



MEMORANDUM

TAB A

April 10, 2020

Salt Lake Community College – Non-Traditional Arrangements

Regent Policy R712, *Non-Traditional Arrangements for Development of Facilities on Campuses* requires the Board to approve development projects by outside entities on institutional land. Salt Lake Community College (SLCC) requests authorization to contract with a private developer (the Boyer Company) to develop the property currently known as the Meadowbrook Campus, located at approximately 218 West 3900 South in Salt Lake City, UT.

The Meadowbrook campus provided academic and technical training programs in the southern Salt Lake City area, but has largely transitioned those programs to the new Westpointe campus. Rather than sell the property, SLCC proposes to enter into a long-term land lease with the Boyer Company (selected through an RFP process) to create an office or commercial campus. The developer would pay the College an annual lease, which the College anticipates to accumulate to more than the appraised value of the land (\$5.7 million) after thirteen years. The length of the contract would be up to forty years and would provide the College an ongoing revenue stream to support its academic mission. The University's Board of Trustees approved this project in the March 4, 2020 meeting. Additional information about the project is provided in the attached presentation from the college, advisor, and developer.

Commissioner's Recommendations

The Commissioner recommends the Board authorize Salt Lake Community College to partner with a private developer to enter into a land lease and development of the Meadowbrook Campus contingent on continued communication and review by the Attorney General's Office.

Attachments



06 March 2020

Board of Regents
c/o Interim Commissioner Dave R. Woolstenhulme
Board of Regents Building, Two Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

RE: Development of property located on the Meadowbrook Campus

Commissioner:

In accordance with the Regents Rule 712, "Nontraditional Arrangements for Development of Facilities on Campuses", Salt Lake Community College is requesting the Meadowbrook property development be placed on the action calendar agenda for the March 27, 2020 Board of Regents meeting.

SLCC seeks to be a leader in providing quality and impactful higher education services to the communities it serves. The College also seeks to partner with those communities in the transformative, public good of educating students. SLCC believes that there can be benefits in the private and public sectors working together in partnership, both to create new financial benefits for public entities and communities and to put in place the policies and programs designed to help those communities grow in a positive way. Realizing this vision over the long-term requires the College to look strategically at how to secure institutional sustainability and capacity over time, including the need to grow alternative revenue sources.

The academic and training programs originally established at Meadowbrook have now migrated to Westpointe and other college campuses. The college feels it's in its best interests to consolidate programs and campuses and is ready to discontinue all educational service offerings at Meadowbrook. However, the college feels there is also great value in retaining the land asset as a continual source of revenue to diversify its future revenue mix. The proposed development by Boyer Company has been selected because it appears the construction of an office or commercial campus there would be the highest and best use of the property, and would serve as a broad public benefit for redevelopment and job generation in that part of South Salt Lake City.

The proposed development by Boyer Company was objectively evaluated against other viable alternative plans, and the recommending committee chose this plan as the one with the most merits. The development will not be branded with the SLCC logo or signage, but the college (as landowner) will have significant say in ensuring the image and environment of the institution is preserved. The arrangement with the Boyer Company will reflect the college's fee-simple interest in the property, with no other considerations given by the institution. The arrangement is low-risk and low-maintenance, and predicated on the terms of the contract which will ensure advising and monitoring to maintain the long-term interests of the college. SLCC considers the compensation in the form of land lease revenue to be adequate and justifiable based on current

market conditions, and that such will provide a reliable long-term revenue stream to the college. Based on the proposed land lease arrangement, SLCC will achieve break-even status in the 12th year of the lease. Or, in other words, it will take 12 years for the cumulative cash inflows to equate to the amount received up front should a simple sale of the property had occurred, instead of a land lease.

The concept and development of this property was approved by the SLCC Board of Trustees on March 4, 2020. Thank you for your continued support of the College as it seeks to address the educational needs of the communities it serves. Let me know if there is anything else you need regarding this request.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jeffrey J. West', with a long horizontal flourish extending to the right.

Jeffrey J. West, CPA/MBA

SLCC

Meadowbrook Campus

PUBLIC/PRIVATE PARTNERSHIP PROPOSAL
(non-traditional arrangement for development)

TIMELINE FOR SLCC MEADOWBROOK PARTNERSHIP SELECTION

8/30/2019	Distribution of the RFI
9/10/2019	Site visit for interested parties @ the Meadowbrook Campus The following vendors attended: <ul style="list-style-type: none">▪ Hogan Construction▪ Boyer Company▪ Gardner Company▪ LDG Holdings▪ JLL
9/20/2019	RFI responses due The following responses were received: <ul style="list-style-type: none">▪ Hogan Construction▪ JLL▪ Gardner Company▪ Boyer Company▪ Katrina Dang▪ Salt Lake County▪ Church of Jesus Christ of Latter-Day Saints
11/19/2019	Contracted w/ Scion Group = consulting firm specializing in P3 advising
11/26/2019	Distribution of the RFP
12/16/2019	Stage 1 proposals due (pre-qualification) The following responses were received: <ul style="list-style-type: none">▪ Blue Line Development▪ Gardner Company▪ Boyer Company All companies were approved to move forward for presentations

Timeline, continued:

1/21/20	Stage 2 presentations were received
1/27-1/30	<p>Presentations made to SLCC by the three firms</p> <p>Scoring by the evaluation committee resulted in the following ranking results:</p> <ul style="list-style-type: none">▪ Boyer Company▪ Gardner Company▪ Blueline Development
2/24/2020	Intention to award given to Boyer Company
3/4/2020	Approval for go-ahead given by SLCC Board of Trustees
3/27/2020	Initial discussion of proposal at State Board of Regents
4/17/2020	Follow-up discussion of proposal at State Board of Regents
5/6/2020	Discussion at State Building Board

