



October 28, 2024

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

Dear Commissioner Landward:

Weber State University (WSU) requests approval from the Utah Board of Higher Education for the public-private partnership between Keller Development Group, LLC (KDG) and WSU that will result in the development of a minimum of 500 new beds on WSU's Ogden campus. The attached document shows the location on the WSU Ogden Campus master plan designated for the development, along with renderings and tentative layout of the project. Pursuant to Policy R712-5 below are the details of the proposal:

Student Housing on the PT Practice Field location

- Square Footage: ~246,150
- Number of Beds: ~500
- Student Amenity Space: ~15,426 SF indoor; ~80,150 SF outdoor
- Cost to Developer: ~\$46,803,000
- Cost to University: ~\$3,000,000 to relocate playfields; \$1,700,000 funded by gift for additional parking and amenities to support student housing
- Estimated Completion: Summer 2027

**5.1 Program Benefits** – WSU has a goal to continue to develop a long-term housing program to increase the amount of beds on campus for single, family, undergraduate, and graduate students. Currently, university housing consists of 1,000 beds on campus for single students. This project is the first phase of this housing program. Potentially, up to 3,000 new beds could be built as part of this long-term partnership. Studies suggest that on-campus housing enhances retention and graduation rates and the student experience. Furthermore, increasing the availability of student housing can help maintain access to affordable housing for students given Utah's dramatic housing cost increases.

This partnership allows the University to transfer development and ownership risk to a third party while overseeing how university property is utilized, deriving income from the land lease, protecting the credit rating of the university, and preserving bonding capacity.

**5.2 Proper Developer and Use** – WSU released an RFP in spring 2023 in order to tap into the competitive market of student housing development. The Keller Development Group was awarded the project as an experienced student housing investor and developer that is well-situated to work with WSU’s unique needs. KDG has obtained key land resources specific to WSU and has a current presence close to WSU, with 10 years of ownership and management of student housing in the area.

KDG and its principles are focused on the development, acquisition and asset management of student housing and multifamily properties with over \$1.2 billion in direct development and acquisition experience. Student market experience includes Weber State University, Utah Valley University, Brigham Young University (BYU), BYU-Idaho, Northern Arizona University, and the University of Nevada at Las Vegas. It has the vision, financial depth, and experience, to fulfill a comprehensive housing expansion at WSU.

**5.3 Adequate Compensation** – WSU will receive full utilization to place students in a minimum of 500 beds and will receive an initial annual rent amount of \$70,000 (annual inflation escalator included) through a ground lease. The University is not subject to any guarantees or financial obligations related to occupancy or project performance. All financial obligations related to building occupancy, operations, maintenance, and capital improvements are the responsibility of the developer. This compensation, along with the benefit to WSU of increased housing and amenities, will attract additional students who will benefit WSU’s enrollment and retention numbers and is adequate justification for any potential financial expenditures WSU will incur in relocating paying fields, which will be internally funded. No funding will be provided to KDG by WSU. WSU is committing to providing additional parking and amenities owned by WSU on WSU property to support student housing, all of which will be paid out of a gift of \$1.7 million that was provided by Goldenwest Credit Union for this purpose.

**5.4 Contractual Provisions –**

**5.4.1** – As described above, this project will be a minimal cost to WSU and is financially feasible.

**5.4.2** – WSU’s interests are adequately protected through the contractual protections and obligations set forth in the ground lease. The project is set to commence January 2025 with completion within 36 months.

**5.4.2.1** The ground lease establishes the parties’ relationship as lessor and lessee.

**5.4.2.2** The ground lease includes a dispute resolution process consistent with other WSU agreements.

**5.4.2.3** The ground lease includes institutional right to control appearance of the facility, external remodeling/additions, level of building and landscape maintenance, parking rights, exterior graphics, and access to institutional utility systems. No easement or other rights of access are needed, as the property abuts public roads.

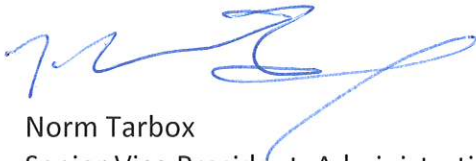
**5.4.2.4** The ground lease is for a 99 year term, with the opportunity for five additional ten year terms, at the discretion of WSU. The development cannot be reassigned without approval of WSU. Upon termination of the lease, ownership of the property and improvements will revert to WSU, unless WSU asserts the right to have the property demolished by the developer.

**5.5 Construction Requirements** – Weber State University Facilities Management is providing oversight of the design and construction of the project and has final approval on plans, specifications and drawings. All work must comply with all building and construction codes.

**5.6 Attorney General Approval** – The ground lease is subject to Attorney General review and approval for form and legal authority.

WSU requests the opportunity to present this proposal for approval at the November 21, 2024 meeting of the Utah Board of Higher Education. The Weber State University Board of Trustees approved revisions to the WSU Campus Master Plan on November 17, 2023, to accommodate this planned project.

Sincerely,



Norm Tarbox  
Senior Vice President, Administrative Services



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