



MEMORANDUM

May 18, 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