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,

Jeffrey J. West, CPA/MBA
SLCC
Meadowbrook Campus

PUBLIC/PRIVATE PARTNERSHIP PROPOSAL
(non-traditional arrangement for development)
### TIMELINE FOR SLCC MEADOWBROOK PARTNERSHIP SELECTION

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/30/2019</td>
<td>Distribution of the RFI</td>
</tr>
<tr>
<td>9/10/2019</td>
<td>Site visit for interested parties @ the Meadowbrook Campus</td>
</tr>
<tr>
<td></td>
<td>The following vendors attended:</td>
</tr>
<tr>
<td></td>
<td>• Hogan Construction</td>
</tr>
<tr>
<td></td>
<td>• Boyer Company</td>
</tr>
<tr>
<td></td>
<td>• Gardner Company</td>
</tr>
<tr>
<td></td>
<td>• LDG Holdings</td>
</tr>
<tr>
<td></td>
<td>• JLL</td>
</tr>
<tr>
<td>9/20/2019</td>
<td>RFI responses due</td>
</tr>
<tr>
<td></td>
<td>The following responses were received:</td>
</tr>
<tr>
<td></td>
<td>• Hogan Construction</td>
</tr>
<tr>
<td></td>
<td>• JLL</td>
</tr>
<tr>
<td></td>
<td>• Gardner Company</td>
</tr>
<tr>
<td></td>
<td>• Boyer Company</td>
</tr>
<tr>
<td></td>
<td>• Katrina Dang</td>
</tr>
<tr>
<td></td>
<td>• Salt Lake County</td>
</tr>
<tr>
<td></td>
<td>• Church of Jesus Christ of Latter-Day Saints</td>
</tr>
<tr>
<td>11/19/2019</td>
<td>Contracted w/ Scion Group = consulting firm specializing in P3 advising</td>
</tr>
<tr>
<td>11/26/2019</td>
<td>Distribution of the RFP</td>
</tr>
<tr>
<td>12/16/2019</td>
<td>Stage 1 proposals due (pre-qualification)</td>
</tr>
<tr>
<td></td>
<td>The following responses were received:</td>
</tr>
<tr>
<td></td>
<td>• Blue Line Development</td>
</tr>
<tr>
<td></td>
<td>• Gardner Company</td>
</tr>
<tr>
<td></td>
<td>• Boyer Company</td>
</tr>
<tr>
<td></td>
<td>All companies were approved to move forward for presentations</td>
</tr>
</tbody>
</table>
Timeline, continued:

1/21/20  Stage 2 presentations were received
1/27-1/30  Presentations made to SLCC by the three firms
          Scoring by the evaluation committee resulted in the following ranking results:
          • Boyer Company
          • Gardner Company
          • Blueline Development

2/24/20  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%

<table>
<thead>
<tr>
<th>YEARS</th>
<th>YEARS</th>
<th>% INCREASE EVERY 5 YRS</th>
<th>ANNUAL RENT</th>
<th>5 YEAR TOTALS</th>
<th>RUNNING 5 YEAR TOTALS</th>
<th>MONTHLY RENT</th>
<th>APPRAISED VALUE</th>
<th>GROUND LEASE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 5</td>
<td>1 - 5</td>
<td>0</td>
<td>$399,000.00</td>
<td>$1,995,000.00</td>
<td>$1,995,000.00</td>
<td>$33,250.00</td>
<td>$5,700,000</td>
<td>7.00%</td>
</tr>
<tr>
<td>6 -10</td>
<td>6 -10</td>
<td>10</td>
<td>$438,900.00</td>
<td>$2,194,500.00</td>
<td>$4,189,500.00</td>
<td>$36,575.00</td>
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<tr>
<td>11 -15</td>
<td>11 -15</td>
<td>10</td>
<td>$482,790.00</td>
<td>$2,413,950.00</td>
<td>$6,603,450.00</td>
<td>$40,232.50</td>
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<tr>
<td>16 -20</td>
<td>16 -20</td>
<td>10</td>
<td>$531,069.00</td>
<td>$2,655,345.00</td>
<td>$9,258,795.00</td>
<td>$44,255.75</td>
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<tr>
<td>21 -25</td>
<td>21 -25</td>
<td>10</td>
<td>$584,175.90</td>
<td>$2,920,879.50</td>
<td>$12,179,674.50</td>
<td>$48,681.33</td>
<td></td>
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<tr>
<td>26 -30</td>
<td>26 -30</td>
<td>10</td>
<td>$642,593.49</td>
<td>$3,212,967.45</td>
<td>$15,392,641.95</td>
<td>$53,549.46</td>
<td></td>
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<tr>
<td>31 -35</td>
<td>31 -35</td>
<td>10</td>
<td>$706,852.84</td>
<td>$3,534,264.20</td>
<td>$18,926,906.15</td>
<td>$58,904.40</td>
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<tr>
<td>36 -40</td>
<td>36 -40</td>
<td>10</td>
<td>$777,538.12</td>
<td>$3,887,690.61</td>
<td>$22,814,596.76</td>
<td>$64,794.84</td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Total Acreage</th>
<th>9.52 acres</th>
<th>Appraised Value</th>
<th>$4,000,000</th>
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<tbody>
<tr>
<td>Developed Acreage</td>
<td>9.72 acres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hard Surface</td>
<td>7.6 acres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscape</td>
<td>9.96 acres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing</td>
<td>3.2 acres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacant Land</td>
<td>2.45 acres</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Yard</td>
<td>0.71 acres</td>
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</table>

