Sandy City Office Space

January 13, 2026 City Council Discussion

Sandy
HEART OF THE WASATCH

Current City Offices

Current Space	
City Hall	84,093
Justice Building	34,045
Parks & Rec. Building	24,360
Sub-total:	142,498
LESS Common Area:	(32,932)
Total Useable Space:	109,566
Current Space Without Parks & Rec Building	
City Hall	84,093
Justice Building	34,045
~~Parks & Rec. Building~~	~~24,360~~
Sub-total:	118,138
LESS Common Area:	(27,078)
Total Useable Space:	91,060

City Office Requirements

	Department	Current Use (Useable SF)	Required Space (Useable SF)
City Hall			
	Police	27,404	46,360
	Administration	3,760	3,760
	Administrative Services	10,564	10,564
	City Council	4,896	4,896
	Public Utilities	4,164	4,164
	Community Development	7,664	7,664
	RDA	1,060	1,060
	Legal	4,424	4,424
	Conference/Break Rooms	3,812	3,812
	Common area, bathrooms, hallways, etc.	16,345	-
	Total:	84,093	
Justice Building			
	Prosecutor's Office	1,472	1,472
	Police (Justice Bldg.)	9,064	See total, above
	Court	12,776	12,776
	Common area, bathrooms, hallways, etc.	10,733	-
	Total:	34,045	
Parks & Rec. Building			
	Parks & Rec.	17,253	23,363
	Arts Guild	1,253	7,816
	Common area, bathrooms, hallways, etc.	5,854	-
	Total:	24,360	

City Office Requirements—Missing Space

Total Useable Space:	91,060
Required:	132,131
Missing Space:	
Police:	9,892
Parks & Rec:	23,363
Arts Guild:	7,816
Total:	41,071
Future growth (5.0%):	6,607

Where do we want to find the missing space?

Expansion Alternatives

Arbor Plaza Office Building

Crescent View Middle School

Post Office Building

Justice Building Expansion

Expansion Alternatives: Post Office Building

- 31,420 SF
- 14,750 SF unoccupied
- Considerations:
    - Location
    - Cost for future parking
    - Timing
    - Renovation costs
    - Funding: RDA

Expansion Alternatives: Crescent View Middle School

- 132,460 SF
- City has first right to purchase at appraised value (waiting on third appraisal)
- Considerations:
  - Adjacent to Crescent Park
  - Building use
  - Funding: Bond
  - Use all or part of building and sell excess land for development or open space

Expansion Alternatives: Justice Building Expansion

- 31,323 SF
- Potential to add space through addition and renovation
- Considerations:
    - Location, ownership
    - Funding: Bond
    - Staging

Expansion Alternatives: Arbor Plaza Office Building

- 66,152 SF
- Under contract: $12,000,000
- Considerations:
  - Location
  - Funding: RDA, Leases, and Bond
  - Building Condition
  - Department Use

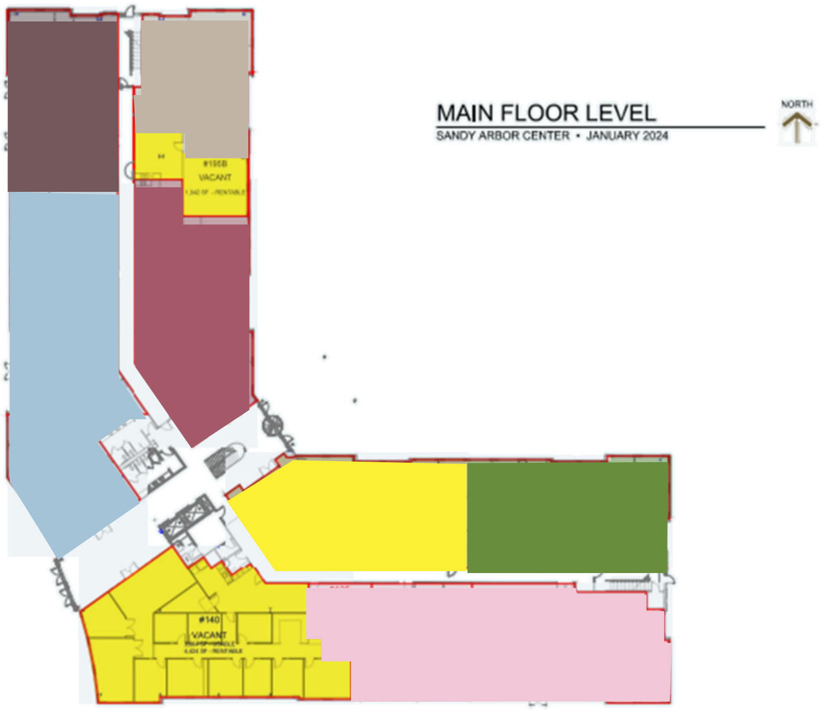
Arbor Plaza Office Building: Transaction Details and Timing

