



The **POINT**

UTAH'S INNOVATION COMMUNITY

LINCOLN
PROPERTY
COMPANY

COLMENA
GROUP

WADSWORTH
DEVELOPMENT GROUP

Development and Disposition Agreement Summary

SUMMARY AND OUTLINE
DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN
Point of the Mountain State Land Authority and CLW Point Partners, LLC

The Point of the Mountain State Land Authority (Land Authority) was created by the Legislature in 2018 for the specific purpose of managing and implementing development of 600 acres of land owned by the State of Utah, commonly known as The Point. The Land Authority is an independent public entity governed by the Land Authority Board. The 12-member Board is composed of private and public state and local leaders who represent the interests of those who are impacted by, and interested in, The Point development.

In July 2022, after a nationwide search and a highly competitive, open procurement process, the Land Authority selected Innovation Point Partners (IPP) as the conditional private master developer of Phase One of The Point. IPP is a partnership between Lincoln Property Company, Colmena Group, and Wadsworth Development Group. Under the Disposition and Development Agreement (Agreement), this partnership, known as CLW Point Partners, LLC (Developer) brings an impressive combination of local, national, and international experience, expertise, and resources. They will manage development activities for Phase One of The Point.

The Agreement, unanimously approved for execution on November 21, 2023 by the Land Authority Board, outlines the responsibilities and commitments of Developer and the Land Authority. The term of the Agreement is 20 years and sets forth key vision elements for The Point, which were developed in response to input from over 16,000 survey responses from Utahns. These elements include:

1. Creating an iconic, vibrant, mixed-use community, with a focus on quality of life, healthy living, and a strategic balance of jobs and housing. Phase One of The Point will include active, welcoming places for people to gather for recreation, dining, culture, and entertainment.
2. Serving the site with a high-quality, future-focused, multimodal transportation system, emphasizing convenience, safety, access, regional traffic reduction, emissions reduction, and active transportation.
3. Promoting enduring statewide economic development through entrepreneurship, job creation, workforce development, and revenue generation. Phase One will create a community that will attract and nurture top talent and outstanding anchor companies, as well as local businesses.
4. Advancing innovation, creativity, and ingenuity to develop a place that attracts outstanding talent and investment, promotes solutions-oriented research, fosters the growth of promising early-stage companies, reduces regulatory barriers, and facilitates interdisciplinary industry and academic partnerships to generate and commercialize new ideas.

5. Creating a model of sustainable development that, relative to traditional development, significantly reduces air emissions, water pollution, and water and energy use, and takes advantage of onsite and off-site renewable energy resources.
6. Coordinating closely with surrounding communities and stakeholders to ensure the development fits well with regional plans and infrastructure, advancing the interests of the region and the state.
7. Promoting regional trail, transportation, and infrastructure connections through the area that facilitates thoughtful regional growth.
8. Creating an iconic, quasi-urban mixed-use environment with a vibrant mix of shops and restaurants that attracts a high-quality workforce.
9. Providing convenient parks and community gathering spaces throughout the site.
10. Advancing biking and walking options that allow for easy travel onsite.
11. Incorporating grade-separated crossings that allow automotive, transit, and pedestrian to flow.
12. Optimizing safety through transportation options.

IMPROVEMENTS AND INFRASTRUCTURE:

The Agreement grants the Developer certain rights to develop Phase One of The Point. Phase One consists of approximately 99 total acres with approximately 66 acres available for vertical development. The Utah Division of Facilities and Construction Management (DFCM) is scheduled to begin construction on critical backbone infrastructure for The Point in the spring of 2024, with anticipated completion in 2027. The Developer will also participate in the construction of some of the necessary infrastructure. This infrastructure will support and improve the overall infrastructure and transportation system for the entire region.

Infrastructure improvements will be consistent with the Phase One Concept Plan, and include:

- River-to-Range Trail
- Central Green
- The Promenade
- River-to-Range Courtyard
- System roadways, including:
 - Extension of Porter Rockwell Boulevard
 - North Loop Road
 - South Loop Road
 - 200 West Road
- Various utility improvements such as water, sewer, storm drain, and telecommunications services

Phase One envisions the following target space utilization:

- 416,000 square feet of retail and event space
- 3,300 multi-family units
- 381,000 square feet of hotel space
- 6,400,000 square feet total developed space
- 16.2 acres of green space and trails

PERFORMANCE STANDARDS:

The Agreement contains Performance Standards agreed upon by the parties. The Developer must meet these standards to secure the exclusive rights to develop Phase Two of The Point. The Performance Standards require the Developer to meet the timing and delivery requirements of the Agreement, deliver the elements that will meet the objectives of The Point's statutory mandate, and enhance the project and the community. These target standards include:

- Financial performance – Meets target building values to provide a return to the State of Utah.
- Specific land use mixes – Balance pace of residential and commercial construction.
- Catalytic mixed-use elements – Construction of a multiuse venue with live performance component.
- Non-Formula Restaurant Tenants – 40% of restaurants on site will have fewer than 20 locations outside of Phase One at time of completion.
- Businesses new to the State – 20% of businesses within Phase One will be new to the state.
- Defined Innovation Target Cluster tenants – 30% of businesses within Phase One will be classified within the State's industry target clusters.
- Fortune 500 / Fortune 100 Companies – While not required, the Developer is incentivized to recruit Fortune 500 and Fortune 100 companies to The Point.
- Local hiring during construction – 60% of construction contracting dollars should be spent on contractors/subcontractors with an office in Utah.
- Minority, women, and veteran owned businesses – 10% of construction contracting dollars should be spent on contractors/subcontractors recognized minority, women, and veteran owned businesses.
- Sustainability/Enhancement benchmarks:

- Energy:
 - Embodied Carbon Reduction Goal: Greater than 25% reduction.
 - Operational Carbon Reduction Goal: Reduction of 35%.
 - Energy Use Reduction: All projects shall achieve a reduction of 55% in kBtu/SF/year over the baseline EUI.
- Water:
 - All projects piped to use non-potable water for irrigation.
 - Plumbing fixtures comply with minimum standards.
- High-Performance Systems: Install high performance systems as part of building design.
- Waste:
 - Construction Waste Diversion: 60% diverted from landfill.
 - Operational Solid Waste Diversion: plan required for each building.
- Intangible Vision Achievement – Outperformance/exceptional efforts if difficult circumstances arise.
- Good Partner Performance – Maintains frequent, ongoing, and open information flow with Land Authority team and project participants; collaborative approach; takes initiative to propose adjustments enhance achievement of State’s goals.

PRIORITY ZONE:

Phase One includes a central Priority Zone that will function as the heart of The Point. The primary purpose of the Priority Zone is to designate an area where the Developer is required to maintain an elevated fidelity to the Phase One Concept Plan within the zone and can only change design, location or uses therein with Land Authority approval. Outside the Priority Zone, the Developer is not bound to the location of specific uses as shown on the Phase One Concept Plan if the Developer delivers the overall mix and land-use requirements.

Within the Priority Zone, the Developer shall develop commercial and residential uses in accordance with the following requirements:

- 1,425,000 gross square feet maximum.
- A minimum of 40% of the constructed square footage shall be for commercial uses (defined as any use other than residential uses and “Support Commercial”).
- A minimum of 40% of the constructed commercial space shall be for office use (including life science uses).

AFFORDABLE HOUSING:

The Land Authority is committed to helping address the statewide housing affordability challenge. No less than 12.5% of all residential units in Phase One will be affordable housing units (AHUs). Of the total number of AHUs developed in Phase One, 30% will be made available to tenants earning under 60% of area medium income and the remaining AHUs will be available to tenants earning under 80% area medium income for the Salt Lake City Metropolitan Statistical Area.

INNOVATION AT THE POINT:

The Land Authority has reserved a portion of the Priority Zone of Phase One for the development of Convergence Hall. Convergence Hall will serve as the hub of The Point's Innovation District, attracting world-renowned researchers and entrepreneurs to Utah, as well as world-renowned Utah researchers. With significant input from and programming by the Utah System of Higher Education, the District will serve as an ecosystem that advances technological innovation, fosters a startup environment, and facilitates meaningful relationships among universities, businesses, and entrepreneurs. It will nurture new ideas from the research stage through commercialization, with the goal of helping to solve some of Utah's unique challenges.

FUTURE PHASES:

If the Developer meets the conditions outlined in the Agreement, including the agreed upon performance standards, then the Developer will have the exclusive option to develop Phase Two of The Point. Phase Two will consist of at least 99 total acres with vertical development acreage substantially equivalent to Phase One. The location at The Point of the next phase of development is not yet determined.

SUB-CAMPUS DEVELOPMENT:

Any development, within The Point, but outside of Phase One, during the term of the Agreement, by a party other than The Developer, must be approved in accordance with The Board's approved sub-campus process. This allows the Land Authority to entertain independent development opportunities that benefit Utah.

