



# MEMORANDUM

May 10, 2023

## Southern Utah University – Lease Agreement

Regent Policy R705, *Leased Space*, requires the Board to approve institutional leases that are more than \$250,000 per year regardless of funding source. Southern Utah University requests Board approval to enter into an operating lease agreement with Phoenix Plaza LLC, for the former Vivint Call Center at 2460 W 400 N, Cedar City, UT, with a commencement date of June 1, 2023.

SUU already has a presence in this business park, as outlined in the attached map, with SUU's Head Start program, Early Intervention Center, and preschool in two separate buildings. Adding the former Vivint building will provide space for the Online and Graduate Studies program (which includes a significant call center function). The SUU Aviation program also needs additional space to accommodate its Maintenance Technician program, which currently leases two other smaller locations. The details of the proposed lease agreement are as outlined:

- 2460 W 400 N, Cedar City, UT
- SUU Online and Graduate Studies program, expansion space for SUU Aviation
- 19,112 sq. ft.
- Average annual rent: \$344K
- Term: Five (5), triple net @ \$1.50/sq.ft.
- Anticipated to include two (2) 5-year renewal options and the option to purchase the building during the lease term.
- Purpose: Faculty offices and other academic or administrative functions to alleviate pressure on the main campus.

Southern Utah University's Board of Trustees approved the lease agreement at its March 31, 2023, meeting pending final approval from the Board of Higher Education.

### Commissioner's Recommendation

The Commissioner recommends that the Board authorize Southern Utah University to enter into a lease agreement with Phoenix Plaza LLC for the former Vivint Call Center.

### Attachments



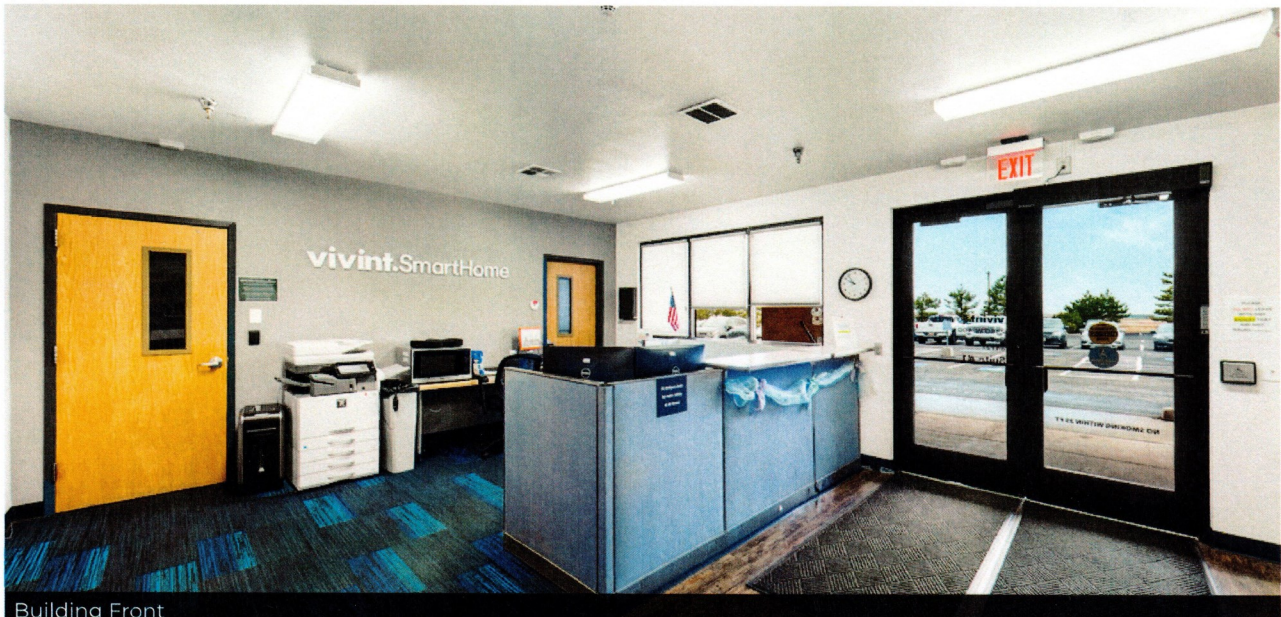
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**SUU** SOUTHERN  
UTAH  
UNIVERSITY  
FACILITIES MANAGEMENT