Break Even Point at 7%

YEARS	YEARS	% INCREASE EVERY 5 YRS	ANNUAL RENT	5 YEAR TOTALS	RUNNING 5 YEAR TOTALS	MONTHLY RENT
1 - 5	1 - 5	0	\$399,000.00	\$1,995,000.00	\$1,995,000.00	\$33,250.00
6 - 10	6 - 10	10	\$438,900.00	\$2,194,500.00	\$4,189,500.00	\$36,575.00
11 - 15	11 - 15	10	\$482,790.00	\$2,413,950.00	\$6,603,450.00	\$40,232.50
16 - 20	16 - 20	10	\$531,069.00	\$2,655,345.00	\$9,258,795.00	\$44,255.75
21 - 25	21 - 25	10	\$584,175.90	\$2,920,879.50	\$12,179,674.50	\$48,681.33
26 - 30	26 - 30	10	\$642,593.49	\$3,212,967.45	\$15,392,641.95	\$53,549.46
31 - 35	31 - 35	10	\$706,852.84	\$3,534,264.20	\$18,926,906.15	\$58,904.40
36 - 40	36 - 40	10	\$777,538.12	\$3,887,690.61	\$22,814,596.76	\$64,794.84

APPRAISED VALUE	GROUND LEASE %
\$5,700,000	7.00%

	Break even 13 years and 2 months =	\$5,718,335.00
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Salt Lake Community College- Meadowbrook Campus



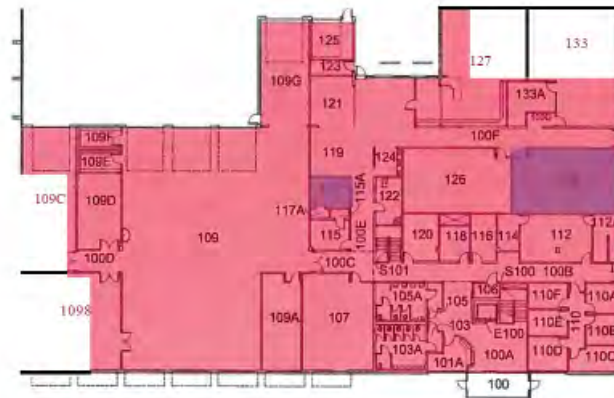
Total Acreage	9.92 acres	Appraised Value	\$4,600,000
Developed Acreage	6.72 acres		
Hard Surface	2.6 acres		
Landscape	0.96 acres		
Develop-able	3.2 acres		
Vacant Land	2.46 acres	Appraised Value	\$790,000
Solar Yard	0.74 acres		
Building Square Footage			
Building A	26,954		
Building B	17,608		
Building C	25,844		
Portable 1	1,008		
Portable 2	969		