Building square footage:
- Building A: 28,354 square feet
- Building B: 17,638 square feet
- Building C: 26,044 square feet
- Porch 1: 1,008 square feet
- Porch 2: 509 square feet
Questions?
Unlocking Public Wealth

Prepared for The USHE Board of Regents
April 2020
Public Real Assets = Largest wealth segment in the world

Globally, public commercial assets are greater than global public debt.

Note: Market value indicated for all asset segments except for Public Commercial Assets (book value)
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

- Asset tracing
- Geo-spatial assessment
- Valuation of portfolio holdings
- Valuation of consolidated holdings

Digitized inventory of publicly owned real assets

= Indicative valuation of real assets portfolio
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.

1. **Map and Value Assets**
   - Inventory all assets
   - Perform indicative valuation
   - Segment according to development potential; political/regulatory feasibility; and highest and best use policy

2. **Set Up Management Structure(s)**
   - Establish professional management structures/vehicles, with public owners as shareholders
   - Transfer high potential & politically feasible assets
   - Appoint appropriate oversight and steering body stakeholders

3. **Maximize Portfolio**
   - Develop comprehensive business plan for entire portfolio and segments
   - Put each asset to its highest and best public use
   - Put whole portfolio to its most productive public use
   - Develop mutually beneficial public-private partnerships

4. **Drive Community Benefit and Economic Development**
   - Develop roadmap for long-term economic growth strategy and social outcomes
   - Dedicate revenue yield and/or land to needed infrastructure and services
   - Steward policy, legislative, accounting, and public stakeholder concerns with care and transparency
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.

Map and Value Assets
- Working with cities, counties, transportation authorities, school districts, and other asset owners statewide, including owner consortiums
- Concept and practice endorsed unanimously by Utah League of Cities and Towns in 2019, and ULCT board members are lending support

Set Up Management Structure(s)
- Identifying “demonstration” projects and portfolios to facilitate vetting of obstacles and develop related policy and best practices
- Demonstration projects and portfolios represent most areas of the state and different asset types, as well as different community concerns and needs (urban, suburban, rural, resort)

Maximize Portfolio
- Year-long work (commencing April 2020) with the Gardner Policy Institute will document case studies and publish guiding principles and a roadmap to guide this work for asset owners, policy makers, and the public
- In partnership with the Gardner Institute, we will convene regular stakeholder convenings to build engagement and drive public policy recommendations

Drive Community Benefit and Economic Development
- Working with all partners to define desired public benefit outcomes unique to their communities and public mission
- Common frameworks include a focus on smart growth best practices and the social determinants of health framework
- Working to identify new mechanisms for funding and financing projects, partnerships, and/or complementary programs and community services
Social Determinants of Health

Primary/Secondary
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

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

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
Fleet Block Site Case Study
Salt Lake County, UT

Could yield $82M

Multifamily Infill
$10M/acre

8.7 acre
City-Owned land

Transit Station 1,000 feet away
West High School Case Study
Salt Lake County, UT

1,500 feet from transit station

Multifamily Infill
Avg $16M/acre

30 acre high school
4.6 acre building footprint

Average $16M/acre

Opportunity

Opportunity

Opportunity

Half mile from State Capitol

Quarter mile from Temple Square

Could create $406M

... And leave high school building intact
West High School Case Study
Salt Lake County, UT

Approximately 224 parking spaces

Opportunity Cost -$128k/space

Average $16M/acre
County Complex Case Study
Salt Lake County, UT

Remodel/Update building values: $176M

Yearly tax revenue: $2.4M

New total value: $326M

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
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

BUILDING A
3 Story
135,000 S.F.

FUTURE BUILDING B
22,800 S.F.
RULE 712 DISCUSSION