

MAYOR ERIN MENDENHALL
Executive Director



DANNY WALZ
Director

REDEVELOPMENT AGENCY *of* SALT LAKE CITY

STAFF MEMO

DATE: May 24, 2024

PREPARED BY: Ashley Ogden, Senior Project Manager
Marcus Lee, Project Coordinator
Cara Lindsley, Deputy Director

RE: USA Climbing at Rio Grande District – Property Disposition at approximately 310 South 500 West

REQUESTED ACTION: Review the proposed term sheet and consider approving via attached resolution

POLICY ITEM: Property Disposition, Budget

BUDGET IMPACTS: Proposed ground lease abatement and ~\$7.3 million in financial contribution

EXECUTIVE SUMMARY:

The RDA has been engaged in discussions with USA Climbing centered on the opportunity of locating their permanent headquarters and national training facility on RDA-owned property at approximately 310 South 500 West, which is within the bounds of the Rio Grande District redevelopment project. The RDA and USA Climbing have negotiated the proposed term sheet (Attachment A), and key terms are summarized in this memo. The RDA proposes to enter into a 99-year ground lease agreement with USA Climbing and requests that the Board consider approving the requested lease abatement, which involves no lease payments being charged while the facility is under construction and stabilization, and subsequent escalation of the lease rate until 60% of fair market value (FMV) is reached. In addition, the proposed terms call for multiple areas of RDA investment in the project, which would be funded via allocations that were made as part of FY2024 Budget Amendment #2. If the proposed term sheet is approved, the RDA and USA Climbing will enter into an exclusive negotiation agreement to memorialize the commitments until all conditions are met and final ground lease and development agreements can be executed.

BACKGROUND:

USA Climbing is the national governing body of the sport of competition climbing in the United States and as a 501(c)3 nonprofit, promotes the disciplines of bouldering, lead, and speed climbing, as well as the collegiate and paraclimbing series. The organization is sanctioned by the International Federation for Sport Climbing, the International Olympic Committee, and the United States Olympic & Paralympic Committee. Sport Climbing became an official Olympic event at the 2020 Tokyo games and multiple American athletes are preparing to compete at the 2024 Paris Summer Olympics.

USA Climbing relocated to Salt Lake City from Boulder, Colorado, in 2018, and quickly announced their intentions to establish a National Training Center where athletes could receive specialized training to compete at the highest levels internationally. Since that time, the organization has been operating and training athletes in Granary District buildings that are slated for eventual redevelopment, while also searching for a site where they can develop a permanent headquarters and training facility. The Utah State Legislature appropriated \$15 million to USA Climbing during the 2023 session to support the effort.

In the Spring of 2023, the RDA was asked to explore potential opportunities to locate the new facility on RDA-owned property, and USA Climbing expressed interest in the Rio Grande District. As the Rio Grande District Vision & Implementation Plan was actively in progress, negotiations were concurrent with the visioning and planning of the district. USA Climbing has been a great partner, engaging in productive and transparent negotiations while being an active participant in Rio Grande District planning workshops and outreach events. RDA Staff welcomes the opportunity to continue to work with USA Climbing to make the vision for the Rio Grande District a reality, with the headquarters and national training facility serving as the first anchor tenant and catalytic flag in the ground. Please refer to Attachment B, Rio Grande District Site Plan.

PROJECT DESCRIPTION:

The project involves the construction of a national headquarters and training facility for USA Climbing on the southwest corner of 500 West and 300 South and is anticipated to include three primary components:

1. **New construction of a primary structure** that is 65-75 feet tall with a roughly 45,000 square foot (sf) footprint (exact specifications subject to further community engagement). This structure will include bouldering, lead, and speed climbing walls, as well as other support uses that are typical of a climbing facility. Most areas will be accessible by the community; some spaces will be reserved for the U.S. National Team's exclusive use.
2. **Rehabilitation of the historic Salt Lake Mattress Company building**, anticipated to include publicly facing and accessible food, beverage, and retail uses, as well as private spaces for USA Climbing offices.
3. **New construction of an outdoor plaza** that will be utilized for USA Climbing-hosted competitions as well as other non-USA Climbing events (will be designed to accommodate 3,500 – 5,000 spectators). Adjacent building facades will include climbing walls to be used for regular training and competition events, with secure access controls that allow the public to view the climbing but prevent general access from the plaza.

Design work is preliminary and if the project moves forward, USA Climbing will work with the Planning and Building Services Divisions to achieve a design that meets applicable zoning and building code requirements, in addition to receiving administrative design approval from the RDA. USA Climbing's goal is to break ground on the facility in late Summer 2025 and, if feasible, be operational in time to submit a bid to host the 2027 Climbing World Championships, a qualifying event for the 2028 Los Angeles Olympic Games. Please refer to Attachment D, Preliminary Project Renderings.

COMMUNITY AND ECONOMIC IMPACT:

In addition to the community benefits described in the "Summary of Key Terms" section below, which are captured in the proposed term sheet, the project will bring many additional community and economic benefits to the Rio Grande District, Salt Lake City, and the State of Utah:

- Supported by a \$15 million investment from the State of Utah (already appropriated).
- Lends the Rio Grande District an identity and focus that aligns with the natural/cultural context of Salt Lake City and Utah.
- Will regularly attract visitors to the district during off-peak hours and activate the neighborhood

- with ~6-10 large multi-day events per year.
- Provides near-term development activity in the Rio Grande District while developers for other sites are solicited.
- Will be a catalytic activation to generate excitement for the Rio Grande District project, help attract developers/tenants, and spur adjacent private landowners to make plans for their properties.
- Will result in the creation of 50-60 new jobs.
- USA Climbing has an estimated events-related economic impact of ~\$300 million over a 10-year period.
- USA Climbing draws many national and international visitors and brings awareness to Salt Lake City as a world-class climbing destination.

SUMMARY OF KEY TERMS:

Lease Area

- To include building footprints and setback areas between buildings and adjacent right-of-ways (approximately 1.12 acres)
- Outdoor plaza area to be leased at no cost (approximately 0.6 acres)
- These areas are highlighted in Attachment D.

