

# Memorandum

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To: Board of Trustees of the Utah Transit Authority  
From: Paul Drake, Director of Real Estate and TOC  
Date: July 9, 2025  
Subject: Divestiture of UTA's Interest in Bangerter Station, LLC

## Context

In 2010, UTA entered into an operating agreement with Bangerter Station Associates (a development entity owned by Boulder Ventures Development) to form Bangerter Station, LLC. This partnership was established to facilitate the development of land adjacent to the Jordan Valley TRAX Station. Since its inception, the venture has completed four development phases, comprising 720 residential units and 5,000 square feet of retail space.

UTA's initial investment consisted of development property and a share of a parking garage. Through successive project completions and sales, UTA recouped its investment and realized substantial profits. UTA staff has now determined that it is in the agency's best interest to divest its ownership interest in Bangerter Station, LLC.

## Discussion

The most recent development phase, an apartment complex, has experienced leasing delays due to construction challenges and increased market competition. As a result, the construction loan was not repaid on time, and the lender has issued a Notice of Default, likely leading to foreclosure.

In response, Bangerter Station Associates (BSA) has offered to purchase UTA's interest and obligations under the operating agreement. This would allow BSA to recapitalize and secure additional funding while enabling UTA to exit the partnership and eliminate future obligations and risks associated with the joint venture. Specific terms of UTA's exit are outlined in the Purchase and Sale Agreement.

The agreement also includes a Non-Exclusive Parking Agreement granting Bangerter Station a license for 200 parking stalls within UTA's parking garages. This license is necessary to fulfill city parking requirements for the remaining development parcels. The parking garages have sufficient capacity to accommodate this license while continuing to serve UTA's park-and-ride users and residents of the Novi Apartments.

Under the Purchase and Sale Agreement, UTA will receive \$1,000,000 upon execution, with an additional \$2,000,000 (plus interest) due by October 31, 2025. UTA will relinquish all ownership and claims related to Bangerter Station, LLC. Additionally, UTA will receive annual payments under the Parking Agreement for the use of the licensed stalls.