

MEMORANDUM

TO: City Council Members

FROM: Tyler Murdock, Deputy Director, Salt Lake City Public Lands
Kristin Riker, Director, Salt Lake City Public Lands

SUBJECT: Update on University of Utah Proposal to Lease 1.175 Acres of Sunnyside Park

DATE: March 4, 2024

This memo provides updates on key considerations regarding the University of Utah's request to lease 1.175 acres of Sunnyside Park for the construction and operation of a new collegiate baseball stadium and address issues raised in the public hearing.

An initial letter was provided to City staff on January 4th from the University outlining the proposed public benefits of the proposal. Administration completed a Public Benefits Analysis ("PBA"), taking into account the benefits outlined by the University along with several additional considerations. Following the formal City Council briefing and subsequent meetings with University officials, City staff have compiled the following updates to several sections of proposed benefits to add clarity and context. An updated design concept drawing of the ballpark and related facilities is attached.

Design Elements:

The PBA describes how the lease to the University will eliminate the need for a 35-foot wall in the outfield between the ballpark and Sunnyside Park. An additional consideration is that the lease to the University will allow the ballpark building to be offset approximately 20 feet from the Guardsman Way right of way. The design concept drawing contemplates that some improvements such as walkways and footings may be within the offset area. The University's original proposal did not have any setback, meaning that the ballpark would be directly adjacent to the sidewalk. The 20-foot offset will benefit the use and safety of Guardsman Way.

Recreational Access to Ballpark Outfield:

The University of Utah initially listed "access to the ballpark for community events" as one of the public benefits, including the use of the ballpark outfield as an additional recreation field during baseball off-season months (Mid-May thru October). However, it has since been clarified that the ballpark facilities and outfield may be rented by the public, and the rental to city residents and recreational groups will be a fee that covers the operational costs, which are not yet determined. While the facility could still be used for reserved community events, the operational cost required for hourly use will likely be prohibitive for public recreational community field reservations. Therefore, the use of the ballpark outfield for public recreational programming should not be considered a

public benefit until the operational costs are identified and deemed reasonable for recreational use.

Public Access to Shared Facilities:

The University initially listed the “designed integration of the ballpark into Sunnyside Park, including added amenities like restrooms and concessions or food trucks with outward accessibility to park patrons” as a public benefit. Concessions will be available to the public only when the facility is paid for and reserved for community events. The University has confirmed that they will construct restrooms within the leased area that will be outward facing and available for public use during park hours, except when the stadium is reserved for University or private events. The restrooms are being constructed at an additional estimated cost of \$600,000 to the University. Restroom access may be considered part of a public benefit.

Public Access to Leased Area:

The leased area is located between the outfield and the park, separated by a fence on each side. During use of the ballpark, the leased area will function as outfield grass seating and landscaped berm. The University has agreed to allow public access to the leased area all the time except during ballfield events.

Additional Structures on Leased Area:

To preserve the setback along Guardsman Way, the University has planned to construct an indoor baseball hitting practice facility and restrooms on a portion of the leased area. Based on preliminary drawings, the building is expected to be approximately 28 feet tall from the ballfield side and 128 feet wide, however due to the grade change in the leased area, it appears that the facility will sit 16 feet high from the perspective of a park user on the east side of the leased area. The University will allow use of the practice facility by city residents and recreational groups for a fee that covers only operational costs. The University will also construct restrooms adjacent to the practice facility in the leased area that will be open to public except during events in the ballfield.

Construction Timeline:

The proposed leased area will be publicly available for field reservations until June 30, 2024. The lease will state that the University’s possession begins July 1, 2024.

Additionally, there has been some discussion about whether the University contractors could construct the proposed park amenities in connection with the ballfield improvements. We have not yet determined if this is allowable under the City’s procurement code, although it could provide some benefits in both time and cost. If it is determined that the University will construct these amenities, the City will require 4-6 months of public engagement to determine the scope of the park improvements prior to construction design from the University. Alternatively, if the City is responsible for

construction, it would follow the typical Capital Improvement schedule, taking all steps that are prudent and reasonable to complete planning, design, and construction within a 3-year time period. The University has requested that the City follow reasonable efforts to install all upgrades in Sunnyside Park within 3 years of the lease agreement.