Lease Term

- 99 years, to commence upon execution of a ground lease agreement
- In last five (5) years of term - option to extend for an additional 50 years at FMV, unless otherwise negotiated and approved

Lease Rate

- Based on fee simple FMV of lease area multiplied by 5%
- Annual lease rate to be escalated every 5 years based on previous 5 years' average Consumer Price Index (CPI), with a minimum escalation of 2% and a maximum escalation of 5% (hereafter referred to as "escalated annual lease rate").

Lease Abatement

- The escalated annual lease rate shall be reduced according to the following schedule:
 - Years 1-6: USA Climbing will not make any lease payments during the first six years to account for construction and stabilization.
 - Year 7: USA Climbing shall make a payment that is equal to 45% of the escalated annual lease rate.
 - Year 8: USA Climbing shall make a payment that is equal to 50% of the escalated annual lease rate.
 - Year 9: USA Climbing shall make a payment that is equal to 55% of the escalated annual lease rate.
 - Years 10-99: USA Climbing shall make annual payments that are equal to 60% of the escalated annual lease rate.

Common Area Maintenance (CAM) Fees

- CAM fees will be collected from Rio Grande District developers to contribute to the cost of maintaining public spaces in the neighborhood, including plazas, park strips, public art, alleyways, parking facilities, etc.
- Annual CAM fee for USA Climbing will be \$1.50/sf of the gross floor area of the project, to be assessed upon receipt of an occupancy permit.

- The annual CAM fee shall be escalated using the same escalation method as the annual lease rate and charged at the same reduced schedule used for the lease abatement.

Community Benefits

- The proposed lease abatement is tied to USA Climbing providing certain community benefits and as such, if they are not provided, the lease rate will increase. A mechanism for this increase will be specified in a future ground lease agreement.
- Some community benefits are physical improvements that will be memorialized in construction drawings, development agreements, cost-sharing agreements, and/or use agreements. These include:
 - Activation of the historic Salt Lake Mattress Company Building as described above.
 - Design, construction, and management of the outdoor plaza, which will primarily be used for USA Climbing-hosted events and made available for use by other entities for additional events. USA Climbing shall allow all reasonable requests by outside parties to utilize the plaza for special events and shall not charge the City or RDA for use of the space.
- Other community benefits are programmatic and ongoing in nature and shall be memorialized in a 5-year community benefits plan that is provided by USA Climbing to RDA staff for their approval, and which may be amended from time to time with prior staff approval. RDA staff will present USA Climbing's informational progress report to the RDA Board of Directors at the conclusion of each 5-year plan period. At this time, the following benefits have been noted in the Term Sheet:
 - Equitable and inclusive programming that may include offerings such as youth programming, workforce development opportunities, and access to the facility for community members who may not otherwise have access to the sport of climbing, based on income or other key measures.
 - Transportation demand management strategies to reduce auto dependency of employees and visitors and encourage the use of alternative modes of transportation. This may include discounted day passes for those that utilize public transit, and inclusion of shower, locker, and bicycle storage facilities.

RDA Participation and Other Obligations

Parking – The RDA is exploring the feasibility of financing and developing a shared parking structure on the south block of the neighborhood.

- If developed, the RDA will lease parking privileges to interested property owners and tenants, including USA Climbing.
- If the structure is not completed by the time the USA Climbing facilities are operational, the RDA shall lease adjacent property to USA Climbing at no cost, to be used as a temporary surface parking lot. The planned location of the parking structure and temporary lot (if needed) is shown in Attachment E.

Outdoor Plaza – Prior to construction, USA Climbing and the RDA will determine a cost-sharing formula and the RDA will reimburse USA Climbing up to \$1 million for agreed-upon plaza construction costs.

Adaptive Reuse of Salt Lake Mattress Company Building – The RDA will reimburse USA Climbing up to \$6 million for design and construction costs associated with seismic upgrades and building improvements needed to meet minimum building code requirements. After the 2020 earthquake, the RDA made a significant investment in the stabilization of this historic warehouse with the intent to rehabilitate

and incorporate it into Rio Grande District development.

Demolition of Existing Structures on Site – The RDA will reimburse USA Climbing up to \$120,000 for costs related to the demolition of existing structures on site.

Environmental Remediation – The RDA will reimburse USA Climbing for the cost differential between disposing of clean soils and contaminated soils that may be encountered on site. It is estimated that these costs will not exceed \$200,000.

Adjacent Public Improvements, Accessible Parking Spaces – USA Climbing will benefit from the planned Rio Grande District public improvements, to include upgraded utilities, the reconstruction of 300 South, construction of new mid-block street connections and public plazas. It is the RDA’s intent to coordinate with USA Climbing, the design consultants, and pertinent City divisions when developing the public improvement plans and construction phasing strategy. The RDA will identify opportunities to incorporate accessible on-street parking spaces near the project to serve the organization’s paraclimbing athletes.

Relocation of State Warehouse Users & Art Collection (not in term sheet) – In late 2022, the RDA purchased multiple State-owned parcels that will make up the future USA Climbing site. As part of that transaction, the RDA agreed to allow the State’s Department of Cultural & Community Engagement (C&CE) to continue using the existing warehouse structure, parking lot, and small storage shed on site, as their future permanent home is currently under construction near the State Capitol building. A handful of C&CE employees work on site and a historic art collection is housed there. The lease agreement indicates that this arrangement shall remain in place until 1) C&CE can move into the new facility or 2) through the end of 2028, whichever comes first. If the RDA desires to redevelop the property before either of the above milestones are reached, the RDA must work with C&CE to relocate the employees and art to another site that can accommodate their needs. The RDA and C&CE leadership will work together to identify potential locations where the art collection and office can be temporarily located until the new C&CE facilities at the State Capitol are completed, anticipated in Fall 2026.

ASSOCIATED BUDGET IMPACTS:

The table below summarizes RDA budget impacts associated with the USA Climbing project and attached term sheet. The planned shared parking structure and relocation of the State warehouse users and art collection are listed separately as outside costs because the parking structure will not solely benefit USA Climbing, and the State relocation would be a necessary RDA obligation for any redevelopment project that occurs before 2027.

