



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB B

December 16, 2020

University of Utah – Property Acquisition

Board Policy R703, *Acquisition of Real Property*, requires the Utah Board of Higher Education to approve institutional property purchases that exceed \$500,000. The University of Utah requests Board approval to purchase 96 stalls in the 102 Tower parking garage located at 102 South 200 East in Salt Lake City, Utah. The purchase price has been set within the existing Parking License Agreement at \$2,100,000.

The university's Board of Trustees will review and consider this request during their meeting on December 8, 2020. Additional information about this request can be found in the attached letter and presentation from the university. Representatives from the university will present additional information and respond to questions from the committee.

Commissioner's Recommendation

The Commissioner recommends that the Board authorize the University of Utah to acquire parking stalls in the 102 Tower parking garage as proposed.

Attachments:

November 24, 2020

Mr. David R. Woolstenhulme
Commissioner
Board of Higher Education 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 Higher Education to proceed with exercising its Purchase Option for 96 stalls in the 102 Tower parking garage located at approximately 102 South 200 East in Salt Lake City, Utah. The purchase price has been set within the existing Parking License Agreement at \$2,100,000 until January 10, 2021.

The 102 Tower in downtown Salt Lake City, is the home of the University's IT groups for both the academic campus and health system. The ability to purchase these parking stalls will allow the University to obtain fee title to the parking garage. Ownership of the parking garage will achieve the following:

- Additional parking capacity for the overall downtown Salt Lake City University occupancy allowing the University to reduce reliance on third party leased parking stalls.
- Increase the resiliency of the market value for the 102 Tower office building.
- Allow parking administration to be handled by the University's Commuter Services improving consistency for employees.
- Revenue from parking permits will offset garage maintenance and overall cost of occupancy for University departments occupying space within the 102 Tower.

The University of Utah's Board of Trustees will review and consider approval for this request on December 8, 2020.

Accordingly, the University of Utah would appreciate an opportunity to present this request to the Board of Higher Education.

Thank you as always, for your consideration and support.

Sincerely,



Patricia A. Ross
Chief Business Strategy Officer

c: Dr. Ruth V. Watkins
Malin Francis
Jonathon Bates




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102 Tower Garage Acquisition

Presented by:
Jonathon Bates – Executive Director, Real Estate Administration
November 24, 2020

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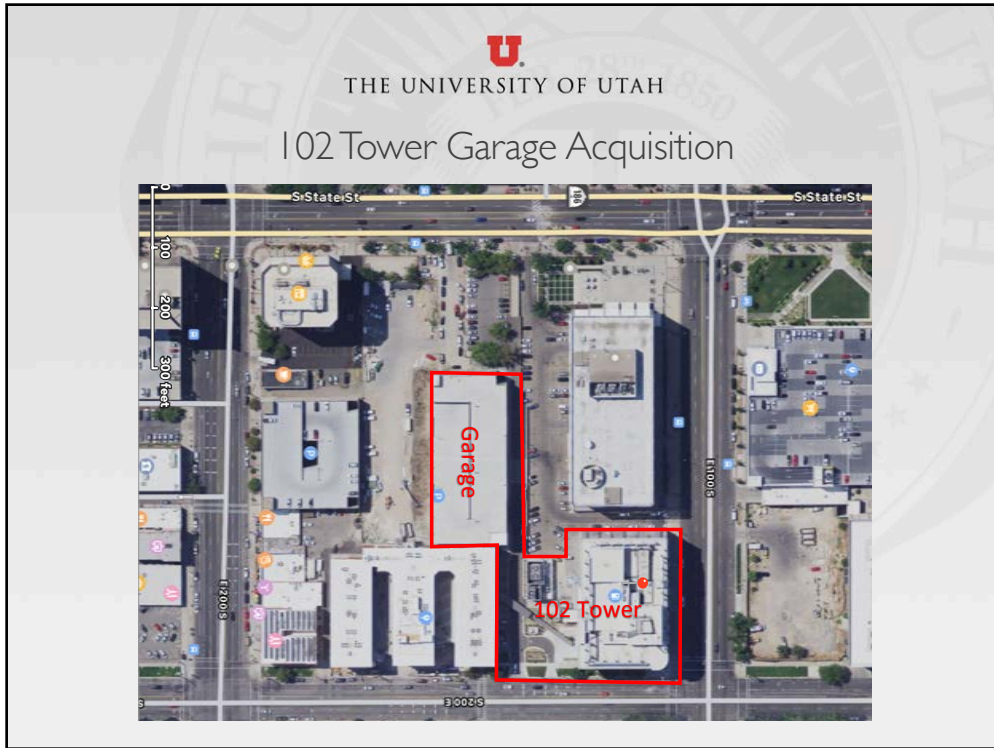