Tree Preservation:

The proposed leased area contains four Giant Sequoia trees. It appears the University's construction of the design concept will impact one or two of the trees. While the University has expressed willingness to explore necessary steps to protect these trees, they have not agreed to their preservation. City staff has initiated a formal tree appraisal. Through an assessment, the city will determine tree condition, species, size, site condition and an approximate appraised value of each tree. It is recommended that the lease agreement should require the University's best efforts to protect and preserve these trees and will follow the City's best practices for tree protection zones. If a tree is not preserved on City property, the City typically charges mitigation fees determined by an evaluation and assessment of the tree. The University has stated that any mitigation fees should be charged against the \$4.2 million donation. The University could also be required to replace any removed trees.

Costs to City:

The University is donating \$4.2 million to the City as the primary public benefit for the lease, plus is investing an additional estimated \$600,000 to construct restrooms that benefit the public using Sunnyside Park. The City will agree to spend \$4.2 million on upgrades in Sunnyside Park. The lease to the University will result in the following costs to the City:

- Loss of a softball field with lighting: replacement cost is estimated to be \$1.5 million. The cost to construct 2 softball fields with lights and the associated parking is estimated to be \$3.2 million.
 - The cost of replacing the lost softball field could be potentially paid for with City funds or the University donation.
 - The cost of construction of a new softball field and parking could potentially be paid for with City funds, or the University donation.
- Loss of one multi-use field: replacement cost is estimated to be \$865,000. The replaced multi-use field could potentially be paid for with City funds or the University donation.

The leased area has an assessed value of approximately 0.68/square foot, equating to approximately \$434,279. The appraised value would be higher. The rent based on the assessed value would be approximately \$34,742 for the first year and the City typically applies a 3% annual increase.

Land Use Restrictions:

City staff has been made aware of some potential land use restrictions on a portion of the leased area arising from the City's acquisition of the property from the federal government. City staff is researching these potential restrictions and their effect.

Proposed Lease Terms:

See attached draft term sheet.

We appreciate your attention to these matters and look forward to further discussions to ensure the best possible outcome for all parties involved. Please feel free to contact me if you require any additional information or clarification.

Term Sheet

Lease to University of Utah –Sunnyside Park

Term:	99 years; the parties can mutually agree on an extension.
Commencement Date:	July 1, 2024
Rent:	\$1/year
Additional Consideration:	The University will pay the City \$4.2 million for park and recreation improvements, plus construct a restroom that will benefit the public using Sunnyside Park at the estimated cost of \$600,000. The City will spend \$4.2 million on park improvements at Sunnyside and the University has requested that the City will use reasonable efforts to complete the park improvements within 3 years from the execution of the lease.
Use:	Recreational fields and related amenities including restrooms and a practice facility, fencing, and landscaping improvements.
Easement:	The University and City will have a reciprocal access easement on the north side of the ballpark.
Operating Conditions:	<ol style="list-style-type: none">1. The ballpark (including a multiuse field in the outfield) will be available for rent by the City, city residents, and recreational groups when not in use by the University in accordance with the University's policies, if the renter covers operation costs for its use. The University anticipates that the ballpark will have year-round availability during non-collegiate use, with high availability between May through August and November, and December, and lower availability at other times of the year.2. The practice facility will be available for rent by the City, city residents, and recreational groups when not in use by the University in accordance with the University's policies, if the renter covers operation costs for its use.3. The restrooms within the leased area will be outward facing and available for public use during park hours, except when the stadium is reserved for University or third-party events.4. There will be public access to the leased property when ballpark is not in use.