FINANCIAL USES	IMPLEMENTATION	RDA CONTRIBUTION
Outdoor Plaza	<ul style="list-style-type: none"> • USA Climbing will fund design work. • USA Climbing will fund and implement construction, with RDA contribution. • USA Climbing will be responsible for management. • RDA will be responsible for maintenance, utilizing USA Climbing CAM Fees. 	\$1 million
Adaptive Reuse of SL Mattress Co. Building	<ul style="list-style-type: none"> • USA Climbing will fund and implement construction, with RDA contribution. 	\$6 million
Demolition	<ul style="list-style-type: none"> • USA Climbing will fund and implement demolition, with RDA contribution. 	\$120,000

Environmental Remediation	<ul style="list-style-type: none"> USA Climbing will fund and implement remediation work, with RDA contribution. 	~\$200,000 (cost estimate)
TOTAL DIRECT CONTRIBUTION TO USA CLIMBING PROJECT		~\$7,320,000
Shared Parking Structure	<ul style="list-style-type: none"> RDA exploring feasibility of financing/developing structure. USA Climbing will lease future parking allocation from RDA. 	~\$31 million
Relocation of State Warehouse Users & Art Collection	<ul style="list-style-type: none"> RDA to work with State of Utah to find new temporary location until permanent facility at State Capitol is completed (currently under construction). 	~\$523,000 (cost estimate)
TOTAL OUTSIDE COSTS		~\$31,523,000

NEXT STEPS:

It is requested that the Board review the proposed term sheet and consider approving via attached resolution. If approved, next steps will include the following:

- The RDA and USA Climbing will enter into an exclusive negotiation agreement to memorialize commitments by both parties until final ground lease and development agreements can be executed.
- USA Climbing will refine the project design and launch a capital funding campaign to support construction costs, with the goal of securing permits and breaking ground in late Summer 2025.
- RDA staff will work with USA Climbing to identify and incorporate short-term infrastructure needs into the larger Rio Grande District public improvements planning, funding, and design strategy.
- When all conditions have been met (listed in Attachment A, Proposed Term Sheet), the RDA and USA Climbing will finalize and execute ground lease and development agreements.

PREVIOUS BOARD ACTION:

- On September 15, 2020, the RDA Board allocated \$865,000 for the stabilization of the Salt Lake Mattress Company Building.
- On April 16, 2024, the RDA Board adopted a resolution approving FY2024 Budget Amendment #2, which allocated \$8,100,000 to activities related to Rio Grande District property disposition and site work.

ATTACHMENTS:

- Proposed Resolution and Term Sheet
- Rio Grande District Site Plan
- Proposed Lease Area
- Preliminary Project Renderings
- Proposed Parking Locations

ATTACHMENT A

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____

**Authorizing Lease Rate and Terms for USA Climbing Headquarters and Training Facility
at Approximately 500 West 300 South**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY AUTHORIZING LEASE RATE AND TERMS FOR USA CLIMBING HEADQUARTERS AND TRAINING FACILITY AT RDA-OWNED PROPERTY AT APPROXIMATELY 500 WEST 300 SOUTH IN THE DEPOT DISTRICT PROJECT AREA.

WHEREAS, the Redevelopment Agency of Salt Lake City (**RDA**) desires to ground lease real property located at approximately 500 West and 300 South in Salt Lake City (**Property**) for the purpose of redeveloping it in a manner consistent with RDA’s Depot District Project Area Plan.

WHEREAS, USA Climbing (**USAC**), a non-profit and national governing body of the sport of competition climbing in the United States, intends to ground lease the Property from the RDA and construct their national headquarters and training facility (**Project**) at the Property. The Project will also include certain public benefits including equitable and inclusive programming, transportation demand management strategies, use and activation of the historic Salt Lake Mattress Company building, and construction of an outdoor plaza to be utilized for USAC-hosted competitions as well as other non-USAC community events. Certain details of the Project, ground lease terms, and public benefits are more particularly described on the term sheet attached as **Exhibit A (Term Sheet)**.

WHEREAS, the RDA is willing to provide USAC a below-market ground lease of the Property to facilitate the development of the Project in exchange for USAC’s commitment to develop and maintain the public benefits in the Project as detailed on the Term Sheet.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Redevelopment Agency of Salt Lake City that the Board approves the terms outlined on the Term Sheet for the Project and that the Board authorizes the RDA administration to negotiate the final agreements consistent with the Term Sheet or more beneficial to the RDA, and execute the ground lease and any other relevant documents consistent with this Resolution and incorporating such other terms and agreements as recommended by the City Attorney’s office.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this
____ day of _____, 2024.

_____, Chair

EXHIBIT A
TERM SHEET

USA CLIMBING AT RIO GRANDE DISTRICT

Draft Development and Ground Lease Agreement Term Sheet

Purpose

The purpose of ground leasing Redevelopment Agency property to USA Climbing is to help facilitate the construction of their national headquarters and training facility as well as establish an exciting and catalytic anchor tenant for the Rio Grande District.

Parties

The Redevelopment Agency of Salt Lake City (RDA) and USA Climbing. USA Climbing is the national governing body of the sport of competition climbing in the United States. USA Climbing is a non-profit entity that promotes the disciplines of bouldering, lead and speed climbing, as well as collegiate and paraclimbing series.

Property to be Leased

A portion of property near the southwest corner of 500 West 300 South, Salt Lake City, Utah 84101. The lease area shall encompass building footprints, setback areas between buildings and adjacent rights-of-way, and the outdoor plaza. An approximate depiction of the real property to be leased is shown in Exhibit A of this document and will be referred throughout as "Lease Area."

Project Description

The project involves the construction of a headquarters and training facility for USA Climbing, which will include:

1. New construction of a primary structure that is about 65-75 feet tall with a roughly 45,000 sf footprint (exact specifications subject to further stakeholder engagement). This structure will include bouldering, lead, and speed climbing walls, as well as other support uses that are typical of a climbing facility. Most areas of the facility will be accessible by the community; some spaces will be reserved for the U.S. National Team's exclusive use. The exterior building facades will include climbing walls.
2. Rehabilitation of the historic Salt Lake Mattress Company building, anticipated to include publicly facing and accessible food, beverage, and retail uses, as well as private spaces for USA Climbing offices.
3. New construction of an outdoor plaza that will be utilized for USA Climbing-hosted competitions as well as other non-USA Climbing events (will be designed to accommodate 3,500 – 5,000 spectators).

