



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Jennifer Bruno & Allison Rowland
Budget & Policy Analysts

DATE: March 5, 2024

RE: RESOLUTION: UNIVERSITY OF UTAH BASEBALL STADIUM PUBLIC BENEFITS ANALYSIS

Item Schedule:

Briefing: February 6, 2024

Public Hearing: February 20

Potential Action: TBD

ISSUE AT-A-GLANCE

The Council will be briefed on a public benefit analysis conducted by Salt Lake City that would allow the University of Utah to lease approximately 1.175 acres of City-owned land at a below-market rate and term for 99 years. The land is located at approximately 1735 Sunnyside Avenue and is currently used for a softball field and a multipurpose field at Sunnyside Park. The University requested this lease to facilitate expansion of its baseball playing field to meet National Collegiate Athletic Association (NCAA) requirements. The University has stated that this lease would enable sufficient expansion of the baseball playing field to avoid the need to construct undesirable elements, such as a 35-foot wall between the western boundary of Sunnyside Park and the ballfield.

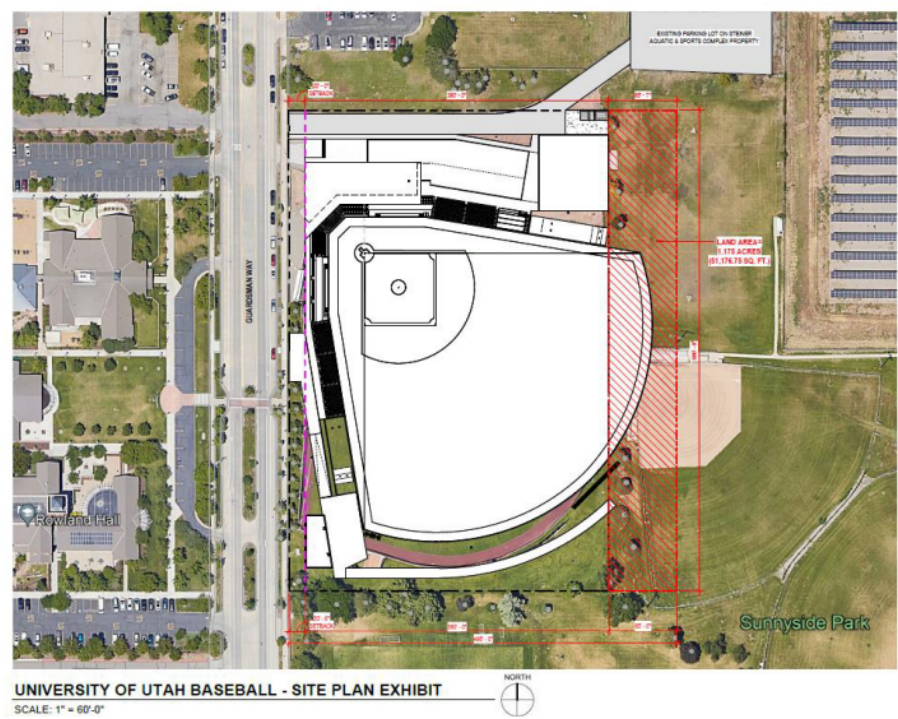
The Administration believes the benefits from an expanded ballpark, which would be available to the public when not in use by the University teams (pending negotiations), combined with a \$4.2 million contribution from the University for new amenities at Sunnyside Park, would be sufficient to ensure that the proposed agreement represents an overall benefit for the public. The Administration is recommending that the Council approve the public benefits analysis, as it believes the agreement is in the long-term interest of the City.

A public hearing on this item is scheduled for tonight, February 20, 2024.