• Purchase Price:	$12,000,000
• Earnest Money:	$100,000
• Bond Parameters Resolution Vote:	January 20, 2026
• Final Vote on Purchase:	February 19, 2026
• Due Diligence Deadline:	February 19, 2026
• Closing:	March 2, 2026

- Funding alternative:
  - RDA
  - Bond Financing
  - Lease Income

Arbor Plaza Layout

Main Floor



SUITE	TENANT	SIZE	LEASE EXP.
110	AMPIAN STAFFING	3,562	MTM
130	SECURITY NATIONAL MORT-	3,250	1/31/2027
135&140B	FORGE CONTRACTORS, LLC	5,755	10/31/2027
150-155	FIRST COLONY MORTGAGE	5,906	6/30/2027
160	WHITE & ASSOCIATES, LLC	2,801	11/30/2028
190	BRIGHTON PHARMACY, LLC	3,657	4/30/2032
195	US ARMY CORPS	2,147	11/30/2029
140	VACANT	4,424	
195B	VACANT	1,042	

Second Floor

SUITE	TENANT	SIZE	LEASE EXP.
200,250	HOLMES HOMES	17,924	1/31/2028
201	ALLEN JOHNSON INSUR-	2,795	6/30/2030
265	PORCH FINANANCIAL	2,040	9/30/2027
275	MERIDIAN TITLE	6,034	10/31/2026
270	VACANT	4,816	

*These numbers are for general discussion, but do not take into account rent escalations, NNN adjustments, option adjustments, etc. Numbers from Seller rent roll.

Arbor Plaza: Vacant Suites and City Use

Main Floor

SUITE	TENANT	SIZE	LEASE EXP.
110	AMPIAN STAFFING	3,562	MTM
130	SECURITY NATIONAL MORT-	3,250	1/31/2027
135&140B	FORGE CONTRACTORS, LLC	5,755	10/31/2027
150-155	FIRST COLONY MORTGAGE	5,906	6/30/2027
160	WHITE & ASSOCIATES, LLC	2,801	11/30/2028
190	BRIGHTON PHARMACY, LLC	3,657	4/30/2032
195	US ARMY CORPS	2,147	11/30/2029
140	VACANT	4,424	
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265	PORCH FINANANCIAL	2,040	9/30/2027
275	MERIDIAN TITLE	6,034	10/31/2026
270	VACANT	4,816	

Estimated Vacancies as of March 2, 2026	SF
Arbor Suite 110	3,562
Arbor Suite 140	4,424
Arbor Suite 195B	1,042
Arbor Suite 265	2,040
Arbor Suite 270	4,816
Total:	15,884

Arbor Plaza Office Building: Possible City Uses

Missing Space:	41,071
Police:	9,892
Parks & Rec:	23,363
Arts Guild:	7,816
Total:	41,071

Estimated Vacancies as of March 2, 2026	SF
Arbor Suite 110	3,562
Arbor Suite 140	4,424
Arbor Suite 195B	1,042
Arbor Suite 265	2,040
Arbor Suite 270	4,816
Total:	15,884

Scenarios:

1. Police moves to Arbor building.
2. Move RDA (1,060 SF), Community Development (7,664 SF), and Public Utilities (4,164 SF) to Arbor Building. Police expands into main floor of City Hall.
3. Move current occupants from bottom level of Justice Building into Arbor Building. Police expands into Justice Building after remodel and modifications.

Considerations:

1. Parks and Rec
2. Arts Guild

Arbor Plaza Office Building: Financial Analysis

(see following pages)

Arbor Building Financing

Scenario 1: Continue Leasing Existing Square Footage

Sale Details

Purchase Date	3/2/2026
Sale Price	$ 12,000,000
RDA Portion	$ 5,125,000
City Portion	$ 6,875,000

Additional Costs

Cost of Issuance	$ 150,000
Tenant Impr. Reserve	$ 150,000
Capital Impr. Reserve	$ 200,000

Debt Service

Bond	$ 7,375,000
Begins in FY	2027
Rate	5.35%
Term (Years)	20
Annual Payment	$ (609,478)

