



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

December 1, 2023

University of Utah – Property Transactions

Under Board policies [R703, Acquisition of Real Property](#), and [R705, Leased Space](#), the University of Utah is requesting Utah Board of Higher Education approval of real property transactions involving the purchase and lease of certain Myriad Genetics buildings located in the U of U's Research Park. On August 8, 2023, The U of U's Board of Trustees approved this transaction to be forwarded to the Board of Higher Education.

The three-part transaction is outlined as follows:

1. Purchase of Myriad Buildings I, II, III

Price: +/- \$38.6 M

Purchase Date: January 1, 2026

Rentable Square Feet: 154,361

Constructed in 1996, 1999, and 2002 (respectively)

2. Lease with Option to Purchase of Myriad Building V

Lease Rate: \$39.00/square foot NNN¹

Occupancy Date: January 1, 2024

Term: 120 months

Rentable Square Feet: 85,411

Annual Option to Purchase Begins January 1, 2026

Option to Purchase for +/- \$29.9M

Constructed in 2009

3. Lease of Myriad Building VI

Lease Rate: \$37.25/square foot NNN²

Lease Concessions:

\$4.3M of furniture, fixtures, and equipment (FF&E)

24 months of free rent

Occupancy Date: upon USHE approval

¹ NNN means a triple net lease. Such a lease will require U of U to pay not only the rent but also the real estate taxes, property insurance, and operating expenses.

Term: 146 months
Rentable Square Feet: 125,155
Constructed in 2020

The requested property transactions will be not only mutually beneficial to the U of U but also to the state of Utah in support of the U of U's research mission and goal to reach \$1 billion in annual research funding by allowing the U of U to create a university-controlled research campus within their Research Park and adding 210,566 square feet of biomedical, laboratory, and tech office space with parking to support those uses. Acquiring the buildings is more economical than building them, based on both construction costs and the time spent to build them. No state funds will be used for these acquisitions. Internal department, research group funds, or lease payments are the expected sources of ongoing rent payments.

Commissioner's Recommendation

The Commissioner recommends the Board approve the U of U's:

- Purchase of Myriad Genetics buildings I, II, and III under Board Policy R703, subject to the appraisal and purchase price requirements of Board Policy R703-4; and
- Lease and purchase of Myriad Genetics building V under Board policies R703 and R705, with the purchase subject to the appraisal and purchase price requirements of Board Policy R703-4; and
- Lease of Myriad Genetics building VI under Board Policy R705.

Attachments

10 November 2023

Interim Commissioner Geoffrey Landward
Utah System of Higher Education
Board of Regents Building,
The Gateway 60 South 400 West
Salt Lake City, Utah 84101-1284

Dear Interim Commissioner Landward:

The University of Utah hereby requests approval from the Utah Board of Higher Education for the following summarized Transactions:

1. Acquisition of Myriad buildings I, II & III located at 320 Wakara Way in Salt Lake City, Utah, on January 1, 2026,
2. Lease w/ Option to Purchase Myriad V building located at 305 Wakara Way in Salt Lake City, Utah,
3. Lease Myriad VI building located at 303 Wakara Way in Salt Lake City, UT.

Approval is requested to authorize the University of Utah to enter into the above-described real property lease and purchase transactions. These transactions would address current and future needs.

Closing on the transactions would be contingent on acceptable completion of due diligence.

Additional information is expected to be made public following the closing.

Transaction Background and Details

Myriad Genetics occupies multiple buildings in Research Park. The buildings are built on land owned by the University of Utah and leased to Myriad. These buildings are colloquially known as Myriad I, II, III, V, VI. The University acquired Myriad IV January 25, 2022. Myriad is in process of relocating to alternate facilities, leaving these buildings largely vacant. The University has an opportunity to acquire the remaining Myriad buildings through lease and purchase.

Following is a summary of the buildings with their lease/purchase terms:

Myriad I, II, III

Purchase for ~\$38.6 million
Purchase: January 1, 2026
154,361 rentable square feet
Constructed in 1996, 1999, 2002 (respectively)

Myriad V

Lease w/ option to purchase at ~\$29.9 million
85,411 rentable square feet
Possession: January 1, 2024
Option to Purchase begins Jan 1, 2026
Constructed 2009

Myriad VI

125,155 rentable square feet
Occupancy: upon USHE approval (est. December)
Constructed 2020

The University of Utah is growing rapidly and has a goal to reach \$1 billion in annual research funding. Acquisition of the remainder of the Myriad Campus is strategically important to achieving this goal and to the operation, mission and vision of the University of Utah. It creates a University controlled research campus within the University's Research Park and adds 210,566 SF of Biomedical, Laboratory & Tech Office Space as well as parking to support the uses, all adjacent to campus.

Acquiring these buildings is more economical than building them. Recent estimates suggest that new construction of lab or biomedical space would cost significantly more than acquiring these buildings. These acquisitions also save time as the University can put these buildings into service as soon as they are controlled.

Approval is requested to authorize the University to complete the above-described real property lease & purchase transactions.

Sincerely,



Cathy Anderson
Chief Financial Officer and Vice President for Administrative Services

UNIVERSITY OF UTAH
BOARD OF TRUSTEES MEETING
August 8, 2023

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Christian Gardner (Chair)
Katie Eccles (Vice-Chair)
Jack O'Leary
J. Steve Price

Bassam Salem
Glenn Seninger (via zoom)
Jim Sorenson

EXCUSED

Maria Garciaz
David Parkin
Randy Shumway

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Robin Burr	Chief Design and Construction Officer
Andrea Cavrag	Director, Project Management, Planning Design and Construction
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Jerome Davies	Chief Philanthropy Officer
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Karen West	Liaison to the Board of Trustees
Shawn Wood	Manager, PR/Communications

Action: 3.03 – Lease & Purchase – Approval of the Real Property Lease & Purchase Transaction Summarized Below

John Creer, Chief Real Estate Officer, presented the proposed real property purchase and lease transaction.

Myriad Genetics occupies multiple buildings in Research Park. The buildings are colloquially known as Myriad I, II, III, V, VI. Recently, the University acquired Myriad IV. Myriad is in process of relocating to alternate facilities, leaving these buildings largely vacant. The University has an opportunity to acquire these remaining Myriad buildings through lease & purchase.

The following is a summary of the buildings with their lease/purchase terms:

Myriad I, II, III, & V to be purchased for a total price of \$68,484,100.

Myriad I, II, III

- Purchase: Jan. 1, 2026
- 154,361 rentable square feet
- Constructed 1996, 1999, 2002 (respectively)

Myriad V

- Lease w/ Option to Purchase
- 85,411 rentable square feet
- Possession: Jan 1, 2024
- 4 months of free rent to complete TI (\$100/sf)
- Lease Rate: \$39.00/sf NNN
- Term: 120 Months
- Annual Option to Purchase begins Jan 1, 2026
- Constructed 2009

Myriad VI

- 154,361 rentable square feet
- Occupancy: upon USHE approval (est. October)
- Lease Concessions:
 - \$4.3M of FF&E
 - 24 months of free rent
- Lease Rate: \$37.25/sf NNN
- Term: 146 months
- Constructed 2020

Additional clarifying questions were raised and addressed prior to the motion to approve the purchase and lease of the Myriad buildings.