



MEMORANDUM

TAB A

November 18, 2021

Salt Lake Community College – Non-Traditional Arrangement Revision

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. In March 2020, the Board approved Salt Lake Community College (SLCC) to enter into a contract for up to forty years with a private developer to develop a mixed-use project on the Meadowbrook Campus. SLCC requests Board approval to modify the project to extend the contract to a 99-year term for a mixed-use development including affordable housing, office space, and commercial space. The College will retain the option to sell the property in the future. Additional information about the project is provided in the attached letter and presentation from the College.

Commissioner's Recommendations

The Commissioner recommends the Committee authorize, and forward to the full Board for approval, Salt Lake Community College to extend the contract for a mixed-use development with a private developer for a 99-year term. The authorization continues to be contingent on communication and review by the Attorney General's Office.

Attachments



05 November 2021

Board of Higher Education
c/o Commissioner Dave R. Woolstenhulme
Two Gateway 60 S. 400 West
Salt Lake City, UT 84101-1284

RE: SLCC-owned property at 218 W. 3900 South (Meadowbrook)

Commissioner:

Having previously come before the Board on 3/27/2020 to seek approval for developing the Meadowbrook property, the College has been working with the Boyer Company since that time under a Letter of Intent arrangement (signed 10/13/2020), and is now prepared to sign a long-term Ground Lease which will formalize the partnership between SLCC and Boyer in overseeing the future use of that property.

Initially the project as proposed by Boyer was contemplated as a multi-use development, with commercial/office space being done first, and affordable housing being done in a subsequent phase, with the timing of that phase to be determined. With the advent of COVID-19 and the corresponding drop in demand for commercial/office space, it was determined that Boyer should change the sequence of development projects to focus on affordable housing first, with commercial/office space following in a subsequent phase. The project, as originally proposed and approved by the Board in March 2020 assumed a 40 year financing term – based on the plan to focus on a commercial type development initially. Affordable housing was also mentioned with the caveat that a longer financing term would be necessary for that type of development. With the change brought about by COVID-19 and the corresponding change in direction, the need to alter the financing assumption to a 99 year term was made obvious.

The College now seeks approval to execute the Ground Lease with the Boyer Company for a 99 year lease agreement, which will reflect the College's fee-simple interest in the property – with no other considerations given by the institution. As part of the Ground Lease, the College maintains the right to sell the property at any time, with Boyer having the first right of refusal to purchase. The cash flow to the College over that time is illustrated on the accompanying schedule. Also attached, and in accordance with Board Rule 712, Section 5.6, the Attorney General's Office has reviewed and signed off on the Ground Lease provisions, including the 99 year term, pending formal approval by the Board.

Thank you for your continued support of the College as it seeks to address the needs of the communities it serves. Let me know if there is anything else you require from SLCC regarding this request.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jeffrey J. West".

Jeffrey J. West, CPA/MBA



BOYER

BOYER MEADOWBROOK PHASED APPROACH:

PHASE I:

- ~225 Multi-Family Units (60% AMI)
- Using roughly half of the acreage
- Buildings B and C to remain temporarily while market improves

PHASE II DEMOLISH BUILDINGS B AND C:

- Construct Life Science/Office space
- Large floor plates of 25,000-35,000 SF, 3-5 stories (100-150,000 SF in total).
- Parking structure may be necessary depending on size and scale – market dependent
- If market demand doesn't materialize for this product, housing could be a possibility

Boyer is fully committed to this project and will remain in constant communication with stakeholders.



PHASE I AFFORDABLE HOUSING



~225
MULTI-FAMILY
UNITS WITH
STRUCTURED
PARKING

POWER
EASEMENT

ADD FENCING
AS NECESSARY

ADD NEW
DRIVEWAY

REMOVE
SLCC
STRUCTURAL
SIGNAGE

IMPROVE
LANDSCAPE



5-B2	2br/2ba	914	955	50
5-B3	1+den	679	735	50
5-C1	3br/2ba	1,341	1,468	82
TOTALS	3br/2ba	1,171	1,327	75

UNIT AVERAGE NET SF : 833 S.F.

