

## **Kennecott may develop U. clinic at Daybreak**

**U. envisions new medical campus serving southwest valley**

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Updated:

The University of Utah has signed a letter of intent with Kennecott Land to develop a 150,000-square-foot multi-speciality health clinic in the Daybreak Community. The move is a first step toward building a substantial University Health Care presence in Salt Lake County's fast-growing southwest corner.

"We really feel a need to be closer to where the population growth is occurring, where we can provide the high level of care we provide here to people who live in southwest part of the valley, and to make sure we have opportunities for students and residents to train in appropriate clinical settings," said Lorris Betz, U. senior vice president for health sciences. On Monday, U. trustees gave Betz approval to move forward with phase I of the South Valley Medical Campus master plan. Because of conflicts of interest, three trustees recused themselves from voting, including developer H. Roger Boyer.

The Kennecott deal won out over another proposal to develop a south valley clinic at the The District, Boyer Co.'s mixed-use project in South Jordan. Daybreak offered more room to grow than the Boyer project, which could spare just seven acres, officials said.

"Had we gone forward we would, 10 years down the line, be looking to build the next step within Daybreak," Betz said. "This allows us to get to where we wanted to be faster."

Kennecott is providing up to 50 acres, although this initial phase uses only a fraction of that and a final agreement has yet to be hammered out.

"This allows them to phase in what they want when they want it out into the future," said Scott Kaufmann, Kennecott's vice president for commercial development. The deal also marks a milestone in the U.'s long-standing relationship with the Utah copper-mining enterprise, owned by Rio Tinto, which has embarked on a major residential project along the eastern edge of the Oquirrh Mountains. The site at 11400 S. Daybreak View Parkway is adjacent to a future TRAX station on a new line

projected to serve Daybreak in the next few years. Groundbreaking on the health clinic would occur next spring with occupancy by mid-2010. Kennecott would bear the \$50 to \$70 million cost of the three-story building, with a fourth level below ground, under design by the Florida firm Dixon and Associates Architects. University Health Care would then lease the center for 10 to 20 years at an annual rate of \$4 to 7 million, with a break-even window of three to five years.

"Future phases will be negotiated to reflect the changing conditions," Kaufmann said.

The Daybreak clinic would be by far University Health Care's largest, intended to act as a southern anchor for its current network of 11 community clinics stretching from Centerville to Orem.

Trustees on Monday noted that Kennecott will benefit from the project and urged Betz to get the best deal possible for the university.

"For them it's a home run," said trustee Clark Ivory, another developer who could not vote on the deal. "This is an opportunity to get commercial credibility for a site that's a little bit out there."

Officials said they expect to secure a five-year rent subsidy worth up \$12 million and an option to purchase the facility. Although the site is just a seven-minute drive from IHC's new Riverton hospital, officials said Daybreak is the best fit with the U.'s strategic goals.

"This would give us time to establish our physician specialties and services so that in time we could build a larger enterprise," Robin Lloyd, executive director of ambulatory services and community clinics, told the trustees.

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