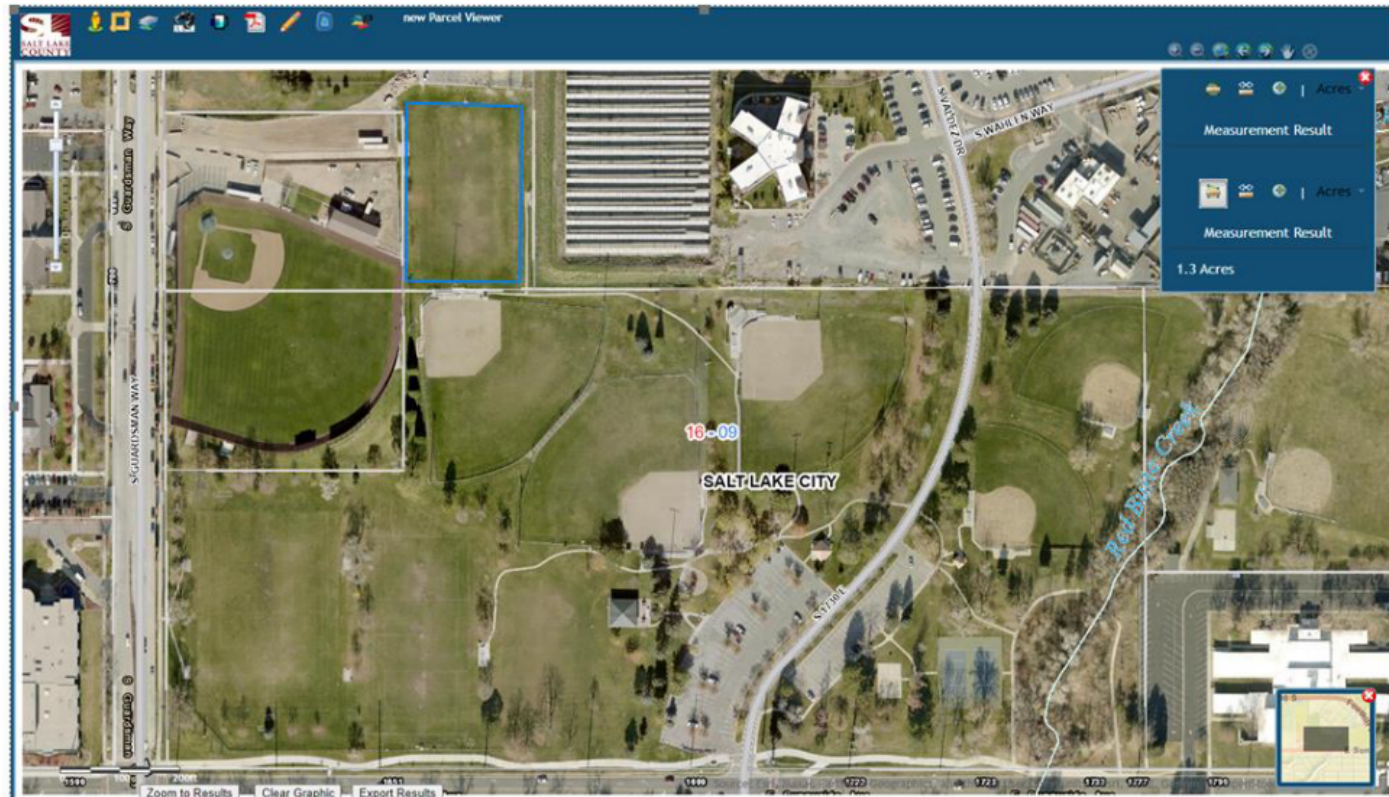
Goal of the briefing: Review the public benefit analysis and, after a public hearing, consider adopting a resolution which would authorize the below-market ground lease rate and term to the University of Utah.