* NET AREA IS COMPUTED TO INCLUDE SQUARE FOOTAGE FROM EXISTING BUILDING FOOTPRINT

PROJECT DATA

ACREAGE: 5.32 GROSS A

TOTAL UNITS: 246 UNITS

DENSITY: 50.46 UNITS/A

INTERIOR AMENITIES: 7,500 S.F. (2-6)

LEASING: 1,500 S.F. (1-6)

POOL HOUSE: 700 S.F. (1-6)

PARKING:

DESIRED: 426 SPACES

PROVIDED: 426 SPACES

Surface near 4-story: 88

Surface near 5-story: 244

Parking Garage @ 5-story: 5

5-STORY RESIDENTIAL WRAP @ HEAD

UNIT NAME	UNIT TYPE	NET AREA(SF)	GROSS AREA(SF)	BALCON (SF)
S1	3br/2ba	449	494	0
S2	2br/2ba	353	398	0
A1	1br/1ba	617	730	70
A2	1br/1ba	683	807	170
B1	2br/2ba	908	1,054	75
B2	2br/2ba	914	965	50
B3	1+den	679	735	50
C1	3br/2ba	1,171	1,327	75
TOTALS				

UNIT AVERAGE NET SF : 907 S.F.

* NET AREA IS COMPUTED TO INCLUDE SQUARE FOOTAGE FROM EXISTING BUILDING FOOTPRINT

PROJECT DATA

ACREAGE: 3.93 GROSS I

TOTAL UNITS: 202 UNITS

DENSITY: 69.18 UNITS/I

INTERIOR AMENITIES: 7,000 S.F. (2-4)

LEASING: 1,000 S.F. (1-4)

PARKING:

DESIRED: 323 SPACES

PROVIDED: 323 SPACES

PARKING STRUCTURE: 246 SPACES

SURFACE: 57 SPACES

4-STORY RESIDENTIAL

UNIT NAME	UNIT TYPE	NET AREA(SF)	GROSS AREA(SF)	BALCON (SF)
A1	1br/1ba	692	743	60
A2	1br/1ba	685	754	112
B1	2br/2ba	1,240	1,116	67
B2	2br/2ba	1,174	1,260	68
C1	3br/2ba	1,351	1,468	82
TOTALS				

UNIT AVERAGE NET SF : 914

PARKING RATIO: 1.68

* NET AREA IS COMPUTED TO INCLUDE SQUARE FOOTAGE FROM EXISTING BUILDING FOOTPRINT

PROJECT DATA

ACREAGE: 2.38

TOTAL UNITS: 64

DENSITY: 27.3

CLUBHOUSE: 2,550

PARKING:

DESIRED: 102

PROVIDED: 58



PHASE II - COMMERCIAL

POTENTIAL
PARKING
STRUCTURE

FUTURE
BUILDING II

BUILDING I
(BIOTECH LIFE
SCIENCE
COMMERCIAL)







THE BOYER COMPANY, L.C.