Salt Lake Community College - Meadowbrook Campus

Building A 26,954

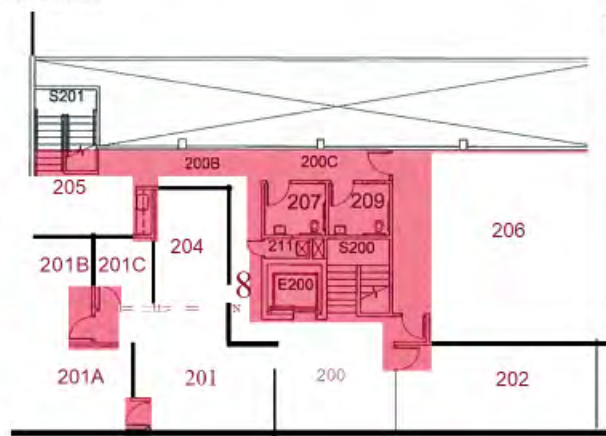


Building B 17,608



Salt Lake Community College - Meadowbrook Campus

Building B Second Floor



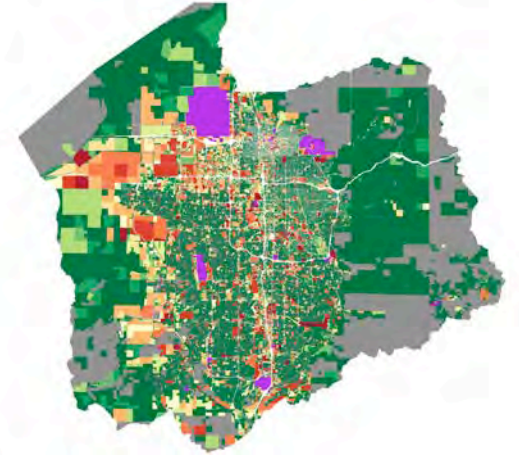
Building C 25,844



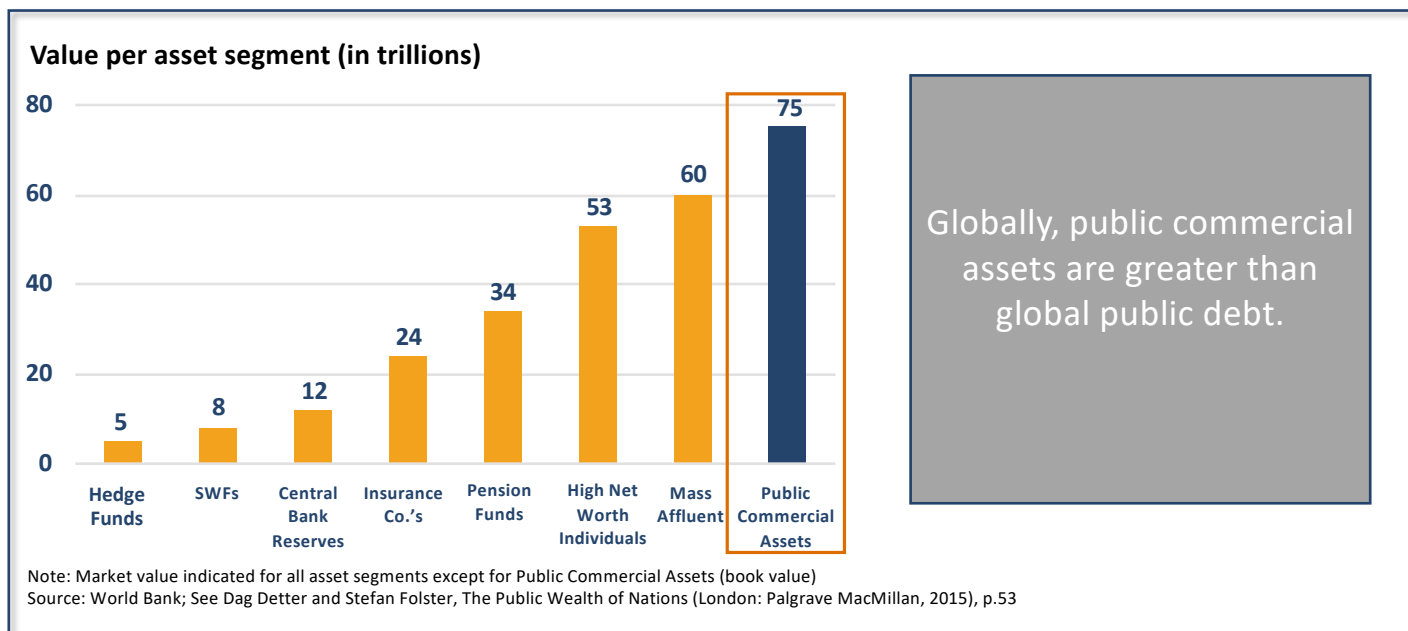
Questions?

Unlocking Public Wealth

Prepared for The USHE Board of Regents
April 2020



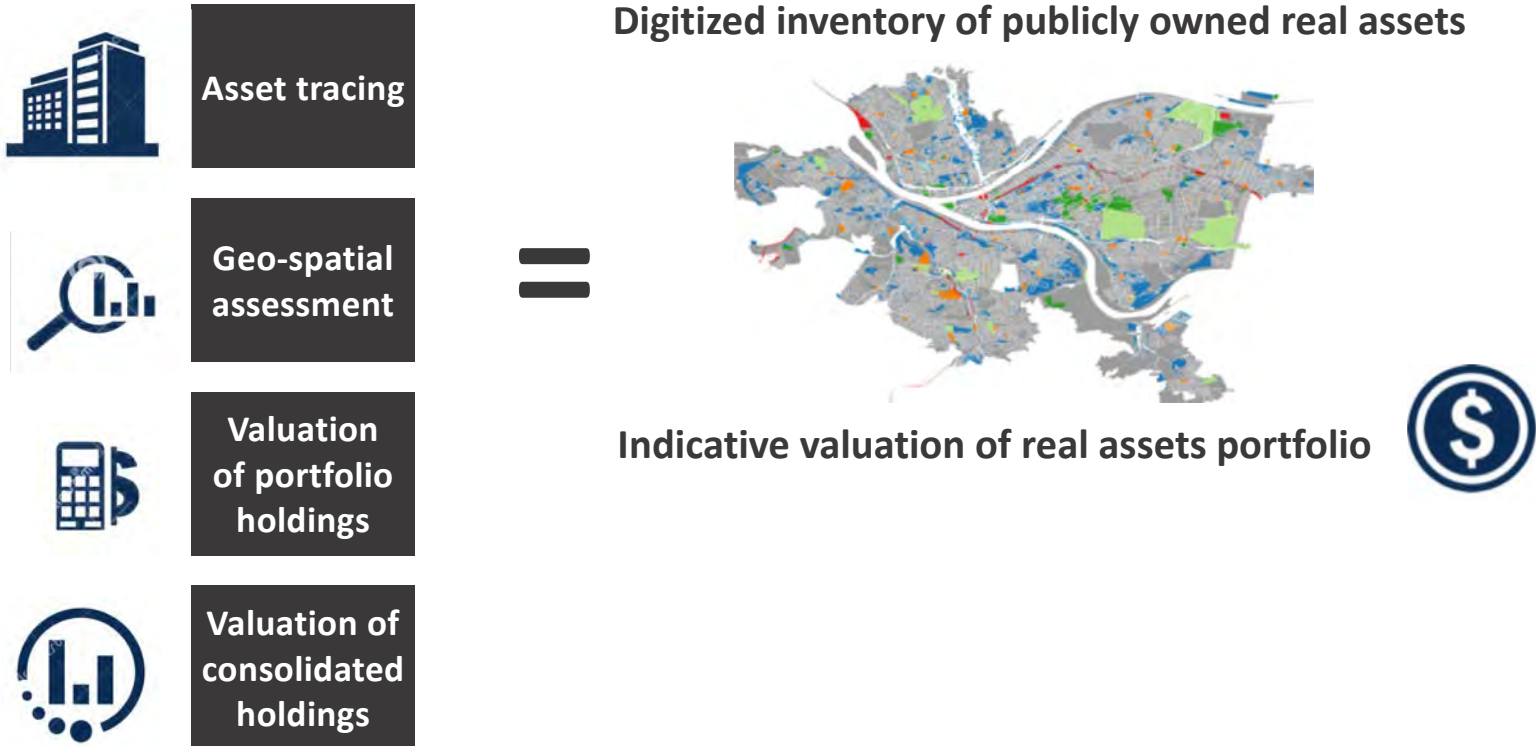
Public Real Assets = Largest wealth segment in the world



Cities know what they owe.
They don't know what they own.

