



# MEMORANDUM

May 18, 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**