CITY OF SOUTH JORDAN
ECONOMIC DEVELOPMENT STRATEGIC PLAN

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TABLE OF CONTENTS

SECTION I: EXECUTIVE SUMMARY

South Jordan City is a vibrant hub of residential, commercial and mixed use development, with the potential to become a premiere super-regional retail destination. Strategically located at the crossroads of major infrastructure improvements, including the Mountain View Corridor and the Mid-Jordan TRAX line on the west and I-15 (the major transportation route through Utah) on the east, the City is well-situated to attract shoppers from the southern portion of the Salt Lake Valley as well as commuters who travel along the major transportation corridors in the area.

Due to the following factors, South Jordan is poised for some of the premiere economic development opportunities in the State of Utah: rapid growth over the past ten years, location along I-15 and the future Mountain View Corridor, public transit (FrontRunner and light rail), exceptional visibility and easy access, and favorable demographics (including high income levels and large household sizes).

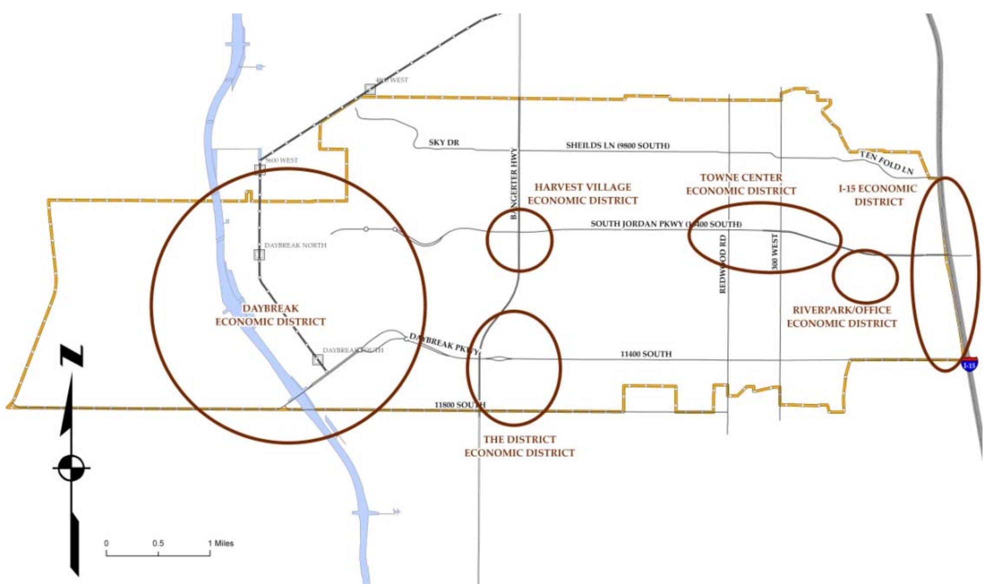
The attractiveness of South Jordan City has been recognized nationally. During the past year, South Jordan City was listed by the Gadberry Group as one of the ten most-notable high-growth areas in the United States. It was also honored by CNN Money Magazine as one of the best places to live in the country – ranked #18.

This report organizes the City into six economic districts. Goals, strategies and action plans have been defined for each district as well as for the entire City, followed by the analysis and research that were the impetus for the stated goals and objectives. The economic districts are:

- Daybreak
- Towne Center
- Harvest Village
- The District
- RiverPark/Office
- I-15

Each of these districts serves a unique and important role for the City. One of the purposes of this study is to identify the roles currently played by these districts, evaluate how to capitalize on the strengths of each area, and to fill gaps so that the City can develop a more sustainable economic base and securely establish itself as the hub of economic activity in the Southwest Valley.

FIGURE 1.1: ILLUSTRATION OF ECONOMIC DISTRICTS



SUMMARY OF GENERAL ECONOMIC FINDINGS

DEMOGRAPHICS

- The southwest part of the Salt Lake Valley is projected to grow by over 79,000 persons by 2020 and by nearly 144,000 persons by 2030;
- South Jordan is projected to house over one-third of the new population growth over the next 20 years – an increase of over 47,000 residents;
- Average household income in South Jordan is very high -- $94,107 compared to $67,052 in Salt Lake County;
- The demographics of South Jordan are extremely favorable to retail development. Households in the City are larger than average in size and have higher-than-average incomes;
- In fact, 62 percent of South Jordan's work force receives an annual income of $75,000 or more compared to only 36 percent of households in Salt Lake County; and
- South Jordan residents have more buying power and potentially greater discretionary income for increased spending in the local area compared to other areas in the County;

RETAIL OVERVIEW

- South Jordan's retail sales represent only 33 percent of the retail sales in Sandy City although its population is more than half the size of Sandy City;
- A sales gap analysis ("leakage") suggests that the City is capturing 75 percent of retail purchases overall;
- The 75 percent capture rate is a significant increase over the 52 percent capture rate achieved in 2006 and the 38 percent capture rate reached in 2005;
- Areas of retail strength include: general merchandise, motor vehicle, amusement and recreation, and apparel and accessory;
- Nearly 44 percent of the City's retail sales are generated in the retail area surrounding I-15; 25 percent come from The District; and 15 percent come from the Towne Center;
- The southwest portion of the Salt Lake Valley has grown by over 100,000 persons since 2000, and currently has a population of approximately 234,000 residents; therefore roughly 45 percent of the Southwest Valley population is new to the area since 2000; and
- Commercial growth in the southwest part of the valley has not kept pace with the rapid residential growth illustrated by significant retail sales leakage in the Southwest Valley.