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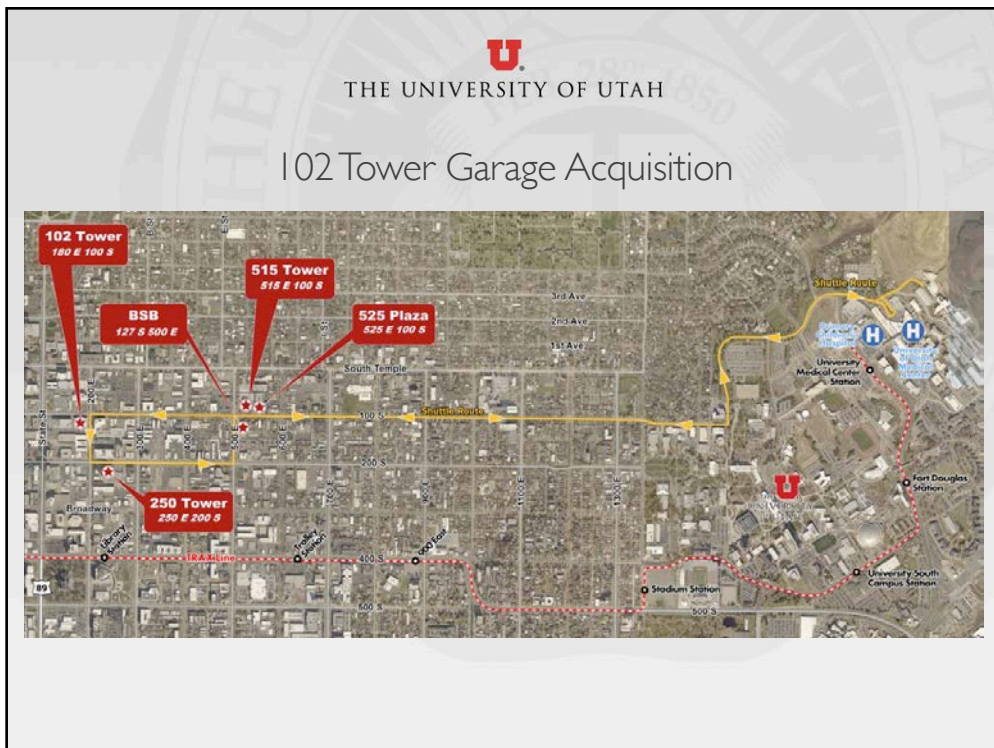
Recommendation

Approval to close on the acquisition of 96 stalls located in the 102 Tower garage located at 102 South 200 East in Salt Lake City.


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Purchase Agreement Terms

- 102 Tower Garage, 102 South 200 East, Salt Lake City
 - 96 stalls + fee-title ownership of the garage parcel
- Purchase Price: \$2.1M
- Option Period Expiration: January 10, 2021
- Closing to occur no later than February 9, 2021.

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The History: 102 Tower Parking Garage

- **December 1, 2017:** U began to occupy space under a Lease Agreement with a Purchase Option.
 - Based on development plans from the owner incorporating a shared approach to parking, Purchase Option included a Parking License to ensure perpetual access to parking stalls for the 102 Tower.
- **May 6, 2020:** U exercised option to begin Due Diligence on Purchase
 - During due diligence, and based on revised development plans, owner realized that retaining 96-stalls and management responsibility for the parking garage was a challenging situation with little to no upside.
- **August 18, 2020:** U closed on the purchase of the 102 Tower
 - Updated Parking License included a Purchase Option for the 96 stalls.

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The Why – 102 Tower Parking Garage

- Acquiring the garage will achieve the following:
 - 96 additional stalls will provide **additional parking capacity for the overall downtown University occupancy** allowing the University to reduce reliance on 3rd party leased parking stalls.
 - Increase the **resiliency of the market value** for the 102 Tower office building.
 - Allow parking administration to be handled by University Commuter Services ensuring **consistency for employees**.
 - Revenue from parking permits will **offset garage maintenance and overall cost of occupancy** for University departments in 102 Tower.

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Purchase Approval Schedule

- Board of Trustees Executive Committee
 - November 24, 2020
- Board of Trustees
 - December 8, 2020
- Board of Higher Education (information item)
 - January 15, 2021
- Close no later than February 9, 2021

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Recommendation

Approval to close on the acquisition of 96 stalls located in the 102 Tower garage located at 102 South 200 East in Salt Lake City.