



THE UNIVERSITY OF UTAH

102 Tower Bonding Authorization

Infrastructure & General Government Appropriations Subcommittee

February 7, 2020



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Opportunity

Exercise Purchase Option in existing Lease Agreement for the 102 Tower.

- University has occupied this space since March 2016.
- Purchase cost of \$52.5M
- Current market value estimated at \$69M+
- 192,037 sf



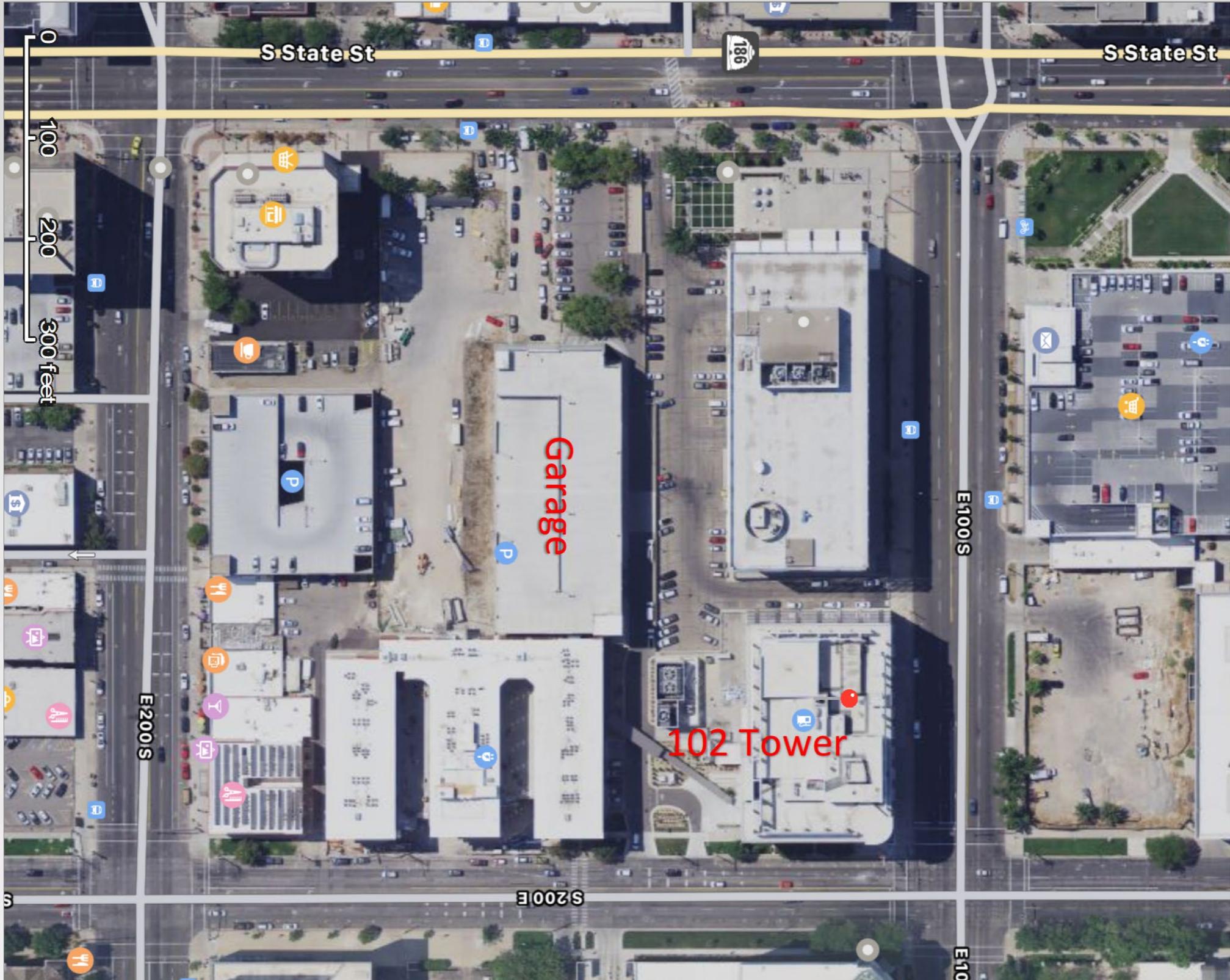
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Occupant Summary

- University occupies 74% of the building
 - Building is a total of 192,037 sf
- Location allowed for efficiency based on the consolidation of IT staff.
- **TOTAL FTE's: 881**
 - University IT: 281
 - Hospital IT: 400
 - Medical Billing for SOM: 200



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The Why

- Reduce cost of the lease over remaining term
- ***Average annual reduction in cost of \$1.67M.***
- ***Total savings over term of \$11.54M.***
- Debt repayment from funds previously budgeted for lease payments.

- Improve attraction and retention of IT talent.
- Allow for the growth of our IT groups.
- Avoid the effects of additional density on campus.



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Request

- Revenue bond authorization to support exercising Purchase Option for 102 Tower.
- Purchase cost of \$52.5M
 - Current market value estimated at \$69M+.