101 S 200 E, Ste 200
Salt Lake City, UT 84111

Contact: Nate Boyer, *President*

t. 801.300.1378 | nboyer@boyercompany.com | f. 801.521.4793

Contact: Ryan Simmons, *Partner*

t. 801.366.7130 | rsimmons@boyercompany.com



101 South 200 East, Suite 200
Salt Lake City, UT 84111
www.boyercompany.com

Break Even Point at 7%

YEARS	% INCR EVERY 5 YRS	ANNUAL RENT	5 YEAR TOTALS	ACCUMULATED TOTALS	MONTHLY RENT
1 - 5	0	\$375,000	\$1,875,001	\$1,875,001	\$31,250
6 - 10	10	\$412,500	\$2,062,501	\$3,937,502	\$34,375
11 - 15	10	\$453,750	\$2,268,751	\$6,206,252	\$37,813
16 - 20	10	\$499,125	\$2,495,626	\$8,701,878	\$41,594
21 - 25	10	\$549,038	\$2,745,189	\$11,447,067	\$45,753
26 - 30	10	\$603,941	\$3,019,707	\$14,466,775	\$50,328
31 - 35	10	\$664,336	\$3,321,678	\$17,788,453	\$55,361
36 - 40	10	\$730,769	\$3,653,846	\$21,442,299	\$60,897
41 - 45	10	\$803,846	\$4,019,231	\$25,461,529	\$66,987
46 - 50	10	\$884,231	\$4,421,154	\$29,882,683	\$73,686
51 - 55	10	\$972,654	\$4,863,269	\$34,745,952	\$81,054
56 - 60	10	\$1,069,919	\$5,349,596	\$40,095,548	\$89,160
61 - 65	10	\$1,176,911	\$5,884,556	\$45,980,104	\$98,076
66 - 70	10	\$1,294,602	\$6,473,011	\$52,453,115	\$107,884
71 - 75	10	\$1,424,062	\$7,120,312	\$59,573,427	\$118,672
76 - 80	10	\$1,566,469	\$7,832,343	\$67,405,770	\$130,539
81 - 85	10	\$1,723,116	\$8,615,578	\$76,021,348	\$143,593
86 - 90	10	\$1,895,427	\$9,477,136	\$85,498,484	\$157,952
91 - 95	10	\$2,084,970	\$10,424,849	\$95,923,333	\$173,747
96 - 99	10	\$2,293,467	\$11,467,334	\$107,390,667	\$191,122

APPRAISED VALUE	GROUND LEASE %
\$5,700,000	7.00%
	\$399,000
adj. for unusable sq ftg	\$375,000

Break even 13 years and 11 months =	\$5,714,690
--	--------------------

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



SEAN D. REYES
ATTORNEY GENERAL

Spencer E. Austin
Chief Criminal Deputy

Daniel Burton
General Counsel

Ric Cantrell
Chief of Staff

Melissa A. Holyoak
Solicitor General

Brian L. Tarbet
Chief Civil Deputy

November 1, 2021

Commissioner David R. Woolstenhulme
Utah Board of Higher Education
The Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

RE: Proposed Ground Lease between Salt Lake Community College and Boyer Meadowbrook, L.C.

Dear Commissioner Woolstenhulme:

It is my understanding that Salt Lake Community College will be asking the Utah Board of Higher Education ("Board") to update its approval of the above referenced non-traditional transaction under the Board's Policy R712-5. As part of its presentation to the Board, the College has asked me to provide my approval of the proposed Ground Lease. Although I am not willing to do that because I understand that the transaction has not yet been approved by the Board, I can inform the Board by this letter that I have reviewed the latest draft that I have of the Ground Lease, and that, if Sections 2 and 5.1.2. of that draft are consistent with the Board's approval, I will give approval to its form and legal authority as required by said rule. Copies of Sections 2 and 5.1.2. of that draft are attached hereto for your reference.

Please let me know if you have a question.

Very truly yours,

KEVIN V. OLSEN
Assistant Attorney General

cc: Jeffrey West

otherwise agreed to by Landlord, be separated into more than two (2) separate ground leases; and (v) the real property under each separate ground lease will (A) contain at least two (2) acres; (B) have access (directly or through an easement) to and from a public roadway sufficient to develop a commercial building; and (C) have access (directly or through an easement) for connection to water, sewer, electric, gas and communication utilities sufficient to develop a commercial building.

2. Term; Delivery of Possession. The term of this Lease (the “**Term**”) shall be for a period of ninety-nine (99) full consecutive years commencing on the date of this Lease (also referred to herein as the “**Rent Commencement Date**”), and ending on November [] 2120. Landlord shall deliver physical possession of the Property to Tenant at the commencement of the Term, free and clear of any tenancy or occupancy by third parties, subject only to the Permitted Encumbrances.

3. Rent and Other Payments.

3.1. Initial Fixed Rent. Commencing on the Rent Commencement Date and on each annual anniversary of the Rent Commencement Date thereafter, or if the Rent Commencement Date is other than the first day of a calendar month, on each annual anniversary of the first day of the calendar month occurring after the Rent Commencement Date, Tenant shall pay Landlord base annual rent in the amount of Three Hundred Seventy-Five Thousand and No/100 Dollars (\$375,000.00) (the “**Fixed Rent**”). In the event the Rent Commencement Date is on a day other than the first day of a calendar month, Tenant shall pay Landlord a prorated portion of Fixed Rent for such partial calendar month along with the full first year’s Fixed Rent on the Rent Commencement Date. The Fixed Rent shall be paid in advance on or before the first day of each year to which it relates. The Fixed Rent shall be delivered to Landlord at the address provided in Section 25, or at such other address as Landlord may specify in writing to Tenant.