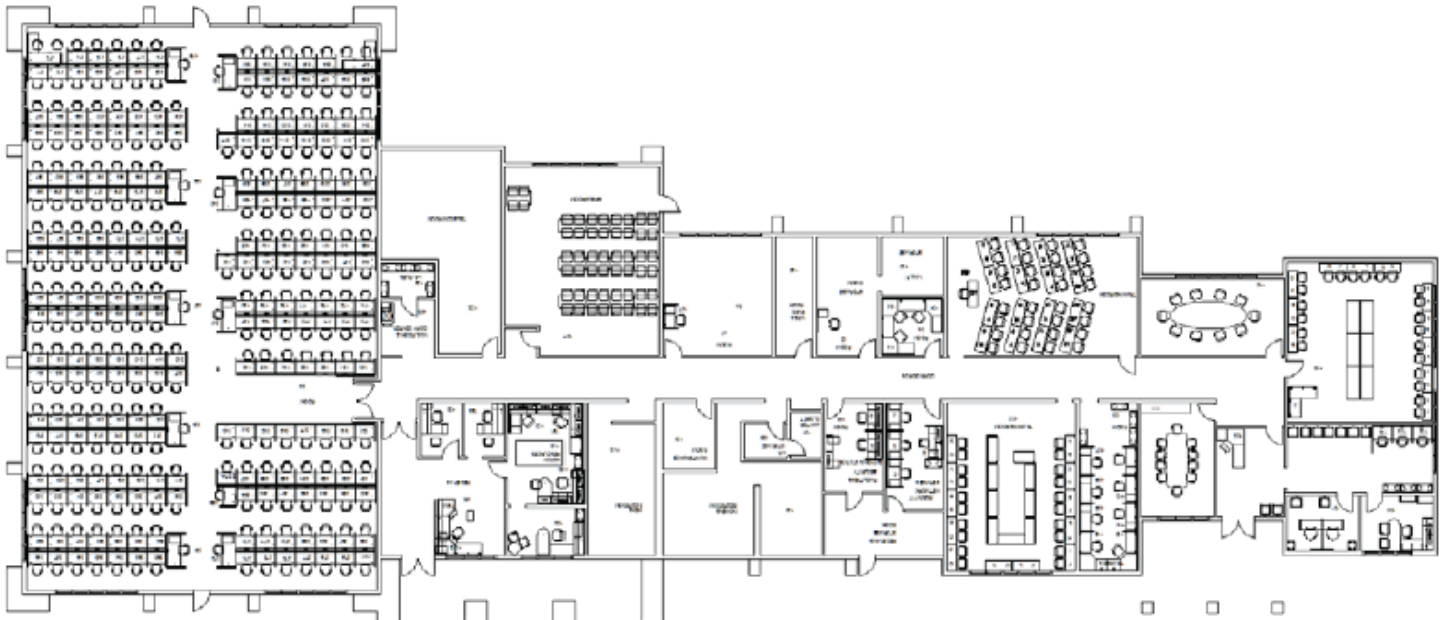
VIVINT LOCATION  
Date: 3/9/2023  
Scale: NTS  
Southern Utah University assumes no liability for the accuracy of this map. Inherit is for viewing purposes only.

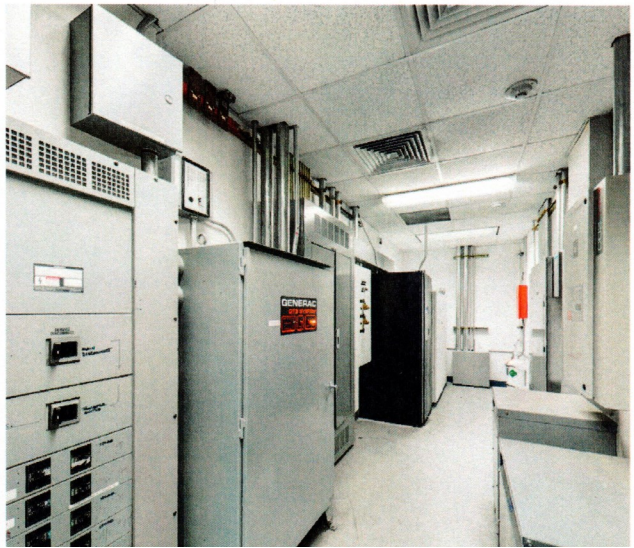
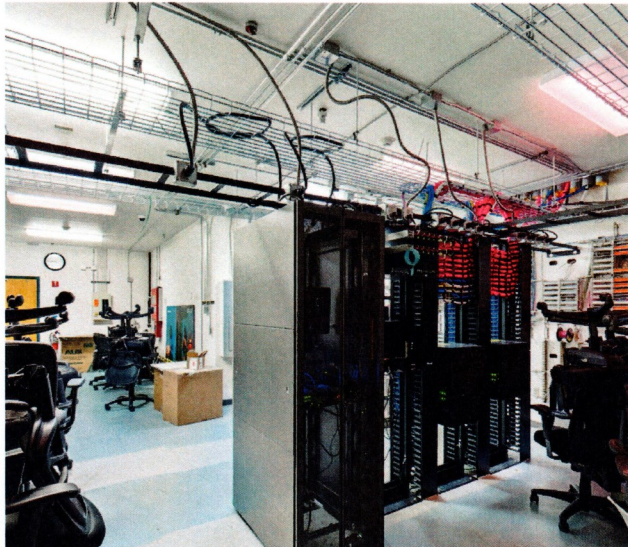