PROPOSED TERM SHEET (DRAFT – NOT FINAL)

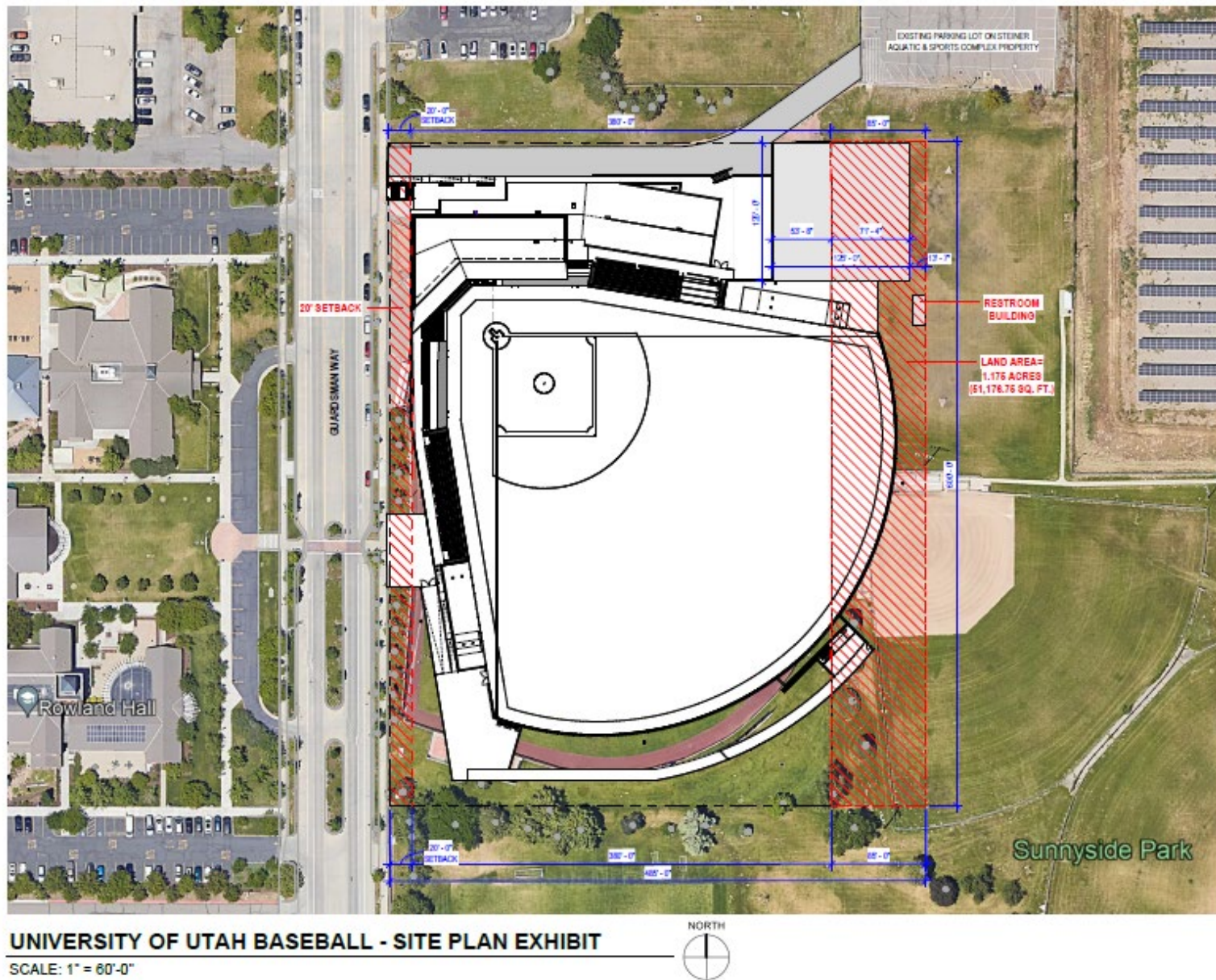
5. The University will use best efforts to protect the 4 existing Grand Sequoia trees on the leased property and will follow the City's best practices for tree protection zones. There may be a mitigation fee charged for the removal of any trees.

6. The ballpark facility will set back the improvements from Guardsman Way not less than approximately 20 feet from right of way boundary.

