex in Salt Lake City for student housing in the January 2018 meeting. The University was unable to complete the lease agreement with the property originally presented to the Board but found a suitable alternative in the same vicinity. The University desires to inform the Board as to the change in property lease.

Background

In the January Board meeting, University of Utah received 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 student housing. The property's lender failed to approve the lease requiring the University to seek alternative options. The University found a suitable alternative location at 340 South 500 East, less than a block from the original option, with an anticipated net operating cost increase (for the four-year term) of 4.5 percent above the original option. The University desires to inform the Board of the change in location for the four-year lease and the slight increase in cost. Additional details may be found in the attached letter and map from the University and University officials will be present at the meeting to respond to any questions from the Board.

Commissioner's Recommendation

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

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachment

March 13, 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 would like to provide an informational update to the Board of Regents' for the lease of approximately 130 apartment units located at 343 South 500 East in Salt Lake City, Utah as previously approved during the meeting on January 19, 2018. These units will accommodate up to 180 beds to assist the University in addressing the forecasted shortage of on-campus beds for upper-class students, primarily sophomores.

Unfortunately, the preferred location mentioned previously was unable to secure necessary approvals from their lender for the desired agreement. As such, the University has modified its preferred location to the Block 44 apartment complex located at 340 South 500 East (see attached map depicting the change in location in relation to the University of Utah campus).

In addition to the address change, this modification will also lead to an anticipated increase of approximately 4.5% to the anticipated net operating cost over the four (4) year term.

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

The University of Utah would like to ensure that this information update is provided for at the March 30, 2018 Board of Regents meeting.

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

Sincerely,



Patricia A. Ross
Chief Strategy Officer

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

THE UNIVERSITY OF UTAH

STUDENT HOUSING PROJECT

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