3.2. Escalation of Fixed Rent. On each five (5) year anniversary of the Rent Commencement Date, the Fixed Rent, as previously adjusted pursuant to this Section 3.2, shall be increased by ten percent (10%).

3.3. Rent. The term “Rent” means the aggregate of Fixed Rent and any and all amounts payable by Tenant to Landlord under the terms of this Lease, other than Fixed Rent.

3.4. Net Rent. The Fixed Rent is absolutely net to Landlord. Tenant shall pay for all insurance, taxes, utilities, repairs, maintenance and other services and costs relating to the Property and the Improvements. Except as otherwise expressly set forth in this Lease, Landlord shall incur no cost or expense in connection with the Property or the Improvements during the Term.

4. Property Accepted “As-Is”. Tenant accepts the Property “as-is” without warranty or representation of any kind except as expressly set forth in this Lease. Landlord has provided Tenant with reasonable opportunities to conduct any inspections Tenant deemed appropriate to evaluate the Property and to determine the suitability of the Property for Tenant's purposes, including, without limitation, determining whether there are any Hazardous Materials (as defined in Section 10.3 below) on or under the Property, determining whether the Property has sufficient access, and determining whether all needed utilities and services will be available.

5. Use and Improvements.

5.1. Use.

5.1.1. The Property shall be used by the Tenant to construct and operate the Improvements for any lawful uses other than the Prohibited Uses (as defined below), under and in compliance with all Applicable Laws (as defined below).

~~5.2. Construction of Improvements by Tenant. The Future Improvements shall be constructed in accordance with the provisions of all Applicable Laws, and once commenced, shall be expeditiously constructed to completion.~~ 5.1.2 Such lawful uses shall include without limitation activities and operations which serve to provide Salt Lake Community College with the means to provide post-secondary education opportunities to the community or any other uses that benefit the citizens of Salt Lake County that is approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed. (it being agreed the uses of the Property for residential, commercial, industrial, and retail uses, other than Prohibited Uses, are approved by Landlord). For purposes of this Section 5.1.2, Landlord agrees that by paying rent and performing its obligations under this Ground Lease, Tenant has complied with the provisions of this Section 5.1.2.

5.2. Construction of Improvements by Tenant. The Future Improvements shall be constructed in accordance with the provisions of all Applicable Laws, and once commenced, shall be expeditiously constructed to completion.

5.3. Ownership of Improvements. Landlord hereby quit claims the Existing Improvements to Tenant. All Future Improvements constructed on the Property shall be owned by Tenant (or, at Tenant's option as described herein, by subtenants with respect to improvements made by such subtenants, as provided by the terms of their respective leases) until expiration of the Term or sooner termination of this Lease, at which time, subject to the rights of a Leasehold Mortgagee, pursuant to a separate ground lease or sublease authorized pursuant to this Lease, all Improvements by whomever then owned shall become the property of Landlord. Tenant shall have the right to alter or modify all Improvements at any time during the Term so long as such alterations and modifications and the construction thereof comply with Applicable Laws, and once commenced, are expeditiously constructed to completion. The parties covenant for themselves and all persons claiming under them that the Improvements are and shall remain the personal property of Tenant (or subtenants, as the case may be) during the Term.

5.4. No Continuous Operation. Nothing herein shall require Tenant to construct or to continuously operate or occupy the Improvements or the Property; provided, however, that any vacation or under-utilization of the Improvements shall not excuse Tenant's obligations to pay rent as well as to maintain and repair the Improvements, if constructed, as provided in this Lease, or to comply with Applicable Laws.

5.5. Prohibited Uses. Except with Landlord's prior written consent, no portion of the Property will be used for any of the following uses (the "Prohibited Uses"):