Year	Fiscal Year	Debt Service	Lease Revenue	Oper & Maint	RDA Reimbursement	Outside Management	Surplus/(Deficit)	Balance
0	FY 2026	$ -	$ 350,000	$ (200,000)	$ (50,000)	$ (20,000)	$ 80,000	$ 80,000
1	FY 2027	(609,478)	1,200,000	(450,000)	(50,000)	(20,800)	69,723	149,723
2	FY 2028	(609,478)	1,236,000	(463,500)	(50,000)	(21,632)	91,391	241,115
3	FY 2029	(609,478)	1,273,080	(477,405)	(50,000)	(22,497)	113,701	354,816
4	FY 2030	(609,478)	1,311,272	(491,727)	(50,000)	(23,397)	136,671	491,487
5	FY 2031	(609,478)	1,350,611	(506,479)	(50,000)	(24,333)	160,322	651,809
6	FY 2032	(609,478)	1,391,129	(521,673)	(50,000)	(25,306)	184,673	836,482
7	FY 2033	(609,478)	1,432,863	(537,324)	(50,000)	(26,319)	209,744	1,046,226
8	FY 2034	(609,478)	1,475,849	(553,443)	(50,000)	(27,371)	235,557	1,281,783
9	FY 2035	(609,478)	1,520,124	(570,047)	(50,000)	(28,466)	262,135	1,543,918
10	FY 2036	(609,478)	1,565,728	(587,148)	(50,000)	(29,605)	289,498	1,833,416
11	FY 2037	(609,478)	1,612,700	(604,762)	(50,000)	(30,789)	317,672	2,151,088
12	FY 2038	(609,478)	1,661,081	(622,905)	(50,000)	(32,021)	346,678	2,497,766
13	FY 2039	(609,478)	1,710,913	(641,592)	(50,000)	(33,301)	376,543	2,874,309
14	FY 2040	(609,478)	1,762,240	(660,840)	(50,000)	(34,634)	407,290	3,281,599
15	FY 2041	(609,478)	1,815,108	(680,665)	(50,000)	(36,019)	438,947	3,720,546
16	FY 2042	(609,478)	1,869,561	(701,085)	(50,000)	(37,460)	471,539	4,192,085
17	FY 2043	(609,478)	1,925,648	(722,118)	(50,000)	(38,958)	505,095	4,697,180
18	FY 2044	(609,478)	1,983,417	(743,781)	(50,000)	(40,516)	539,643	5,236,823
19	FY 2045	(609,478)	2,042,920	(766,095)	(50,000)	(42,137)	575,211	5,812,034
20	FY 2046	(609,478)	2,104,207	(789,078)	(50,000)	(43,822)	611,830	6,423,865

Arbor Building Financing

Scenario 2: Expire Existing Leases at Term

Sale Details

Purchase Date	3/2/2026
Sale Price	$ 12,000,000
RDA Portion	$ 5,125,000
City Portion	$ 6,875,000

Additional Costs

Cost of Issuance	$ 150,000
Tenant Impr. Reserve	$ 150,000
Capital Impr. Reserve	$ 200,000

Debt Service

Bond	$ 7,375,000
Begins in FY	2027
Rate	5.35%
Term (Years)	20
Annual Payment	$ (609,478)

Year	Fiscal Year	Debt Service	Lease Revenue	Oper & Maint	RDA Reimbursement	Outside Management	Surplus/(Deficit)	Balance
0	FY 2026	$ -	$ 350,000	$ (200,000)	$ (50,000)	$ (20,000)	$ 80,000	$ 80,000
1	FY 2027	(609,478)	1,180,655	(450,000)	(50,000)	(20,800)	50,378	130,378
2	FY 2028	(609,478)	519,568	(463,500)	(50,000)	(21,632)	(625,041)	(494,663)
3	FY 2029	(609,478)	195,298	(477,405)	(50,000)	(22,497)	(964,081)	(1,458,744)
4	FY 2030	(609,478)	146,122	(491,727)	(50,000)	(23,397)	(1,028,479)	(2,487,222)
5	FY 2031	(609,478)	80,599	(506,479)	(50,000)	(24,333)	(1,109,690)	(3,596,912)
6	FY 2032	(609,478)	61,799	(521,673)	(50,000)	(25,306)	(1,144,657)	(4,741,570)
7	FY 2033	(609,478)	-	(537,324)	(50,000)	(26,319)	(1,223,119)	(5,964,688)
8	FY 2034	(609,478)	-	(553,443)	(50,000)	(27,371)	(1,240,291)	(7,204,980)
9	FY 2035	(609,478)	-	(570,047)	(50,000)	(28,466)	(1,257,989)	(8,462,969)
10	FY 2036	(609,478)	-	(587,148)	(50,000)	(29,605)	(1,276,229)	(9,739,198)
11	FY 2037	(609,478)	-	(604,762)	(50,000)	(30,789)	(1,295,028)	(11,034,227)
12	FY 2038	(609,478)	-	(622,905)	(50,000)	(32,021)	(1,314,403)	(12,348,629)
13	FY 2039	(609,478)	-	(641,592)	(50,000)	(33,301)	(1,334,370)	(13,683,000)
14	FY 2040	(609,478)	-	(660,840)	(50,000)	(34,634)	(1,354,950)	(15,037,950)
15	FY 2041	(609,478)	-	(680,665)	(50,000)	(36,019)	(1,376,161)	(16,414,111)
16	FY 2042	(609,478)	-	(701,085)	(50,000)	(37,460)	(1,398,022)	(17,812,132)
17	FY 2043	(609,478)	-	(722,118)	(50,000)	(38,958)	(1,420,553)	(19,232,685)
18	FY 2044	(609,478)	-	(743,781)	(50,000)	(40,516)	(1,443,774)	(20,676,459)
19	FY 2045	(609,478)	-	(766,095)	(50,000)	(42,137)	(1,467,708)	(22,144,168)
20	FY 2046	(609,478)	-	(789,078)	(50,000)	(43,822)	(1,492,377)	(23,636,544)