Cities are sitting on a wealth of assets
that can finance the future.

Mapping and Valuing Assets



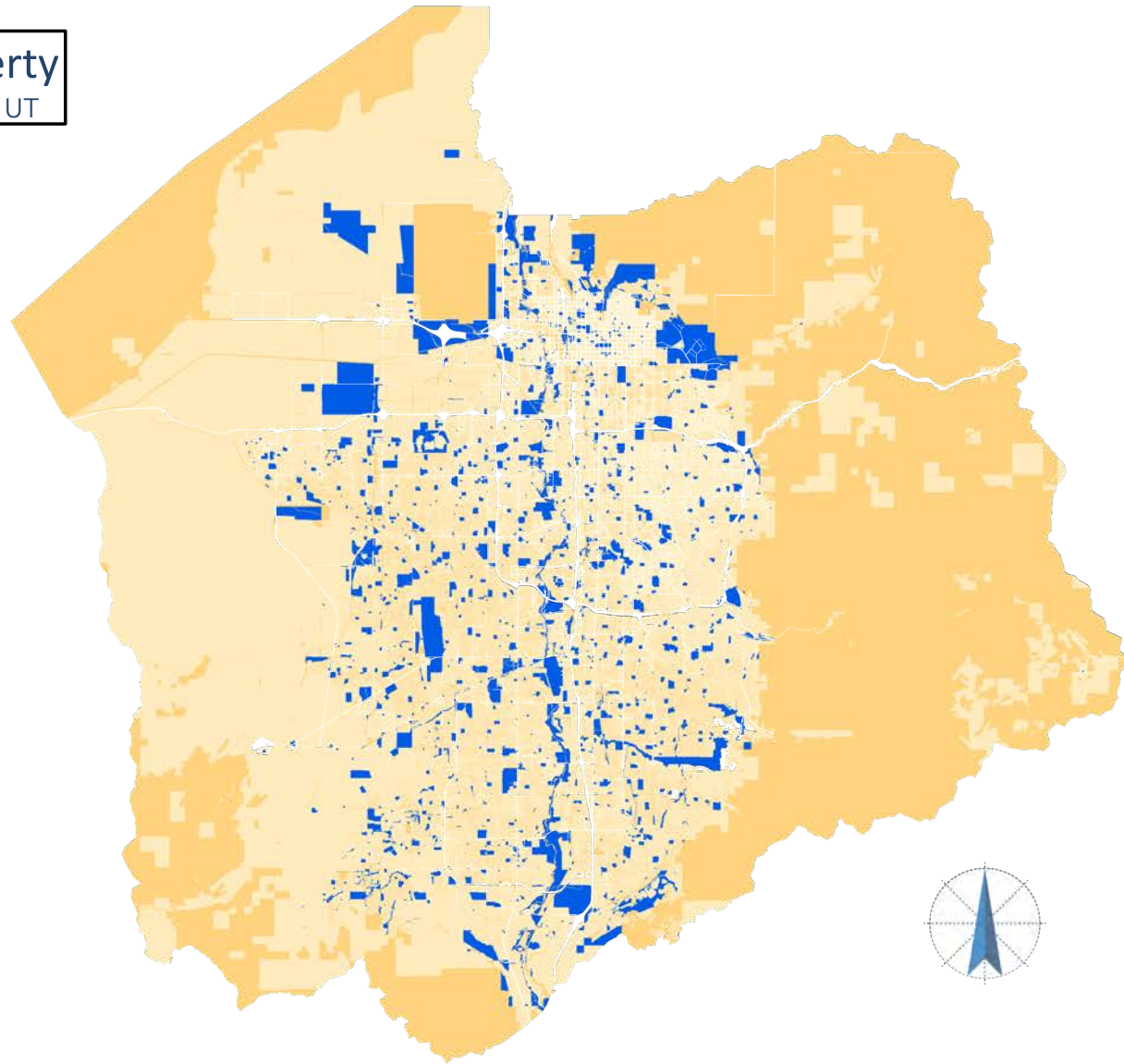
Identifying Public Property

Salt Lake County, UT

Viable Public

Private

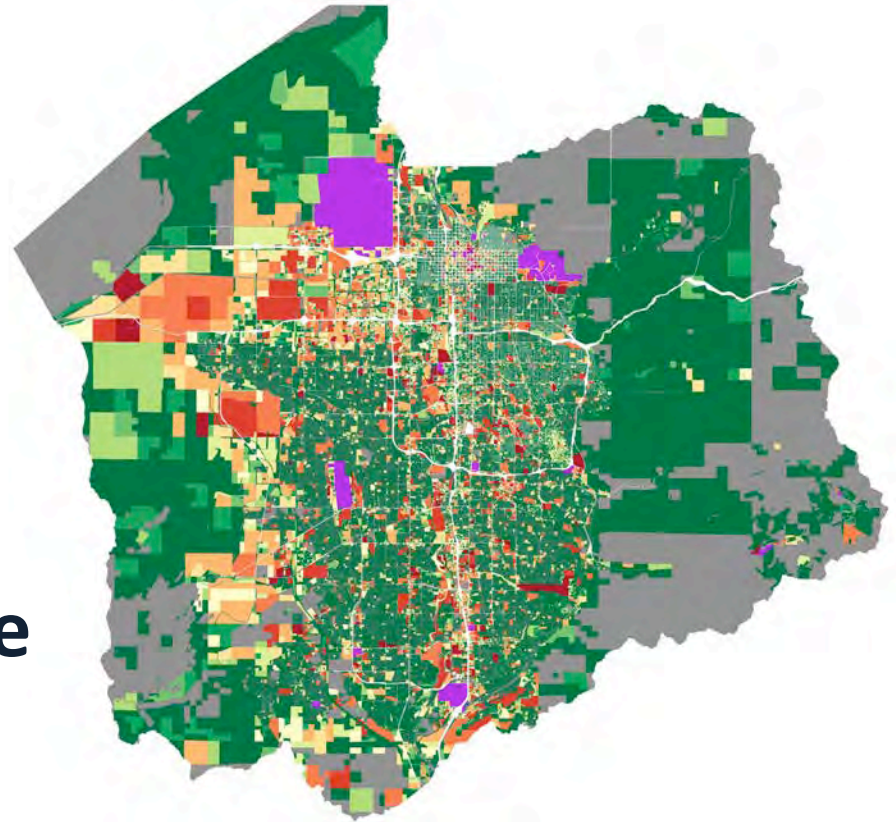
Filtered Public



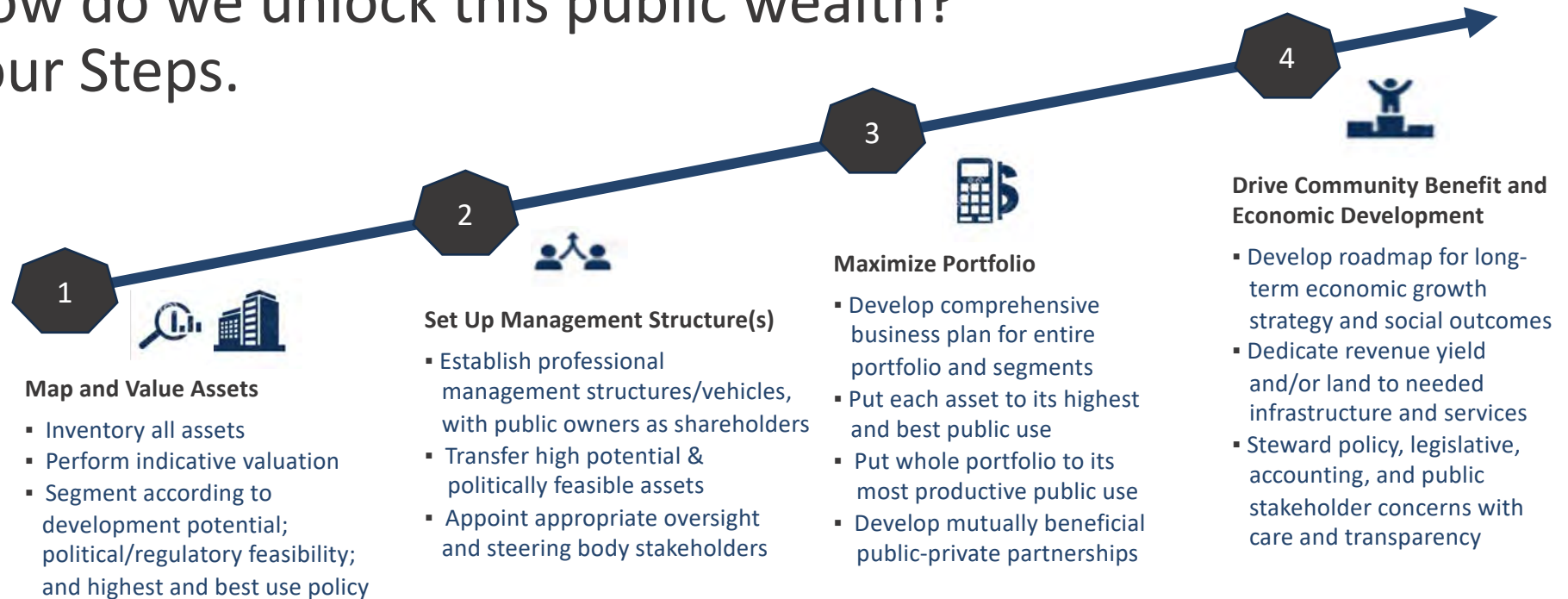
Salt Lake County boundaries.

**Total market value of all
publicly owned land:
\$150 billion**

**Total market value of all
publicly owned land viable
for development:
\$10 billion+.**



How do we unlock this public wealth? Four Steps.



Boston Case Study: Why not just sell?

