



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

March 15, 2023

## Utah State University – Nontraditional Arrangement Vernal Campus

Board Policy [R712, \*Nontraditional Arrangements for Development of Facilities on Campuses\*](#), requires the Board to approve institutional requests to use nontraditional financing arrangements. Utah State University (USU) requests authorization to enter into a long-term ground lease with the Uintah School District to develop the Uintah Basin Early Childhood Education Center. It is estimated that the construction costs for the Center will exceed \$2.5M.

The Center will provide a shared environment to collaborate, perform research and expand educational opportunities, which will be mutually beneficial to students within the greater Uintah Basin community and to the USU Vernal community. Details of the Center are described in the attachment. The appraised value of the ground lease is \$22,500 annually. The amount of space that USU will receive for its academic purposes in the Center will be of equivalent value to the ground lease, thus ensuring adequate compensation. Uintah School District will pay all construction, development, and O&M costs associated with the Center. Ownership of the Center, facilities, and improvements will revert to USU at the end of the ground lease.

All contracts and agreements associated with this arrangement will be reviewed by the Office of the Attorney General to ensure compliance with state law and Board policy. The USU Board of Trustees reviewed and approved this request in their February 10, 2023, Board meeting. Additional information on this financing arrangement is included in the attached letter and maps from the institution.

### **Commissioner's Recommendation**

The Commissioner recommends the Board authorize Utah State University to enter into a nontraditional arrangement with the Uintah School District for a long-term ground lease to construct the Uintah Basin Early Childhood Education Center.

### **Attachment**



February 28, 2023

Commissioner Dave Woolstenhulme  
Utah State Board of Regents  
Board of Regents Building The Gateway  
60 South 400 West  
Salt Lake City, Utah 84101-1284

Subject: Nontraditional Arrangements for Development of Facilities on Campuses

Dear Commissioner Woolstenhulme:

Following Utah System of Higher Education policy R712, Nontraditional Arrangements for Development of Facilities on Campuses, Utah State University (USU) desires approval to lease approximately 8 acres at the USU Vernal Campus to the Uintah School District through a long term ground lease to develop the Uintah Basin Early Childhood Education Center as shown in the attached Exhibit A. It is estimated that construction costs for the Center will exceed \$2.5 million.

The Center will be mutually beneficial to students within the greater Uintah Basin community and to the USU Vernal community by providing a shared environment to collaborate, perform research, and expand educational opportunities. The Center will be approximately 35,000 square feet and will include 12 preschool classrooms, a sensory room, a makerspace room, an indoor playground, an adult learning center with a classroom, a faculty room, related services rooms, and administrative offices. The site will also include a parking lot, bus loop, student drop off loop, a traditional outdoor playground, and an outdoor exploratory nature park. In addition, USU will receive approximately 1,200 square feet of space in the building for faculty, staff, and other related purposes. The Uintah School District will install a walking path and associated landscaping that will connect the USU Center to the Bingham Entrepreneurship and Energy Research Center.

The proposed Center is consistent and appropriate for the image and environment on this piece of University property.

The appraised value of the ground lease is \$22,500 annually. The amount of space that USU will receive for its academic purposes in the Center will be of equivalent value to the ground lease, thus ensuring adequate compensation.

All construction, development, and O&M costs associated with the Center will be paid by Uintah School District. Ownership of the Center, facilities, and improvements will revert to USU at the end of the ground lease.

The agreement will be written to protect the interests of the University including institutional right to control facility appearance, parking rights, review and approval of external graphics and signage, and access to utility systems and roads. Prior to signing, the Attorney General's Office will approve the contract documents as to form and legal authority.

The Utah State University Board of Trustees approved the proposed ground lease with the Uintah School District in the February 10, 2023, meeting.

We appreciate your support and request that this item be placed on the Finance and Facilities Committee agenda for the March meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'David T. Cowley', written in a cursive style.

David T. Cowley

Vice President for Finance & Administrative Services

cc: Nate Talley, Chief Financial Officer  
Malin Francis, Director of Facilities & Planning  
Noelle E. Cockett, President

EXHIBIT A

