



# MEMORANDUM

May 10, 2023

## University of Utah – Extension and New Lease for the School of Medicine

Board Policy R705, *Lease Space*, requires the Board to approve leases entered into by the University of Utah if the lease exceeds \$500,000 per year, regardless of funding source. The University of Utah seeks Board approval to extend the lease for the School of Medicine, Department of Family and Preventative Medicine (DFPM), located at 375 Chipeta Way, Salt Lake City, UT, and to enter a new lease at 310 Wakara Way, Salt Lake City, UT.

### **Lease Extension - 375 Chipeta Way**

- 26,179 square feet
- Term: eighteen (18) months
- Base Rent: \$27.50/RSF, full service
  - o No escalation
- Monthly Rent: \$104,142.50
- Third-party landlord has future plans to redevelop the site

### **New Lease – 310 Wakara Way**

- 46,746 square feet
- Term: ten (10) years
- Base Rent: \$32.00/RSF, full service
  - 3% annual escalations
- Monthly Rent: \$158,912.80
- TI Contributions: \$5,890,122.00
- Landlord: University of Utah Research Foundation

The University has leased space at 275 Chipeta Way since February of 2021 for the School of Medicine, Department of Family and Preventative Medicine (DFPM). The third-party landlord at that location has future plans to redevelop the site but has agreed to extend the lease for eighteen (18) months while the University builds out space at 310 Wakara Way. DFPM will move out of its current location and into the 310 Wakara Way location upon completion of the tenant improvements at the 310 Wakara Way location.

DFPM addresses current and emerging healthcare needs by educating healthcare professionals, conducting basic and applied research, and implementing state-of-the-art clinical and community-based health services.

The lease extension at 375 Chipeta Way was reviewed and approved by the University’s Board of Trustees in their March 14, 2023 meeting. The new lease arrangement at 310 Wakara Way was reviewed and approved by the University’s Board of Trustees in their April 11, 2023 meeting.

### **Commissioner's Recommendation**

The Commissioner recommends the Board authorize the University of Utah to extend the lease at 375 Chipeta Way for eighteen (18) months and enter a new lease agreement at 310 Wakara Way for ten (10) years for the Department of Family and Preventative Medicine in the School of Medicine.

### **Attachment**

May 10, 2023

Commissioner Dave R. Woolstenhulme  
Utah System of Higher Education  
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 Utah Board of Higher Education for the following summarized extension of lease for space in 375 Chipeta Way, and new lease at 310 Wakara Way, in Salt Lake City, Utah:

Lease extension at 375 Chipeta Way:

- 45,444 rentable square feet
- Term: eighteen months
- Base rent: \$27.50/RSF, full service
  - no escalation
- Monthly rent: \$104,142.50
- Third party landlord has future plans to redevelop the site

New Lease Agreement at 310 Wakara

- 46,746 rentable square feet
- Term: ten years
- Base rent: \$32/RSF, full service
  - 3% annual escalations
- Monthly rent: \$158,912.80
- TI Contribution: \$5,890,122
- Landlord: University of Utah Research Foundation

The University of Utah has leased space at 375 Chipeta Way in Salt Lake City, Utah since February of 2001 for its School of Medicine, Department of Family and Preventative Medicine (DFPM). The third-party landlord at that location has future plans to redevelop the site and has agreed to extend the lease agreement at that location for eighteen months. During that time, the University will build out space at 310 Wakara Way, a building owned by the University of Utah Research Foundation. DFPM will move into the 310 Wakara Way upon completion of the tenant improvements.

DFPM addresses current and emerging health care needs by educating health care professionals, conducting basic and applied research, and implementing state-of-the-art clinical and community-based health services. The Department has grown into a booming entity that house the Divisions of Family Medicine, Physician Assistant Studies, Public Health, and Occupational and Environmental Health. As an ever growing and developing department, their goal is to expand the possibilities of health by: 1) educating health professionals from every community, 2) discovering and addressing what optimizes health, 3) increasing evidence-based practice, 4) improving access to care and prevention, and 5) promoting wellness as the foundation of health.

The University of Utah would welcome an opportunity to present this proposed lease extension at the May 10, 2023 meeting of the Board of Higher Education. Our Board of Trustees reviewed and approved the lease extension on March 14, and the new lease agreement at 310 Wakara Way on April 11, 2023.

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

Sincerely,



Cathy Anderson  
Chief Financial Officer and  
Vice President for Administrative Services

cc: Taylor Randall  
Malin Francis  
John Creer