Lease Terms

1. Term: 99 years, to commence upon execution of a ground lease agreement. Execution of a ground lease agreement is contingent on both parties satisfying the conditions outlined in the last section of this document. Ownership of the improvements constructed on the Lease Area will revert to RDA ownership at the end of the term. In the last five years of the term, USA Climbing may exercise an option to renew the lease for an additional 50 years. The lease rate for the additional lease period will be fair market value, unless otherwise negotiated and approved by the administration and legislative body.

2. Lease Rate: As set forth in more detail below, the lease rate will be based on a portion of the fair market value of the Lease Area and will be increased incrementally over time. The outdoor plaza space shall not be included in the calculation of the lease rate. Stated another way, the outdoor plaza shall be leased at no cost.
 - a. The annual lease rate will be the fee simple, fair market value of the Lease Area (not including the outdoor plaza space, as determined by an RDA-commissioned appraisal) multiplied by 5% (Annual Lease Rate). If a ground lease agreement is not executed within 12 months of the approval of this term sheet by the RDA Board of Directors, the RDA shall reserve the right to commission an updated appraisal on which the Annual Lease Rate will be based.
 - b. The Annual Lease Rate will be increased, or escalated, every five years. This escalator is based on the average consumer price index (CPI) rate over the previous five years, with a minimum escalation rate of 2% and a maximum escalation rate of 5%. The first escalation will take place at the start of the 6th year of the lease and be based on the average CPI rate calculated for the first 1-5 years of the lease. The Annual Lease Rate, inclusive of the escalation, shall be referred to as the “Escalated Annual Lease Rate.”
 - c. The Escalated Annual Lease Rate shall be reduced according to the following schedule:
 - i. Years 1-6: USA Climbing will not make any lease payments during the first six years to account for construction and stabilization.
 - ii. Year 7: USA Climbing shall make a payment that is equal to 45% of the Escalated Annual Lease Rate.
 - iii. Year 8: USA Climbing shall make a payment that is equal to 50% of the Escalated Annual Lease Rate.
 - iv. Year 9: USA Climbing shall make a payment that is equal to 55% of the Escalated Annual Lease Rate.
 - v. Years 10-99: USA Climbing shall make annual payments that are equal to 60% of the Escalated Annual Lease Rate.
3. Common Area Maintenance (CAM) Fees: CAM fees will be collected from Rio Grande District property lessees to contribute to the cost of maintaining public spaces in the neighborhood. The annual CAM fee for USA Climbing will be \$1.50 per square foot of the gross floor area of their project, inclusive of the new structure and the Salt Lake Mattress Company Building (Annual CAM Fee). Gross floor area shall be interpreted to mean the sum in square feet of all floors of the building, measured from the exterior face of the exterior walls. The Annual CAM Fee will be assessed upon USA Climbing receiving its occupancy permit, be charged at the same reduced rate as the schedule provided in 2.c.i-v, and escalated in the same manner as outlined in 2.b.
4. Community Benefits: During the term of the lease, USA Climbing is committed to providing the community benefits described below. The lease rate outlined above is tied to USA Climbing providing these benefits, and as such, should USA Climbing not provide these benefits, the lease rate will increase as specified in more detail in the agreements.
 - a. Equitable and inclusive programming that may include offerings such as youth programming, workforce development opportunities, and access to the facility for community members who may not otherwise have access to the sport of climbing, based on income or other key measures.
 - b. Transportation demand management strategies to reduce auto dependency of employees and visitors and encourage the use of alternative modes of transportation. This may

include discounted day passes for those that utilize public transit, and inclusion of shower, locker, and bicycle storage facilities.

- c. Activation of the historic Salt Lake Mattress Company Building, anticipated to include – at ground level - food and beverage and retail components that are open and clearly accessible by the general public during regular operating hours. The second floor will house private USA Climbing offices and the basement may be utilized for storage.
- d. Design, construction, and management of the outdoor plaza, which will primarily be used for USA Climbing-hosted events and made available for use by other entities for additional events.
 - i. Design – USA Climbing shall work collaboratively with the RDA to develop the design for the outdoor plaza, which shall be incorporated into the construction drawings for the larger project at USA Climbing’s sole expense.
 - ii. Construction – The plaza shall be constructed by USA Climbing and built at the same time as the rest of the project. Prior to construction, USA Climbing and the RDA will determine a cost-sharing formula and the RDA will reimburse USA Climbing for agreed-upon plaza construction costs, in an amount not to exceed \$1 million, unless a greater amount is approved by the RDA Board of Directors.
 - iii. Management – USA Climbing will be responsible for managing the use of the plaza, for both USA Climbing and non-USA Climbing-hosted events. It is anticipated that USA Climbing will host six (6) multi-day competition events per year, in addition to smaller events associated with their programming. USA Climbing events may take precedence over other plaza uses but when there is no scheduling conflict, USA Climbing shall allow all reasonable requests by outside parties to utilize the plaza for special events. USA Climbing shall not charge the City or RDA for the use of the plaza. Other Rio Grande District property lessees that contribute to the CAM fund will be charged a reduced rental rate for the use of the plaza.
 - iv. Maintenance – USA Climbing shall contribute to a CAM fund that will be utilized to fund maintenance of the outdoor plaza, as well as other publicly owned parks, plazas, park strips, public art, alleyways, parking facilities, etc., within the neighborhood. CAM fees will also be used to fund enhanced street and sidewalk maintenance beyond the baseline City maintenance level. The RDA shall be responsible for implementing maintenance activities funded by the CAM assessment.
- e. Tracking and Reporting. Some of the community benefits described above are physical improvements that will be memorialized in construction drawings, development agreements, cost-sharing agreements, and/or use agreements. Others are programmatic and ongoing in nature and shall be memorialized in a 5-year community benefits plan that is provided by USA Climbing to RDA Staff for their approval, and which may be amended from time to time with prior Staff approval. RDA Staff will present USA Climbing’s informational progress report to the RDA Board of Directors at the conclusion of each 5-year plan period.