Arbor Building Financing

Scenario 3: Continue Leasing For Break-Even at Year 2 and Forward

Sale Details

Purchase Date	3/2/2026
Sale Price	$ 12,000,000
RDA Portion	$ 5,125,000
City Portion	$ 6,875,000

Additional Costs

Cost of Issuance	$ 150,000
Tenant Impr. Reserve	$ 150,000
Capital Impr. Reserve	$ 200,000

Debt Service

Bond	$ 7,375,000
Begins in FY	2027
Rate	5.35%
Term (Years)	20
Annual Payment	$ (609,478)

Year	Fiscal Year	Debt Service	Lease Revenue	Oper & Maint	RDA Reimbursement	Outside Management	Surplus/(Deficit)	Balance
0	FY 2026	$ -	$ 350,000	$ (200,000)	$ (50,000)	$ (20,000)	$ 80,000	$ 80,000
1	FY 2027	(609,478)	1,180,665	(450,000)	(50,000)	(20,800)	50,388	130,388
2	FY 2028	(609,478)	1,144,609	(463,500)	(50,000)	(21,632)	0	130,389
3	FY 2029	(609,478)	1,159,379	(477,405)	(50,000)	(22,497)	0	130,389
4	FY 2030	(609,478)	1,174,601	(491,727)	(50,000)	(23,397)	0	130,389
5	FY 2031	(609,478)	1,190,289	(506,479)	(50,000)	(24,333)	0	130,389
6	FY 2032	(609,478)	1,206,456	(521,673)	(50,000)	(25,306)	0	130,389
7	FY 2033	(609,478)	1,223,119	(537,324)	(50,000)	(26,319)	0	130,390
8	FY 2034	(609,478)	1,240,291	(553,443)	(50,000)	(27,371)	0	130,390
9	FY 2035	(609,478)	1,257,989	(570,047)	(50,000)	(28,466)	0	130,390
10	FY 2036	(609,478)	1,276,229	(587,148)	(50,000)	(29,605)	0	130,390
11	FY 2037	(609,478)	1,295,028	(604,762)	(50,000)	(30,789)	0	130,390
12	FY 2038	(609,478)	1,314,403	(622,905)	(50,000)	(32,021)	0	130,390
13	FY 2039	(609,478)	1,334,370	(641,592)	(50,000)	(33,301)	0	130,390
14	FY 2040	(609,478)	1,354,950	(660,840)	(50,000)	(34,634)	0	130,390
15	FY 2041	(609,478)	1,376,161	(680,665)	(50,000)	(36,019)	0	130,390
16	FY 2042	(609,478)	1,398,022	(701,085)	(50,000)	(37,460)	0	130,391
17	FY 2043	(609,478)	1,420,553	(722,118)	(50,000)	(38,958)	0	130,391
18	FY 2044	(609,478)	1,443,774	(743,781)	(50,000)	(40,516)	0	130,391
19	FY 2045	(609,478)	1,467,708	(766,095)	(50,000)	(42,137)	0	130,391
20	FY 2046	(609,478)	1,492,377	(789,078)	(50,000)	(43,822)	0	130,391

Arbor Plaza Office Building: City Council Considerations

Advantages:
1. City Campus
2. Timing
3. Funding
4. Long term flexibility
5. No general fund contribution (RDA and Lease Revenue)

Disadvantages:
1. RDA funds
2. Tenant risk
3. Market risk
4. Management

Sandy City Office Space— Next Steps?