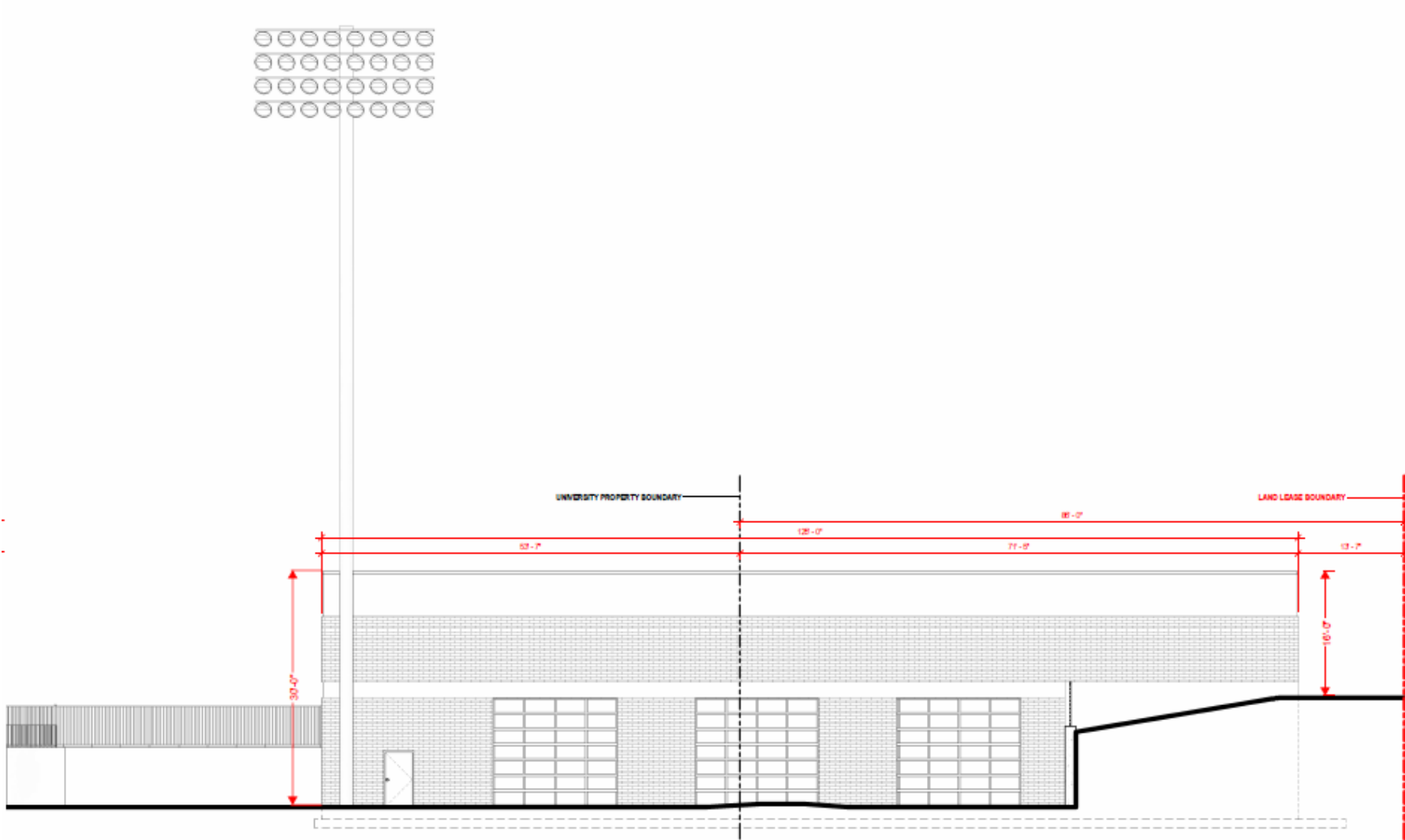
Lease	There may be additional conditions or restrictions based on any use
Conditions:	restrictions in favor of the federal government.

Final terms of the ground lease will be negotiated by the administration on advice from the City Attorney's office.

UPDATED DESIGN CONCEPT DRAWING (NOT FINAL)



UPDATED DESIGN CONCEPT DRAWING (NOT FINAL)



UNIVERSITY OF UTAH BASEBALL - INDOOR PRACTICE FACILITY SOUTH ELEVATION

SCALE: 1/8" = 1'-0"