5. Additional Terms:

- a. Parking: The RDA is exploring the feasibility of financing and developing a shared parking structure on the south block of the neighborhood.

- i. If developed, the RDA will lease parking privileges to interested property owners and tenants, including USA Climbing, based on operational needs, estimated demand, and parking management best practices.
 - ii. If the parking structure is not completed by the time the USA Climbing project is operational, the RDA shall lease adjacent RDA-owned property to USA Climbing at no cost for a temporary surface parking lot. USA Climbing shall be responsible for funding and constructing all site improvements necessary for the surface parking lot. The planned location of the parking structure and temporary surface parking lot (if needed) is shown in Exhibit B.
 - iii. Should the parties need surface parking for an extended period, or if the proposed temporary parking location becomes unavailable for this use, the parties will work together to negotiate a solution to accommodate USA Climbing's parking needs within one block of their facility, with the goal of ultimately eliminating the surface parking lot.
- b. Salt Lake Mattress Building: As part of the construction of the project, USA Climbing will take on the responsibility of paying the up-front costs of rehabilitating the historic Salt Lake Mattress Building. The RDA will reimburse USA Climbing up to \$6 million for design and construction costs associated with seismic upgrades and building improvements needed to meet minimum building code requirements, unless a greater amount is approved by the RDA Board of Directors.
- c. Demolition of Existing Buildings: The Lease Area currently contains existing structures. USA Climbing will take on the responsibility of paying the up-front costs of demolition. The RDA will reimburse USA Climbing up to \$120,000 for these costs, unless a greater amount is approved by the RDA Board of Directors.
- d. Contaminated Soil Disposal: It is possible that USA Climbing will encounter soils contaminated with semi-volatile organic compounds (SVOCs) during excavation for their building. Potentially contaminated soils should be screened and stockpiled during excavation and disposed of in accordance with applicable laws. USA Climbing will take on the responsibility of paying the up-front costs of disposing of contaminated soils, and the RDA will reimburse USA Climbing for the cost differential associated with transporting and disposing of contaminated soil versus non-contaminated soil. It is anticipated that the cost differential will not exceed \$200,000.
- e. RDA to Develop Certain Adjacent Public Improvements: As part of the planned redevelopment of the neighborhood, RDA will design and install utilities with increased capacity to support increased density, reconstruct 300 South between 500 West and 600 West, and extend the City grid by building out new midblock street connections, as illustrated in Exhibit C. It is the RDA's intent to coordinate with USA Climbing, the design consultants, and pertinent City divisions when developing plans for the public improvements adjacent to USA Climbing's lease area.
 - i. Accessible Parking Spaces – The RDA recognizes that USA Climbing works with paraclimbing athletes who may require special accommodation. As such, the RDA commits to working with USA Climbing to identify opportunities to incorporate accessible on-street parking spaces near the project, along the planned Market Street alignment.

Conditions to Execution of Lease and Development Agreements

- USA Climbing to receive approval of these development agreement and lease terms by the RDA Board of Directors.
- Compliance with all applicable laws and regulations, including any applicable RDA policies such as the Sustainable Development and Public Art policies. If any waivers of RDA policies are requested, such waivers must be considered by the RDA Board of Directors.
- The Project shall align with the RDA's administrative design review process, which shall require RDA's review and approval to ensure the design and development plans are consistent with the term sheet.
- USA Climbing to receive all City approvals required to construct the Project, including obtaining any necessary zoning approvals from the City's Planning Division and a will-issue demolition and building permit from the City's Building Services Division.
- USA Climbing to provide evidence of insurance in such amounts and coverage as deemed necessary by the RDA.
- RDA to review USA Climbing's projected operating pro forma to ensure that future ground lease payments are supported and the Project will be maintained, during the term, consistent with the RDA Board-approved term sheet.
- Parties agree on the form of a Development Agreement, which shall include, but is not limited to:
 - USA Climbing's commitment to construct the Project consistent with the RDA Board-approved term sheet, all City approvals, and a schedule of development.
 - An RDA-approved community benefit plan/strategy.
 - RDA to approve USA Climbing's financial sources and uses and firm financial commitments for sources of funding and donations consistent with the schedule of development.
 - USA Climbing's commitment to comply with all applicable laws and regulations.
 - An obligation for USA Climbing to provide the RDA quarterly progress reports on the construction of the Project.
 - Remedies should USA Climbing not comply with the terms of the Development Agreement may include, but not be limited to, filing a breach of contract claim, terminating the ground lease, damages, injunctive relief, or any other remedies available at law.
- Parties to agree on the form of a Lease Agreement, which shall include, but is not limited to:
 - USA Climbing's obligation to pay the applicable Lease Rate and CAM fees.
 - USA Climbing's commitment to maintain the Project, during the term, consistent with the RDA-Board approved term sheet.
 - USA Climbing shall not be permitted to assign the lease to an unaffiliated entity without the RDA's consent, which may be withheld at the RDA's sole discretion.
 - Submission and approval of the community benefits plan.
 - An obligation for USA Climbing to provide the RDA annual progress reports on the performance of the public benefits.
 - Continual operation of USA Climbing's headquarters, outdoor plaza, and activation of the Salt Lake Mattress Building consistent with the term sheet and the community benefits plan.
 - Remedies should USA Climbing not comply with the terms of the Lease Agreement may include, but not be limited to, filing a breach of contract claim, terminating the ground lease, increasing the Lease Rate, damages, injunctive relief, or any other remedies available at law.

- Receive approval from the RDA and City Attorney's Office on all matters pertaining to the legality, sufficiency, and form and substance of all other documents that are deemed reasonably necessary for the execution of the transaction.

