

BOARD OF REGENTS EXECUTIVE/PLANNING COMMITTEE
TUESDAY, JUNE 3, 2014, 10:00 – 11:00 AM
CONFERENCE CALL
DIAL: 801-321-7150

Agenda

1. University of Utah – Donation of Wall Mansion Property
2. Closed Meeting

June 2, 2014

MEMORANDUM

TO: Executive Committee of the State Board of Regents

FROM: David L. Buhler

SUBJECT: University of Utah – Donation of Wall Mansion Property

Issue

The University of Utah has requested the Board of Regents formally approve the receipt of a property donated to the University by the Church of Jesus Christ of Latter-day Saints. The property, known as the Wall Mansion, is located at 411 East South Temple in an historic section of Salt Lake City. Acceptance of the gift was endorsed unanimously by the University Board of Trustees on May 27, 2014.

Background

Discussions about the gift of this property to the University have been ongoing for several months and the gift agreement was just recently finalized. The attached letter from the University describes the relevant information about the property, its planned restoration, and future use by the University.

Subsequent to Board ratification, on June 4, 2014, a proposal will be presented to the State Building Board to restore the mansion to its original condition using donated funds as described in the University letter. The property will be financially self-sufficient with no request for state-appropriated funding anticipated for ongoing O&M expenses, estimated to be about \$300,000 per year.

Commissioner's Recommendation

The Commissioner recommends the Board formally approve the acceptance of this significant gift of property, with the understanding that the University will work with the State Building Board and the State Historic Preservation Office in restoration and maintenance of the historic Wall Mansion.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachment

May 30, 2014

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:

I am writing to seek formal approval from the Board of Regents for the donation of the Wall Mansion and proceed with remodeling plans.

History:

The property located at 411 East South Temple was originally owned by James Sharp who was the sixth mayor of Salt Lake City, a member of the Board of Regents, and Chancellor for the University of Utah from 1882 to 1883. The property was sold to Colonel Enos A. Wall in 1904.

Wall, who came to his wealth through the booming mining industry, hired Richard K. A. Kletting, the famed German architect who also designed the Utah State Capitol Building to enlarge and remodel the mansion. The extensive remodel was completed in 1912 for a total cost of \$300,000. The mansion featured an Otis electric elevator (still operational), a built-in vacuum system, steam heating system, fireplaces in all six bedrooms, a ballroom on the third floor, a game room, and several guest bedrooms. Ownership of the mansion and surrounding property changed hands several times until it was purchased by the LDS Church to house the LDS Business College in 1962. In the early 1970's two wings were built on the east and west sides of the mansion for additional classroom space.

This property is a gift from the Church of Jesus Christ of Latter Day Saints. Discussions about the gift of this property have been ongoing for several months and the gift agreement was just recently finalized. Upon formal approval of the acceptance of the gift, a request will be submitted to the Utah State Building Board pursuant to subsection 63A-5-104(3)(d)(i) of the Utah Code that requires approval for remodeling projects that cost more than \$2.5 million and are funded with non-state funds.

Finances:

The estimated total cost for the remodel of approximately \$7 million is to be funded through donations of which the University has already received \$4 million. The building will be financially self sufficient and there will not be a request for any state funded O&M. There will be approximately 35,000 sq. feet of useable space with an expected annual O&M cost of \$300,000.

The project was presented to the Board of Trustees on May 27, 2014, and received unanimous approval. With Board of Regent approval, we anticipate presenting to the State Building Board on June 4, 2014.

The university intends to restore the Wall Mansion to its original condition, in conjunction with State Historic Preservation Office, and will comply with all Regent policies regarding the acquisition of property. As detailed in the University's "Hot Team" report which includes a building and environmental health and safety assessment, there are no known environmental or engineering concerns associated with this property. If such are discovered, they will be resolved as part of the renovation process.

Need:

This building will host business and community leaders from around the globe for many important and stately events. It will serve as a gathering place and effectively become the embassy to downtown providing facilities for international forums for business, government, community, and academic leaders. It is expected that the University will also host events for the Utah World Trade Center, Salt Lake Chamber of Commerce, Governor's Office of Economic Development, Economic Development Corporation of Utah, the LDS Church and other civic groups. This building will provide a remarkable location for receptions and special events.

Additionally, this building will also host The Policy Institute at the University of Utah. Great cities and states are home to prestigious centers of thought leadership that support informed public decision-making. Like the Hoover Institute in California or the Aspen Institute in Colorado, The Policy Institute at the University of Utah will become a trusted public policy resource that will serve elected officials, community leaders and the public. Located nearly equidistant from the U's main campus, Capitol Hill, downtown and city hall, the mansion will act as host to this important university asset and provide an extraordinary venue to bring the outstanding capabilities of the U into the hands of community decision makers. In doing so, the new institute will enhance the reputation, relationships and relevance of the U with the community it serves.

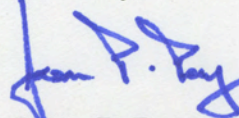
Timeline:

Start of Construction: Summer 2014

Completion of Construction: Fall 2015

We consider the gift of this property a rare opportunity for the University to restore this historic building and enrich the downtown community and community at large for decades to come.

Sincerely,



Jason P. Perry
Vice President
Government Relations