Jail to Hotel Conversion



Charles Street Jail

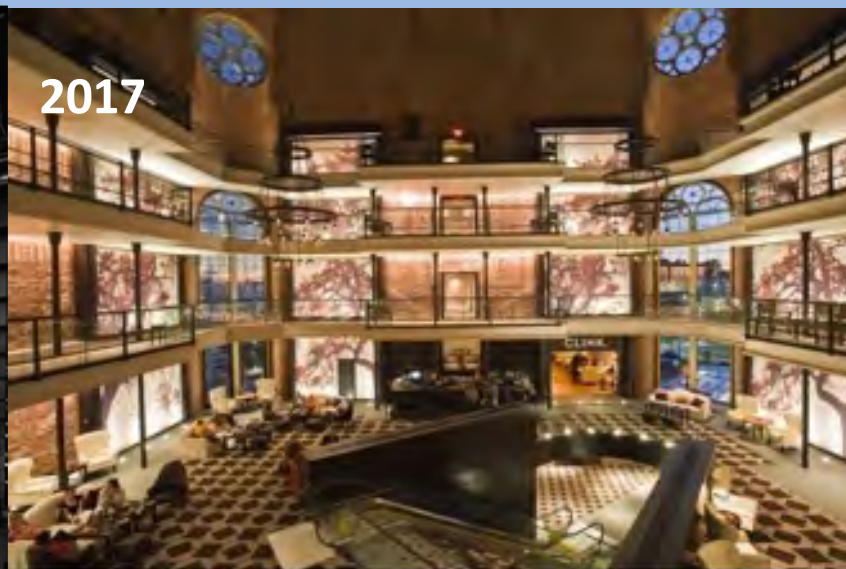
Gridley James Fox Bryant
Boston, MA
Built 1851





Before (2008):
\$60,000,000 Assessed Value
\$0 Taxable Value

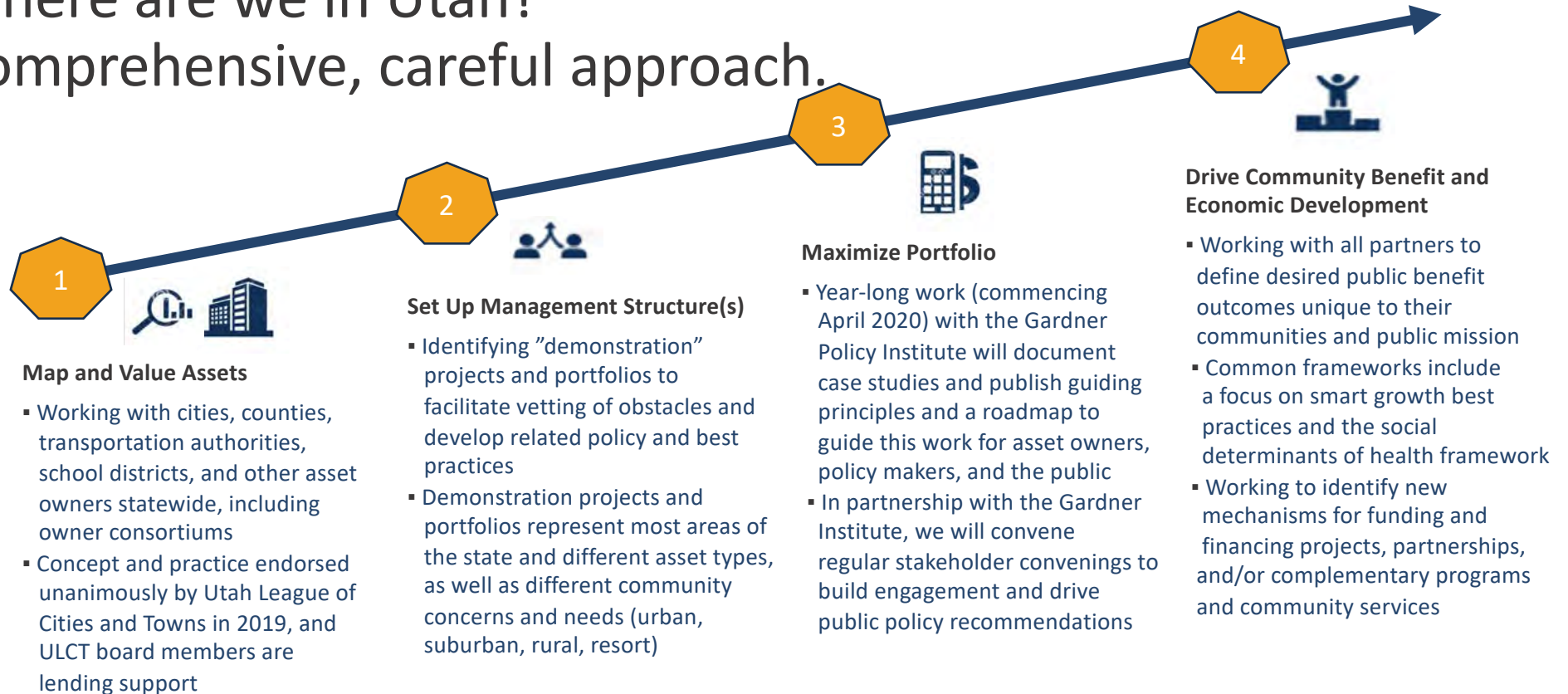
After (2017):
\$123,094,500 Taxable Value



“The jail was sold in 1991 for **\$16 million**. With renovation and a new addition, the property is now worth over **\$170 million** and contributes over **\$3 million** a year in property taxes alone.”

Where are we in Utah?

Comprehensive, careful approach.





Example Framework:
Increasing stability for Utah families through P3s that involve public real estate assets.