DRAFT

Exhibit A: Lease Area

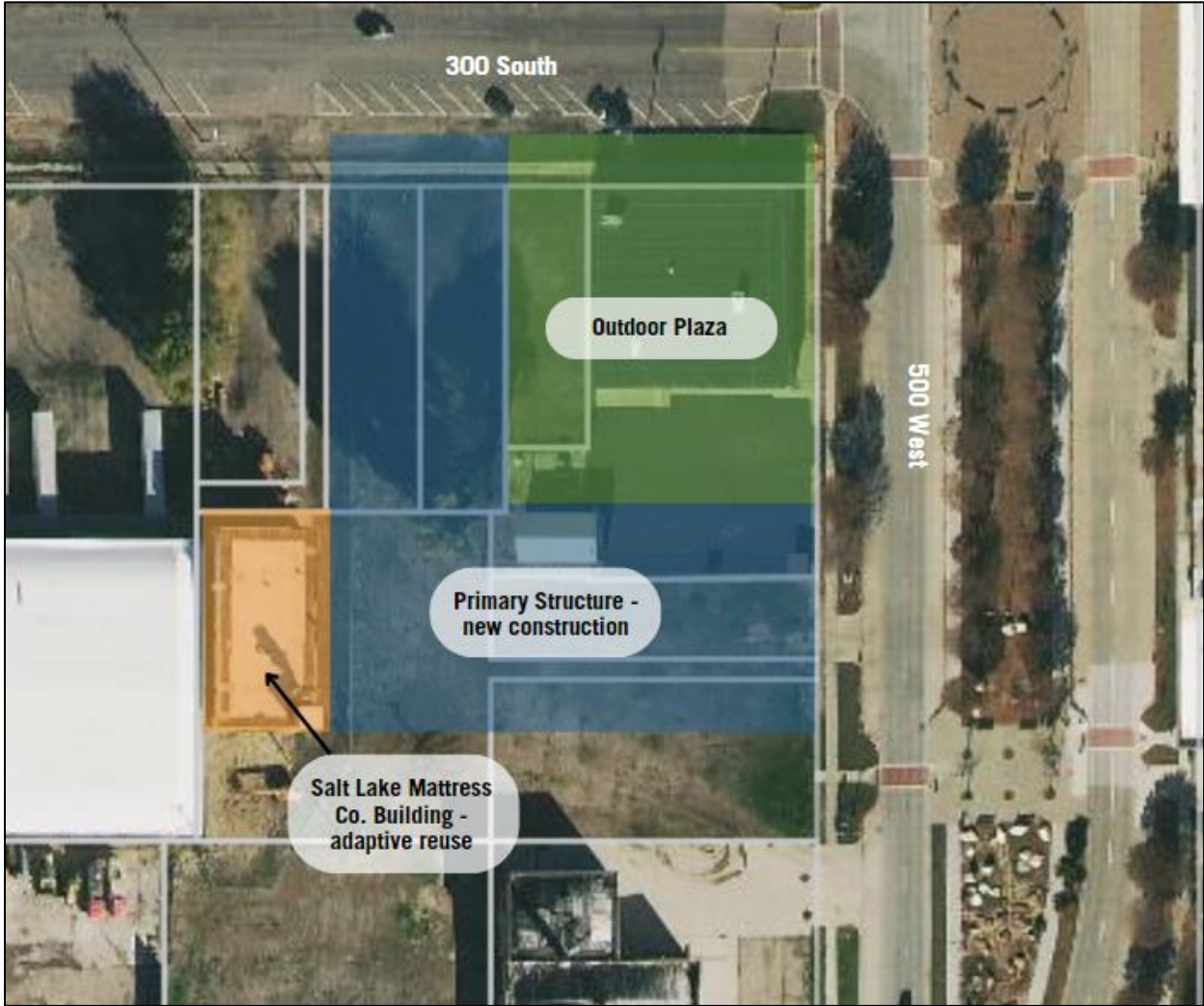


Exhibit B: Proposed Future