



MEMORANDUM

TAB C

May 8, 2020

University of Utah – Lease Agreement

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 lease 30,487 square feet at 250 East 200 South in Salt Lake City, Utah for eleven years with an average annual rent of \$775,000.

The Rocky Mountain Center for Occupational & Environmental Health and Pediatrics Customer Care Center, both departments within the School of Medicine, currently lease space in Research Park. Both leases are expiring with no options to renew. The University requests authorization relocate the two departments to lease space at 250 East 200 South and make tenant improvements up to \$2 million. The University of Utah's Board of Trustees will review this item at its May 14, 2020 meeting.

Commissioner's Recommendations

The Commissioner recommends that the Board authorize the University of Utah to enter into an amendment to lease space for the School of Medicine contingent on University of Utah Board of Trustees approval.

Attachments

April 28, 2020

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

Dear Commissioner Woolstenhulme:

The University of Utah hereby requests approval from the Board of Regents to enter into an Amendment to Lease for the following leased space:

250 East 200 South, Salt Lake City, Utah

- School of Medicine
- 30,487 sf
 - Rocky Mountain Center for Occupational & Environmental Health – 22k sf
 - Pediatrics Customer Care Center – 8.5k sf
- Average annual rent: \$775k (Modified Gross)
- Total lease term commitment: \$7.75M
- Term: Eleven (11) years
- Anticipated University out-of-pocket expenses for relocation and FF&E is \$2M after the landlord's tenant improvement allowance (per the attached Capital Budget Estimate).
- Purpose: Faculty offices with classroom and research components and administrative office space.

Both of the above identified departments within the School of Medicine are presently leasing space in Research Park. Both current leases will be expiring with no options to renew.

The University of Utah's Board of Trustees will be reviewing this Lease Amendment at its May 14, 2020 meeting at which time approval is anticipated.

Accordingly, we would welcome the opportunity to present this Lease Amendment to the Finance and Facilities Committee at the May 15, 2020 Board of Regents' meeting.

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

Sincerely,



Patricia A. Ross
Chief Business Strategy Officer

c: Dr. Ruth V. Watkins
Dr. Richard P. Amon
Malin Francis
Jonathon Bates

University of Utah
Capital Budget Estimate (CBE)
Non-State Funded Projects

Project Name:	250 Tower - TI's at Garden, First, & Fourth Levels - Health Sciences/SOM		
Client:	Jonathon Bates, Executive Director Real Estate		
Project Manager:	Krin Kirijas, Project Manager Planning Design & Construction		
Cost Summary	\$ Amount	Cost Per SF	
Facility Cost	\$ 2,364,778	\$91.53	Landlord TI Contributions/PM Fee
Additional Construction Cost	\$ (1,742,648)	(\$67.45)	
Site Cost	\$ -	\$0.00	
Total Construction Cost	\$ 622,130	\$24.08	
Soft Costs:			
Hazardous Materials	\$ -		
Pre-Design/Planning	\$ 3,100		
Design	\$ 91,577		
Furnishings & Equipment	\$ 694,743		
Information Technology	\$ 190,293		
Testing & Inspection	\$ 6,666		
Contingency	\$ 55,992		
Moving/Occupancy	\$ 31,836		
Builder's Risk Insurance (0.15% of Construction Budget)	\$ 933		
UofU Project Management Fee	\$ 72,441		
User Fees	\$ -		
Commissioning	\$ -		
Other Costs	\$ 20,000		
Total Soft Costs	\$ 1,167,582	\$45.19	
Total Project Cost	\$ 1,789,712	\$69.27	
Non-State Funding:			
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -	\$1,789,712	<i>Difference to Total Project Cost.</i>
Project Information			
Gross Square Feet	25,836	Base Cost Date	2/27/20
Net Square Feet	25,836	Estimated Bid Date	6/1/20
Net/Gross Ratio	100%	Est. Completion Date	11/1/20
		Last Modified Date	4/23/20
		Print Date	4/24/20