Utah State University – Non-Traditional Arrangement – Encircle House

Board policy R712, *Non-Traditional Arrangements for Development of Facilities on Campuses*, requires the Board to approve development projects by outside entities on institutional land. Utah State University (USU) desires to report to the Finance and Facilities Committee of the long-term ground lease agreement for the development of the Encircle House on an unoccupied site on USU property. It will consist of a two-story building that will provide counseling and therapy, collaboration, food services, and various events geared toward supporting LGBTQ+ and other at-risk youth and families. The project was approved by the Board of Trustees in the March 5, 2021 meeting. The attached letter and presentation materials from the USU provide additional information about the project.

**Commissioner's Recommendations**
This is an information item only; no action is required.

**Attachment**
March 2, 2022

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

Subject: Nontraditional Arrangement for Development of a Facility on Campus – Encircle House

Dear Commissioner Woolstenhulme:

Following Utah System of Higher Education, Policy R712, Nontraditional Arrangements for Development of Facilities on Campuses, Utah State University desires to report to the Finance and Facilities Committee the long-term ground lease agreement for the development of the Encircle House on an unoccupied site on USU property. It will consist of a two-story building and six-stall parking lot west of Old Main Hill on USU’s Logan campus as illustrated in the attached Exhibit A.

The building will be approximately 3,000 square feet and designed to look like a home, but will not be residential in nature. It will be used for providing counseling and therapy, collaboration, food services, and various events geared toward supporting LGBTQ+ and other at-risk youth and families. The house will also provide service opportunities to USU and Cache Valley communities and further the University’s initiative to promote diversity and inclusion.

USU obtained an independent appraisal to establish fair market value of the property to determine the lease rate. Construction, less than $2.5 million; development; and ongoing maintenance costs associated with the project will be paid by Encircle House. Ownership of the improvements will revert to USU at the end of the ground lease.

The proposed uses of this facility are consistent and appropriate for the image and environment of the USU Logan campus. In addition, the ground lease agreement will be written to protect the interests of the University including institutional rights to control facility appearance and parking space, approve external graphics and signage, and access to utility systems and roads. Prior to entering into the ground lease agreement, the Attorney General’s Office will approve the contract documents as to form and legal authority, per section 5.6 of Policy R712.

The Nontraditional Arrangement for Development of a Facility on Campus was approved by the University’s Board of Trustees in their meeting on March 5, 2021. We appreciate your support and request that you share this item with the Finance and Facilities Committee during the March meeting.

Sincerely,

David T. Cowley  
Vice President for Finance & Administrative Services

cc: Juliette Tennert, Chief Financial Officer  
Malin Francis, Director of Facilities & Planning  
Noelle E. Cockett, President