Parking Areas

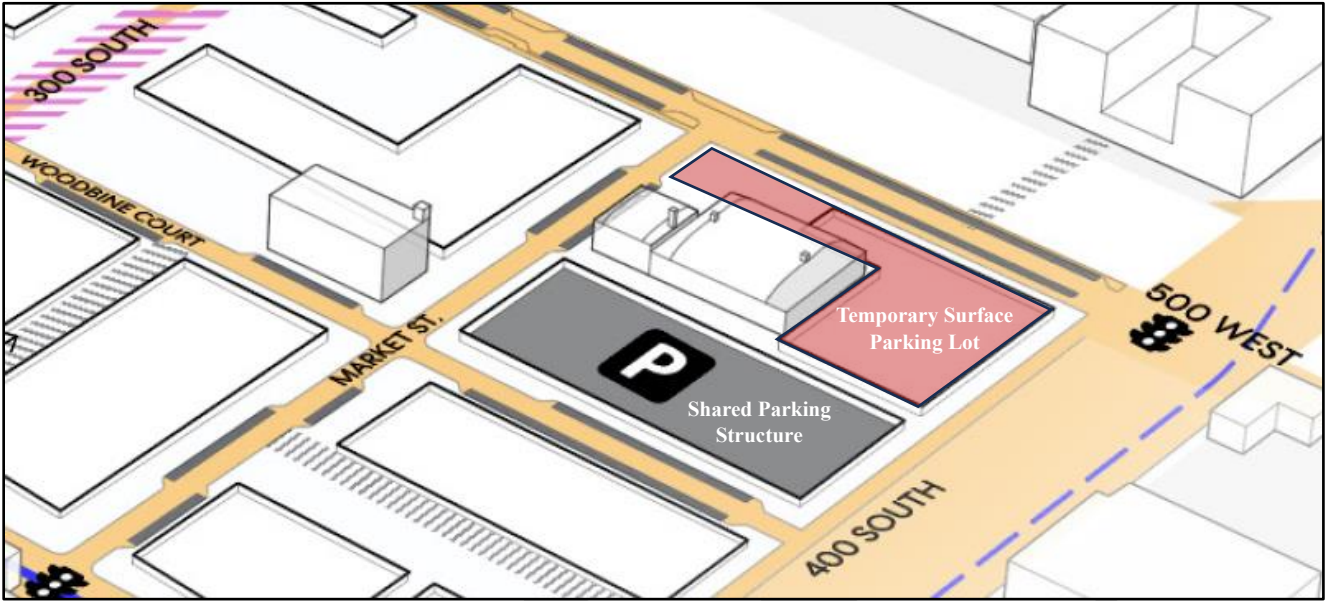
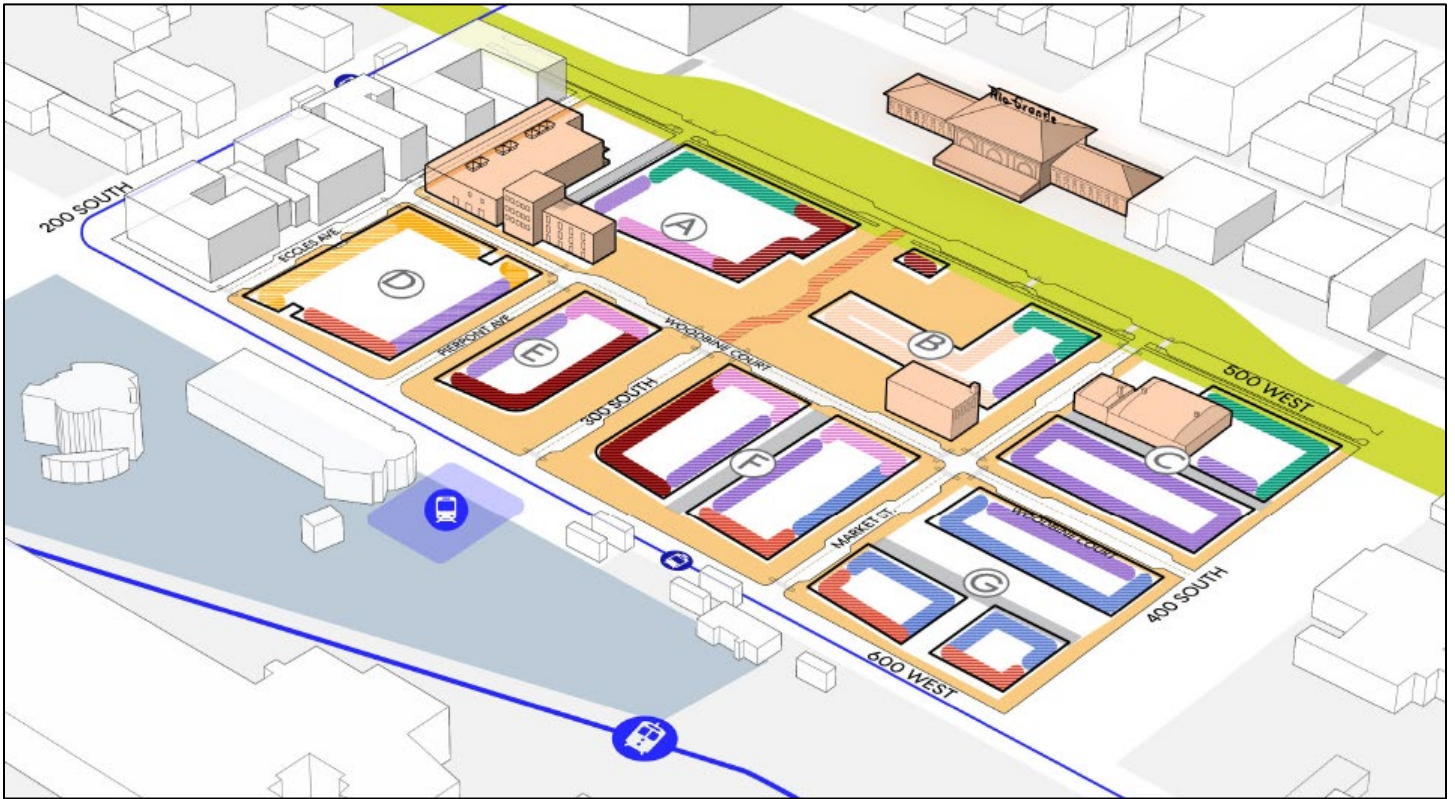