Aims

1. Create public private partnerships to develop publicly owned real estate assets

- Generate new revenue streams for public budgets
 - Make land available
- Connect development and financing to desired outcomes at the zip-code and regional level

2. Define housing, health and education as key drivers of opportunity outcomes

- Create livable, walkable communities with increased opportunity outcomes
- Integrate community, city and regional planning
- Address system level change and root causes

3. Identify new asset management and funding/financing mechanisms that link public asset development to these opportunity outcomes

- Capital stacking: financing, impact investing, philanthropy, private real asset partnerships

Drivers

Addressing adverse childhood experiences

Addressing social determinants of health

Addressing smart regional growth (urban, suburban, rural, resort)

Addressing sustainability and environmental stewardship

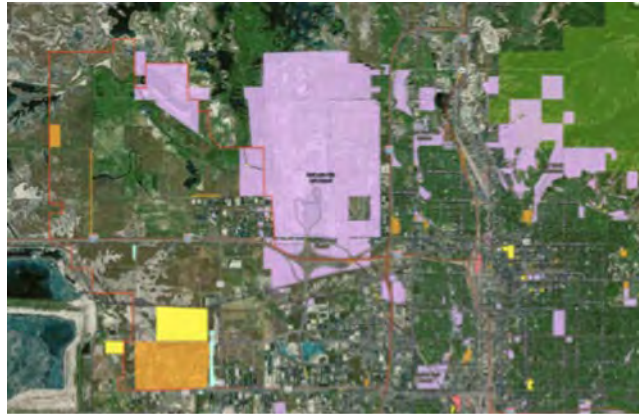
Influencing internal and public policy

Creating profitable public private partnerships

Developing private land with aligned outcomes

Strengthening community infrastructure

SLC RDA Properties



Salt Lake County Center



Meadowbrook





URBAN3

Fleet Block Site Case Study

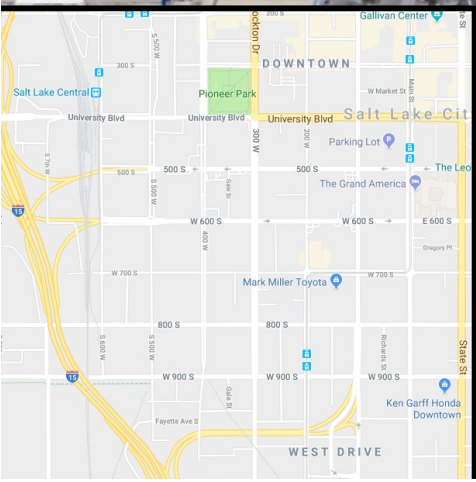
Salt Lake County, UT

Could yield \$82M

Multifamily Infill
\$10M/acre

Transit Station 1,000 feet away

8.7 acre
City-Owned land



Salt Lake County, UT

Half mile from
State Capitol

Opportunity

Opportunity

1,500 feet from
transit station

Multifamily Infill
Avg \$16M/acre

30 acre high school
4.6 acre building footprint

Opportunity

Quarter mile from
Temple Square

Could create \$406M

... And leave high school building intact



URBAN3

West High School Case Study

Salt Lake County, UT

Approximately 224
parking spaces

Average \$16M/acre

Opportunity Cost **-\$128k**/space



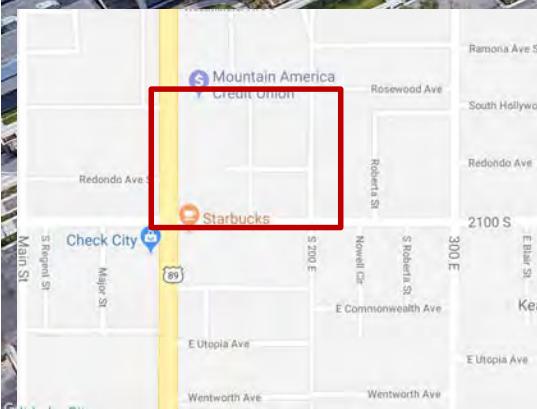
New total value: \$326M

Remodel/Update building
values: \$176M

Yearly tax revenue: \$2.4M

New building value: \$52M

New land value: \$98M



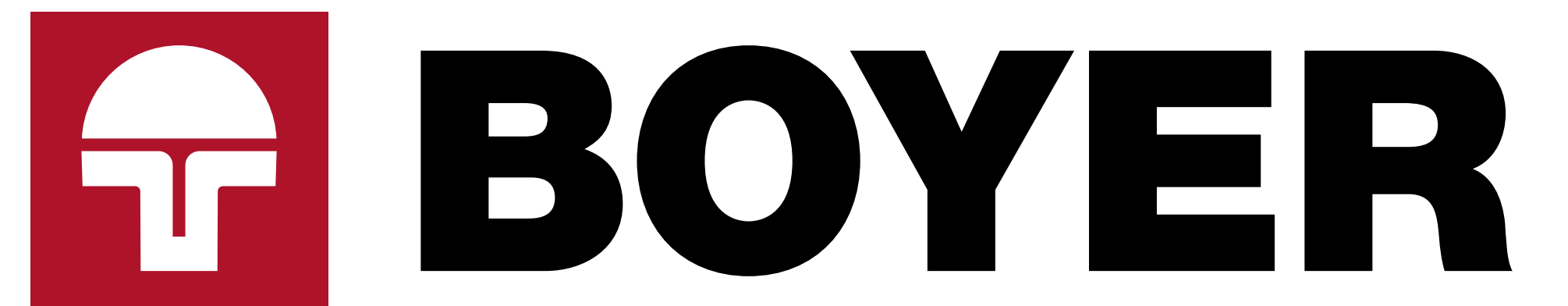
Contact:

Shaleane Gee

Senior Vice President, Community + Regional Development
Zions Bank

(o) 801.844.8668 | (m) 385.212.0447

Shaleane.Gee@zionsbank.com



A Public/Private Partnership



ONErefugee

THE BOYER COMPANY'S REFUGEE INVOLVEMENT

Roger Boyer is the trustee and benefactor of ONErefugee. ONErefugee is a nonprofit foundation that focuses on helping refugees thrive in their new home through career counseling, mentorship, financial aid, and more. ONErefugee's vision states "We imagine a world where individuals from refugee backgrounds are prosperous, feel at home, and give back to the communities in which they live. We work to champion individuals from refugee backgrounds, helping them, one-on-one, to obtain an education and build successful, meaningful careers."

