



USF Health

Prepaid Lease with TGH

Presentation to Board of Governors

June 12, 2019



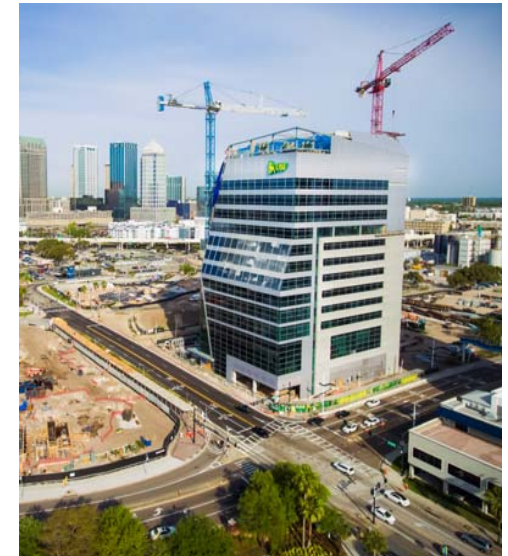
Objective

- Background on the project
- Share the proposed transaction
- Underscore the essential nature of our teaching hospital - TGH



Background on the Project

- 395,000 GSF / 270,000 NSF Building
- 13 story building in Water Street District
- Budget: \$173 million
- Funding: PECO - \$110 Private / other - \$63
- Construction began – summer 2017
- Targeted first classes – January 13, 2020
- Home to College of Medicine – Heart Institute
- Minutes from our teaching hospital - TGH



Prepaid Lease - Key Deal Points

- Lease of approximately 25,000 square feet
 - First floor – 6,501
 - Ninth floor – 8,933
 - Twelfth floor – 9,679
- Lease term – 25 years
- Includes signage
- Responsible for their own operating costs and share of CAM
- Consideration – payment of \$20 million in advance



Other Factors

- Rentals per square foot (net)
 - First floor - \$49 (plus actual operating costs)
 - Ninth and Twelfth \$35 (plus common area costs at actual)
- Rates supported by third party real estate consultant





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Our Teaching Hospital



**USF Health
TGH Campus**



Strategic Advantages to Transaction

- Integral to teaching, research and outreach missions
- Creates co-branded imaging center on ground floor
- Creates TGH urgent care on the ground floor to serve neighborhood and train USF MCOM students and residents
- Creates joint cardiac health program co-located on ninth floor
- Creates USF Health-TGH executive wellness and primary care site on the twelfth floor
- Paves the way for increasing academic and clinical partnerships
- Bolsters our strong working relationship

Questions?





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