

May 9, 2018

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Utah Valley University – Non-Traditional Arrangement for Indoor Soccer Facility

Issue

Regent policy R712, *Non-Traditional Arrangements for Development of Facilities on Campuses* requires the Regents to approve development projects by outside entities on institutional land. Utah Valley University (UVU) requests authorization to contract with the Real Salt Lake (RSL) Youth Academy Foundation to lease six acres and construct, maintain, own, and operate an indoor soccer training facility on the Vineyard Campus.

Background

Real Salt Lake Youth Academy Foundation is a non-profit corporation organized to provide soccer training opportunities for youth. Utah Valley University requests authorization to enter into a 40-year contract with the RSL Foundation to lease six acres of land on the Vineyard campus to the Foundation for \$1 per year and to allow the Foundation to construct an indoor soccer facility on the leased land. The six acres of land appraised for \$2,610,000. The RSL Youth Academy Foundation would construct, operate, and maintain an indoor soccer facility that would include a field, locker rooms, and offices. The Foundation and UVU would share access to the facility. No institutional funds will be used to construct, operate, or maintain the facility. As an additional concession, the UVU Foundation will receive a \$2,610,000 donation with the stipulation that the gift be used to improve the land adjacent to the to-be-constructed indoor soccer facility with multiple outdoor grass soccer fields and accompanying bleacher facilities.

As required by Regent policy R712, *Non-Traditional Arrangements for Development of Facilities on Campuses* the University will work with the Attorney General's Office to ensure that proposals meet statutory requirements. The final contract will also ensure that third-party construction meets applicable University and State requirements.

The University's Board of Trustees approved this project in the April 25, 2018 meeting. Additional information about the project is provided in the attached letter from the University, map of the property, photo of a similar development in Logan, and the executive summary of the property appraisal. Representatives from UVU will be present at the meeting to provide additional information and respond to questions from the Board.

Commissioner's Recommendation

The Commissioner recommends that the Board authorize Utah Valley University to enter into a contract with the Real Salt Lake Youth Academy Foundation to lease property on the Vineyard campus and allow the Foundation to construct an indoor soccer facility contingent on review of the contract by the Attorney General's Office.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments



UTAH VALLEY UNIVERSITY

VICE PRESIDENT FOR FINANCE & ADMINISTRATION

25 April 2018

Dr. Dave Buhler, Commissioner
Utah System of Higher Education
Board of Regents Building, The Gateway
Salt Lake City UT 84101-1284

Dear Commissioner Buhler,

Utah Valley University is requesting approval to lease 6 acres of real property to Real Salt Lake Youth Academy Foundation, Inc. The term of the lease is 40 years on the Vineyard campus.

UVU has been working with Real Salt Lake to build an indoor training facility on the UVU Vineyard Campus. This facility would house an Indoor soccer field, locker rooms and offices. Utah Valley University would receive 9 ½ hours of training time from 6 am to 3:30 pm. Real Salt Lake Academy would receive 8 hours of training time from 4 pm to 12 midnight. Real Salt Lake Academy would also receive 20 hours per week of training time on 1 outdoor field currently being constructed.

Real Salt Academy would be responsible for the construction, operation, and maintenance of the facility. UVU would be responsible for the snow removal. UVU in consultation with the Real Salt Lake Academy could move the facility to an alternate location at its expense.

The value of the property was determined to be \$2.6 million by a licensed commercial appraiser. The lease would be per \$1 per year with the University receiving a \$2.6 million gift.

The University will comply with Regents Policy R712-5, Nontraditional Arrangements for Development of Facilities on Campuses. The Agreement between the University and the third-party owner of the indoor practice facility will include provisions called for by R712-5 to protect the interests of the University and ensure appropriate quality control of the design and construction. Consistent with the requirements of R712-5 approval by the Attorney General's Office of the agreement as to form and legal authority will be obtained before the University executes the agreement.

This project was approved by the University's Board of Trustees on Feb 22, 2018 and the terms were ratified by the Board of Trustees executive committee on April 25, 2018.

If you have any questions please feel free to contact me.

Sincerely,

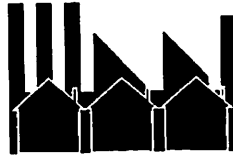
Val L. Peterson
Vice President
Finance and Administration

a. Exhibit 1 – Proposed plot plan.



b. Exhibit 2 – Site Image of the North Logan RSL Youth Training Facility.





GURNEY & ASSOCIATES

REAL ESTATE APPRAISERS

Todd Gurney, MAI
Tyler Gurney

September 28, 2017

Utah Valley University
Attn: Val Peterson
800 W. University Parkway
Orem, Utah 84058

**RE: 6.00 Acres with Commercial Potential
Appx. 475 North Mill Road
Vineyard, Utah 84058**

Dear Mr. Peterson:

At your request, I have performed an appraisal analysis of the above-referenced property. The subject site is currently zoned PF Public Facility; however, it has good potential be rezoned to allow commercial uses. The subject is a portion of parcel 40-443-0001 on Utah County records; no legal description was provided, but the subject is clearly identified on the Site Plan and on the other exhibits of this report.

This appraisal provides an estimate of the current as-is market value. The property rights appraised are fee simple. Based on the results of my analysis, I estimate the market value of the subject property, as of the effective appraisal date (August 12, 2017), to be *\$10.00 per sq. ft.*, or the following rounded total:

\$2,610,000

**** TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS ****

This value is contingent upon the Extraordinary Assumptions on pages 9-10 of this report.