Proposed Leased Area and New University Ballfield Design
Depiction of Leased Area (Red Hatch Marks)

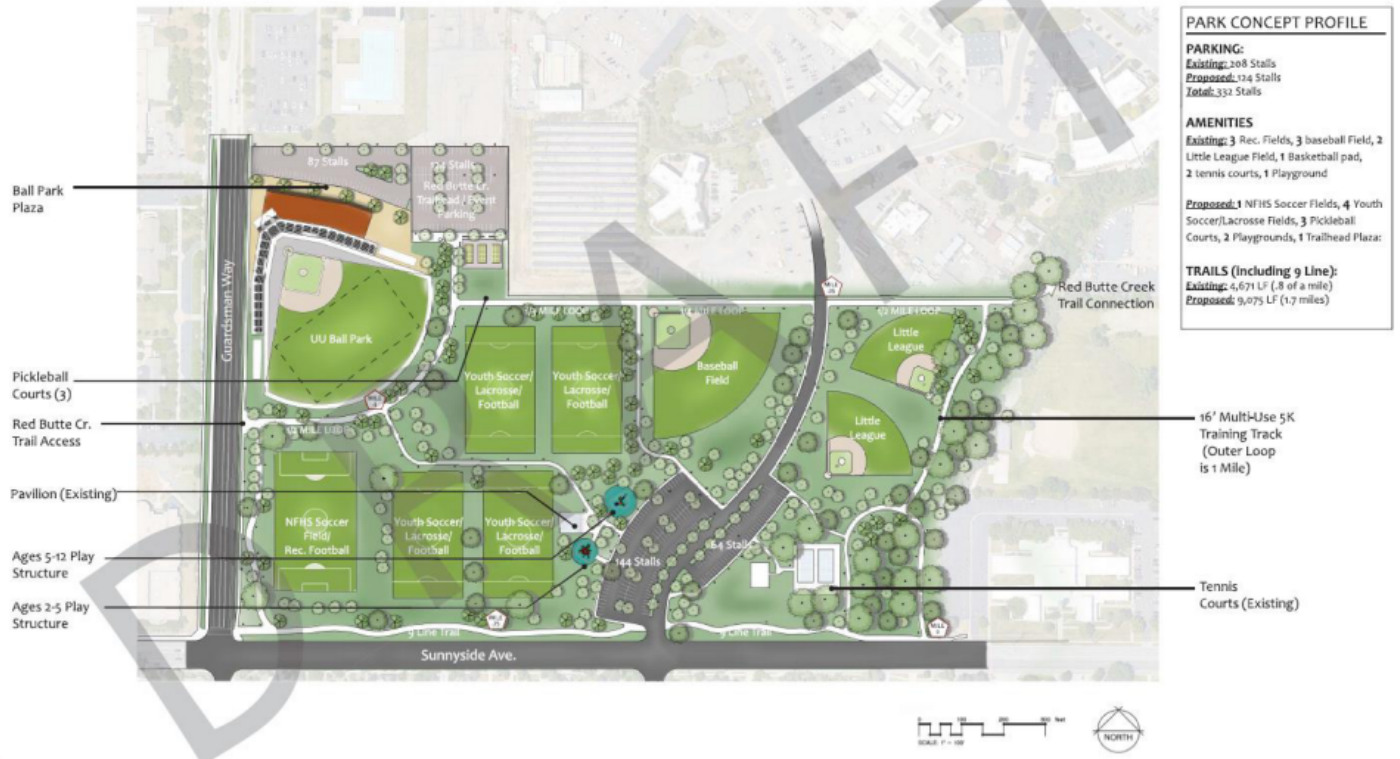


Depiction of Existing Sunnyside Park Configuration



University Concept Plan

SUNNYSIDE PARK | Concept Rendering



Note: The above image is a concept rendering used to explore options and make cost estimates. Results from the City's forthcoming community engagement process may change this design substantially.

ADDITIONAL INFORMATION AND BACKGROUND

A. **Lease Term.** The proposed lease term is \$1 per year for a 99-year term. The 2023 fair market value of the property was assessed at \$0.68 per square foot, for a total of \$434,279.