Exhibit C: Planned Neighborhood Midblock Street Connections



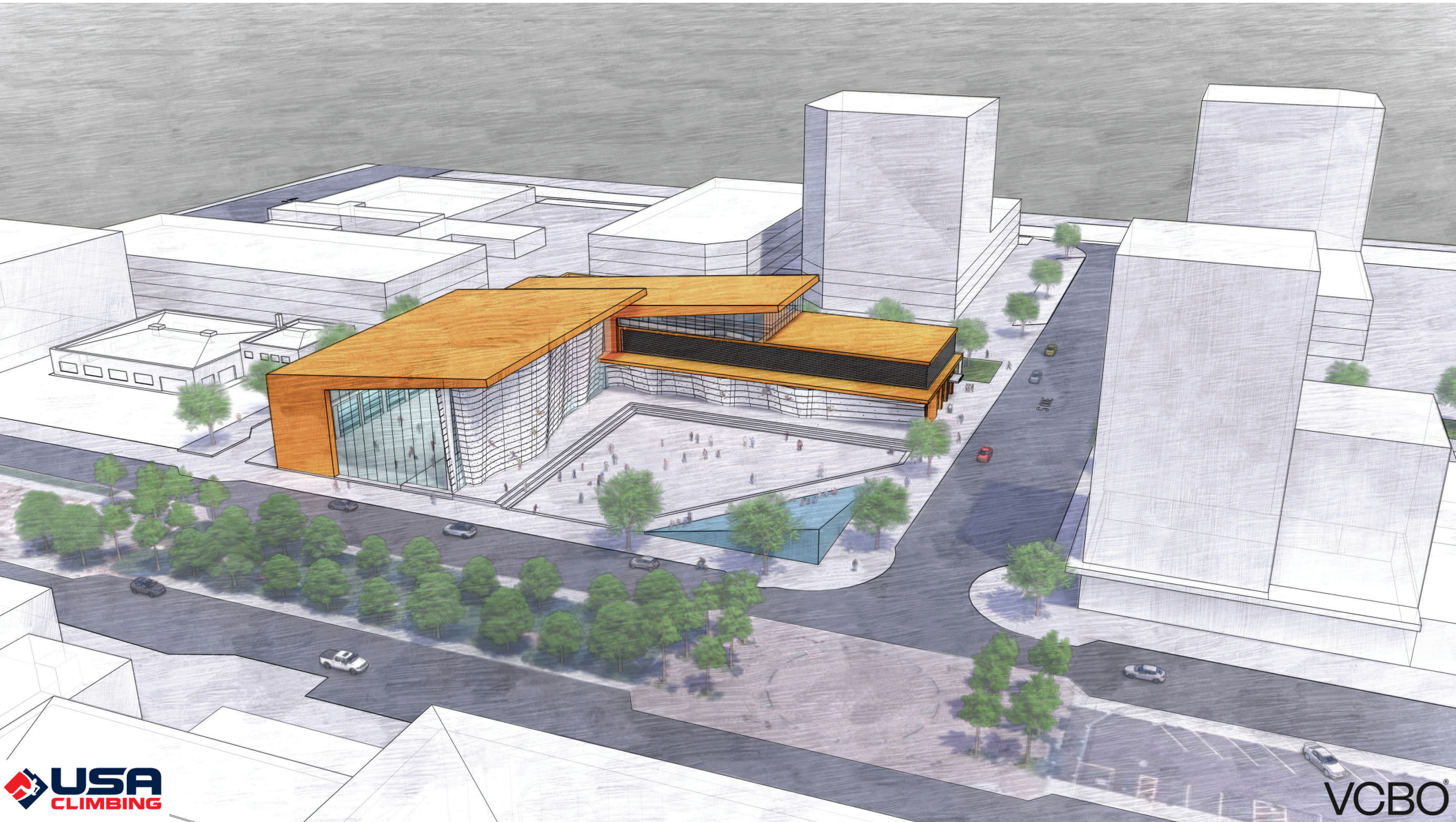
**ATTACHMENT B
RIO GRANDE DISTRICT SITE PLAN**



**ATTACHMENT C
PROPOSED LEASE AREA**



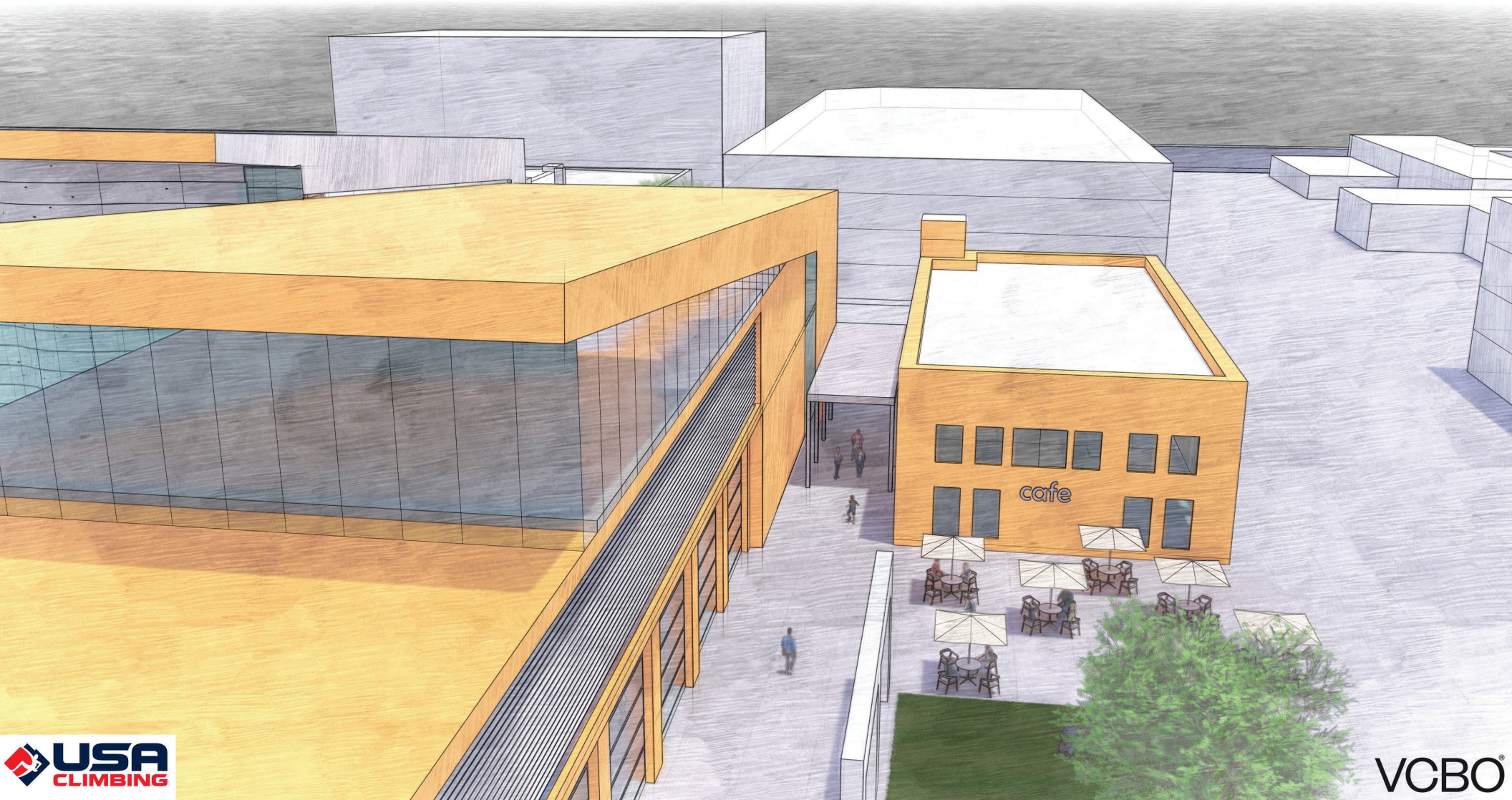
**ATTACHMENT D
PRELIMINARY PROJECT RENDERINGS**







VCBO



**ATTACHMENT E
PROPOSED PARKING LOCATIONS**