ONErefugee currently has 193 students with 148 graduates from 28 countries who speak 43 languages.

Roger Boyer fully funds ONErefugee and its employees, who share an office with the Boyer Company. We love the refugee community and are passionate about helping them in any way that we can.

Concerning the URETC, we are going to be creative in our site planning to do everything we can to keep URETC on site during development. We are also exploring and optimistic about building them a permanent home on site that is incorporated in a housing or retail component. This location as well as the TRAX access seems like the perfect long-term home for them.

EXAMPLES OF PUBLIC/PRIVATE PARTNERSHIPS

RESEARCH PARK

SALT LAKE CITY, UT

HILL AIR FORCE BASE

LAYTON, UT

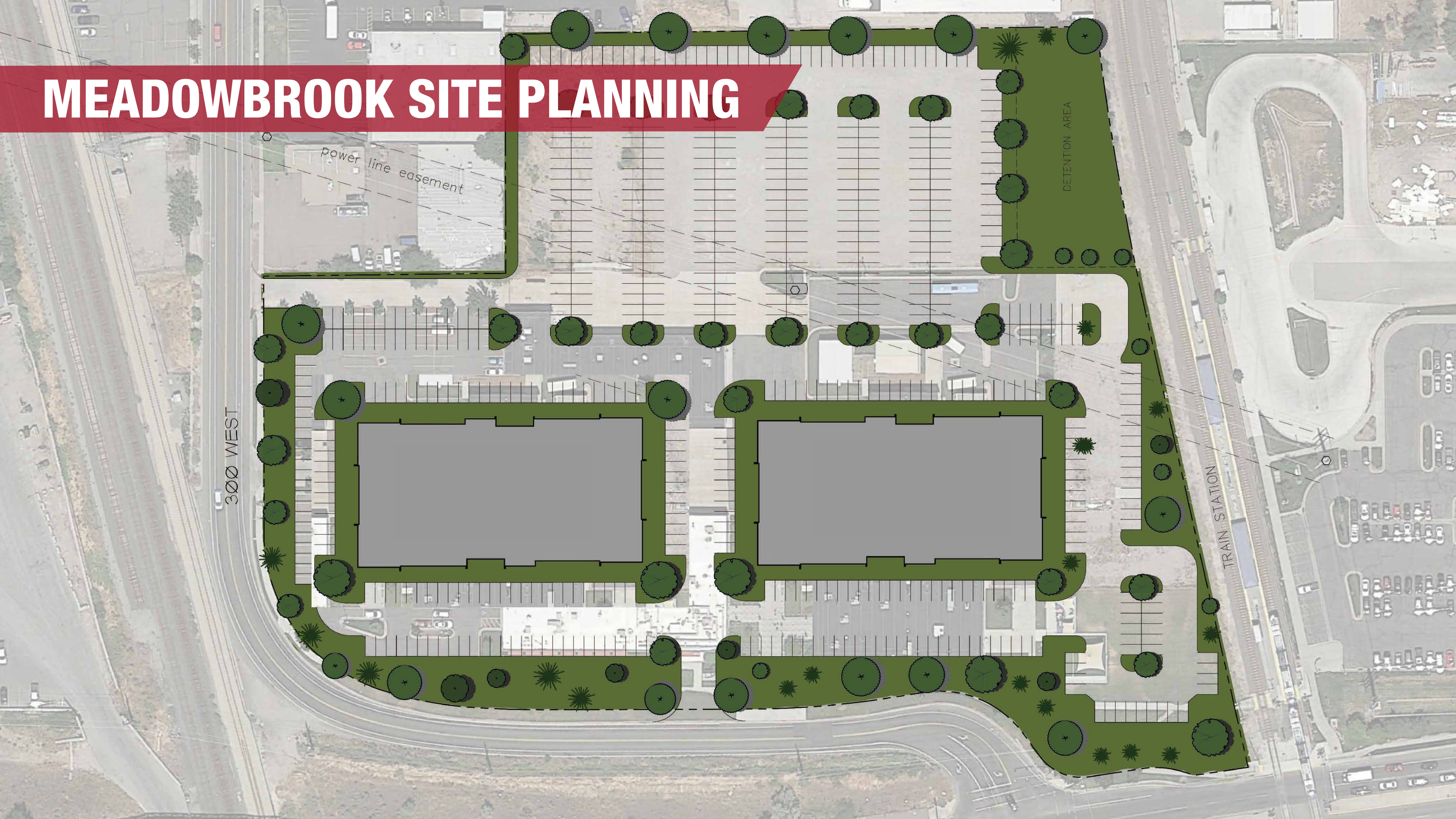
VA CAMPUS

SALT LAKE CITY, UT

BUSINESS DEPOT OGDEN

OGDEN, UT

MEADOWBROOK SITE PLANNING



MEADOWBROOK SITE PLANNING



RULE 712 DISCUSSION