B. **The Public Benefits Analysis.**

1. **Legal Framework.** Under Utah Code 10-8-2 (1)(a)(v), after first holding a public hearing, a municipality may “authorize municipal services or other nonmonetary assistance to be provided to a nonprofit entity, whether or not the municipality receives consideration in return.” The University of Utah qualifies as a nonprofit entity. The Council will consider scheduling a public hearing on this potential agreement for February 20, 2024.
2. **Public Benefits Identified.** The University has already decided to build this new stadium. The only question for the City is whether the benefits of the proposed below-market ground lease of adjacent property outweigh the alternatives, which would include the installation of a 35-foot high wall on University property. The Administration’s Public Benefits Analysis found that such a wall would obstruct existing sight lines in Sunnyside Park that provide natural surveillance and improve park safety. The specific public benefits from allowing the University to build a ballpark with an outfield that would extend onto City-owned property in Sunnyside Park are summarized below.
 - a. A \$4.2 million contribution from the University for new amenities at Sunnyside Park (and potentially relocating softball fields).
 - b. Potentially, when not in use by University teams (subject to negotiation):
 - i. allowing the City to program a multi-use field within the future ballpark;
 - ii. allowing City and public access to a portion of the leased acreage, including a proposed berm and other landscape features; and,
 - iii. allowing City and public access to amenities like bathrooms and concessions maintained by the University and located inside the future ballpark.
 - c. Promoting the City’s reasonable goals and objectives as set forth in the SLC Public Lands Master Plan, *Reimagine Nature*. These include:
 - i. Expanding the amenities in Sunnyside Park to allow it to support more users and uses, including, potentially, additional active programming that brings people out for art, events, programs, recreation, and community.
 - ii. Leveraging resources to make the public space more usable for both the public and the University while preserving the open space and use of Sunnyside Park.
 - iii. Expanding the usable area in Sunnyside Park, provided that the University agrees to allow public access onto portions of the University property for recreational purposes.
3. **City Code Relating to Open Space Inventory.** Leasing this part of the park property for use as a baseball facility would comply with City Ordinance 2.90.070 (C), since it would continue to be “in accordance with [its] intended use.” For this reason, the lease does not trigger the legal process that includes extended public notice for this proposed disposition of open space.

POLICY QUESTIONS

1. The Council may wish to discuss options to provide replacement softball fields with lighting, given that the existing fields at Sunnyside are heavily used by recreation-level leagues.
 - a. The Council could discuss potential funding sources with the Administration. The Administration has estimated that if a lighted softball field is constructed on City land, it could cost approximately \$1.5 million. There is a cost efficiency in building two (\$2.5 million), and additional parking would cost approximately \$750,000.
 - b. Vacant City land exists that could host additional softball fields. The Council could also ask Public Lands if there are any other softball fields in its inventory where lights could be added, to ensure users of Sunnyside Park softball fields have access to fields on the same basis as they do currently. The Administration has indicated that they have submitted a CIP application for additional soccer fields at the RAC, and softball could be added to that project or funded separately.
 - c. Staff note: The original proposal for the Regional Athletic Complex (RAC) included several lighted softball and baseball fields, but these were ultimately not constructed due to cost constraints.
 - d. The Council could ask the Administration if impact fees are eligible to use for enhanced amenities at Sunnyside park, which could free up funds from the University to use towards replacing the softball fields.
2. The Chair of the Yalecrest Community Council submitted a communication to the Council expressing opposition to the proposal (attached). See item B3 above as it relates to the assertion that this action violates 2.90.070 *Removal Of Lands From The Open Space Lands Inventory* of the City code.
3. The Council may wish to ask the Administration about the timeline for the University's stadium construction.
4. The Council may wish to ask the Administration how programming and activities are proposed to be managed at the ballpark to minimize impacts on neighboring residential areas and wildlife that use the area.
5. The Council has authorized significant expansion to the Public Lands Department in recent years, both to provide the basic staffing needed by a new department, and to help ensure timely and efficient use of the \$85 million bond which was approved by voters in late 2022. Would the Council like to request additional information on how Public Lands could accommodate another large project into its existing queue?