PROJECT OVERSIGHT COMMITTEES:

The Land Authority Board is the land use authority for The Point. The Board anticipates working closely with Draper City, Salt Lake County, DFCM, the Development Review Committee (DRC), the Design Review Executive Board (DREB), and Technical Review Committee (TRC) to oversee the progress of all aspects of The Point.

The Board will establish the DRC to review all site plans, development plans, or other development applications for The Point, including Phase One. The DRC will review such plans

and applications to determine consistency with use restrictions, and compliance with design guidelines, major elements, and priority zone requirements, if applicable.

The Board will establish the TRC to ensure that all development within The Point, including Phase One, is completed in conformance with the concept and specific approvals of the DRC, State construction codes, applicable law, and rules and policies of all entities providing services to The Point. The TRC is the primary building and construction permitting agency for Land Authority.

DEVELOPMENT TIMELINE AND PROCESS:

Phase One will consist of multiple vertical project areas (Lease Area). The Developer proposes to take down the first Lease Area within Phase One no later than six months following the Land Authority's notice that it is ready to proceed. After the initiation of the first Lease Area, the Developer shall effect a take down at least every 18 months, subject to market conditions.

To ensure Phase One delivers an optimal mix of building types and takes advantage of economic conditions, the Developer is required to comply with certain "gate" requirements. These gates limit the Developer's ability to build certain amounts of residential units until they develop identified amounts of office, retail and affordable product as follows:

- Up to 1,000 residential units
 - No requirement
- Prior to development of the 1,001st multi-family unit, the Developer must have effected Take Downs for:
 - At least 325,000 gross square feet of office space; and
 - At least 80,000 gross square feet of retail space, provided that only 25,000 gross square feet of use is devoted to a single grocer or discount retailer; and
 - At least 75 Affordable Housing Units for households earning under eighty percent (80%) of the AMI.
- Prior to development of the 2,301st multi-family unit, the Developer must have effected Take Downs for:
 - At least 1,025,000 gross square feet of office use; and
 - At least 250,000 gross square feet of retail, provided that only 125,000 gross square feet of use is devoted to a single grocer or discount retailer; and
 - At least 288 Affordable Housing Units, 87 of which are for households earning under sixty percent (60%) of the AMI.
- Prior to development of the 2,801st multi-family unit, the Developer must have effected

Take Downs for:

- At least 1,325,000 gross square feet of office use; and
- At least 250,000 gross square feet of retail.

DELAYS AND AGREEMENT TERMINATION:

In defined extenuating circumstances, the Developer may delay takedown and construction on site, but not for longer than 24 consecutive months or a total of 60 months during the term of this Agreement. If the Developer exceeds these agreed upon delay periods, the Land Authority Board may terminate the Agreement.

The Developer may terminate the Agreement with at least 60 days prior notice to the Land Authority Board. Any such termination shall not affect any existing ground leases. If such termination is without cause, the Developer shall pay the amount of \$10,000,000 (less the Developer's costs incurred in connection to the Agreement, provided, however, in no event will the amount be less than \$3,000,000).

LAND VALUATION AND REVENUE GENERATION:

Ground lease payments will be based on fair market value as determined through an appraisal process.

The Agreement provides the Land Authority with a profit share in certain circumstances. The details regarding land valuation and revenue generation are business confidential records.

GROUND LEASE:

This Agreement provides that Phase One will be developed through 99-year ground leases, specific to each vertical project area. The use of ground leases enhances the Land Authority's ability to manage the development of The Point, provides a long-term revenue stream, and preserves the Land Authority's ability to sell portions of The Point at any time in the future should economic circumstances or priorities change. The ground lessee has a right of first offer if the Land Authority elects to sell the real property covered by its ground lease.

At the end of the 99-year lease term, the real property and the improvements thereon revert back to the Land Authority, and the ground lessee has no further rights to the real property or improvements.

PUBLIC FINANCING:

Certain infrastructure elements within The Point are designated as eligible to be funded through public financing. Any project that is eligible for public financing must be completed through a

competitive bid process to ensure the most effective use of State funds. All finance related decisions must be approved by Land Authority.

MUNICIPAL SERVICES:

To provide basic government services to The Point, the Land Authority anticipates entering into a number of interlocal agreements with Draper City, Salt Lake County, and other taxing entities.

CONFLICT OF INTEREST:

Each Land Authority Board member is subject to the conflict-of-interest terms contained in *Utah Code Ann.* § 11-59-306, which prevent Board members from receiving any direct financial benefit from The Point. These restrictions continue for one year after a Board member completes their service.