Aerial



Building Front





Breakroom



April 19, 2023

Commissioner David Woolstenhulme,  
Utah System of Higher Education  
The Gateway  
60 South 400 West  
Salt Lake City, UT 84101

Dear Commissioner Woolstenhulme,

Under Board of Higher Education policy R705, *Leased Space*, Southern Utah University's (SUU) administration is requesting Board of Higher Education authorization to enter into an operating lease agreement with Phoenix Plaza LLC, for the former Vivint Call Center facility at 2460 W 400 N, Cedar City, UT. This lease requires both Board of Trustee and Board of Higher Education review and approval because annual lease charges exceed the \$250,000 threshold set by policy.

The addition of this facility will aid the administration's ongoing efforts to provide space for a growing student population and the additional faculty, staff, and programmatic space needed to meet this growth. Since fall 2014, SUU's enrollment has grown steadily from 8,200 students to 15,021 in the fall of 2022. This represents an 83% growth rate. During this same period, we've added over 80 new full-time faculty positions. Facility space for face-to-face instruction and services for online students is at a premium. Even within the new Bristlecone Hall, opening this summer, every office space is already committed.

The former Vivint building was constructed in 1996 as a call center. It was renovated in 2017, and the roof and mechanical systems were recently replaced. The building includes 19,112 sqft. of largely open cubicle space (250 stations) with medium size classrooms, conference rooms, private offices, and break rooms/common spaces for general use. Furniture currently in the building will remain, 185 parking stalls in a well-maintained lot, data cabling/server room, and a back-up generator are all included in the lease agreement. (Pictures attached)

We are seeking approval of a five (5) year triple net lease at \$1.50/sqft. or approximately \$344K annually. Common area maintenance, taxes, and insurance charges will be negotiated based on services provided by SUU. The lease will include two (2) 5-year renewal options as well as the option to purchase the building during the term of the lease.

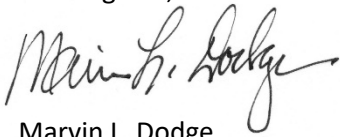
SUU already has a presence in this business park as outlined on the attached map. SUU's Head Start program, Early Intervention Center, and Pre-school are in two separate buildings. Leasing the former Vivint building will add the potential to relocate and house under one roof the SUU Online and Graduate Studies program (which includes a significant call center function), greatly needed expansion space for SUU Aviation, including their Maintenance Technician program which is currently leasing two other smaller locations, offices for faculty, and other academic or administrative functions to alleviate pressure on the main campus. This business

park is just 1.5 miles west of the main campus on Highway 56 (I-15 Exit 59) and is close to the Aviation program located at the Cedar City Airport.

We received approval from the SUU Board of Trustees at their March 31, 2023, meeting and have negotiated a lease agreement to begin June 1<sup>st</sup>, pending final approval from the Board of Higher Education. This timeframe would allow the SUU Facilities Department to complete some minor remodeling, mostly to build additional faculty offices, and then begin moving people and programs in through this summer and fall.

President Benson, or my successor, will respond to any questions you may have at the May Finance and Facilities, and Full Board meetings.

Best regards,

A handwritten signature in black ink that reads "Marvin L. Dodge". The signature is written in a cursive style with a long horizontal stroke at the end.

Marvin L. Dodge  
Vice President

Attachments