OFFICE/INDUSTRIAL OVERVIEW

- With higher incomes and educational levels, office development is more likely to occur in South Jordan – where the "decision makers" live; and
- South Jordan has fewer jobs per capita (at 1.01 jobs per household) than the average Countywide. The County average is 1.7 (bumped up by Salt Lake City's 3.35). The average for Sandy City is 1.41.

General Recommendations

- South Jordan is poised to see significant retail and employment center growth over the next decade, and can position itself to take advantage of this growth by identifying and incentivizing key locations for regional retail and office development.

- South Jordan City needs to establish a balanced and sustainable economic base that includes property tax revenues, sales tax revenues and good-paying jobs. In order to do this, the City must focus on both regional retail and Class A office park development, thereby establishing itself as the economic hub of the Southwest Valley.

- Class A office development in the southwest part of the valley is most likely to take place in South Jordan City, as the highest incomes and median home values are in this area. The “decision makers” in business generally prefer to locate closer to home (shorter commute times) and are most likely to live in South Jordan when compared to other cities in the Southwest Valley. The City should consider appropriate economic incentives, including tax increment monies for infrastructure or land assemblage, in order to competitively attract the most desirable businesses with the highest-paying wages to this area.

- The City should continue to promote development of important transportation infrastructure. The recent completion of the 11400 South interchange will serve as an important economic driver for the community as it will increase access to commercial development within South Jordan. The project will also provide a continuous east/west connection alternative within the City. The City should continue to support and promote these types of transportation improvements including the construction of the Mountain View Corridor and a potential bus rapid transit (BRT) line proposed for the southwest valley that will serve the communities of South Jordan, Herriman, Riverton, Bluffdale, and Draper. These types of projects will provide additional access to South Jordan businesses, accommodate the increases in travel demand due to high growth in this part of the county, create new opportunities for transit-oriented development and future commercial developments and promote job growth.

SUMMARY OF ECONOMIC DISTRICTS

DAYBREAK

Daybreak is an ideal site for a future regional office, retail and entertainment center in the Southwest Valley. Located on over 4,000 acres, Daybreak is the largest master-planned community in the State of Utah and one of the largest in the nation. Although existing development in Daybreak is limited to a 180 degree trade area, future development will eventually extend westward beyond the planned Mountain View Corridor (MVC). Commercial development will abut the MVC on the east and west side, with TOD as a central design theme for this area. This access to the future MVC and existing access to the Mid-Jordan TRAX line suggests this area will become increasingly visible and convenient for continued residential and commercial growth. It also has the potential to dedicate a large amount of contiguous commercial space needed for regional retail sites. The exceptional growth in this area will be a significant factor in attracting regional retail development. Daybreak is expected to reach a buildout population of 65,000 residents. The following summarizes the key findings and recommendations for this area.

KEY FINDINGS AND RECOMMENDATIONS:

- The market area, which incorporates much of the Southwest Valley, is slated for rapid population growth, with a potential for nearly 256,000 persons located within a five-mile radius of the proposed regional retail site.
- Although commercial development within this district currently accounts for less than one percent of all retail sales Citywide and is limited to a 180 degree trade area; the area has ample undeveloped property that could be used for retail and office development;
- Future land use plans and entitlements show this area will be a unique regional retail destination with a strong retail and office presence, supported by over 20,000 residential units and a population of 65,000 residents in Daybreak alone.

TABLE 1.1: DAYBREAK LAND USE ENTITLEMENTS

P-C ZONE LAND USE ENTITLEMENTS	
Total Acres	4,157
Open Space Acres	1,040
Residential Units	20,785
Retail (Square Feet)	3,500,000
Office (Square Feet)	5,300,000
Industrial (Square Feet)	5,000,000
Source: South Jordan City	

- Future development will eventually extend westward beyond the planned Mountain View Corridor (MVC). The convergence of major transportation routes in this location provides an optimal location for regional retail (coupled with office development). Commercial development will abut MVC on the east and west sides, with a total of 300-500 acres dedicated as a mix of commercial, office and residential space in this area. **The mix of uses should be promoted to increase the favorability of this site for regional development.**
- **The commercial development adjacent to MVC will serve as a premier regional retail and office destination**. The vision for this area will be similar in scope to the Cottonwood Corporate Center, the Gateway retail center and City Creek. However, this scale of development will require substantial residential, employment and traffic count growth, which will be spurred by the completion of the MVC. As a result, development of a premier regional center will likely occur in 10-15 years. It is anticipated that development will begin when MVC has 50,000 daily trips and the area has more of a 360 degree trade area, with development on both sides of MVC.
- **Regional development should be patterned in a way that would be complementary with the scale and design of the Daybreak development.**
- The trend of existing commercial development has followed the general development pattern for the Southwest Valley, with a strong commercial presence in communities to the north of the City where there is greater residential density. E**merging retail centers in neighboring communities will compete**

for the buying power in the Southwest Valley as population continues to extend toward the south and west of I-15.

- While the Daybreak area, specifically near MVC and the Mid-Jordan TRAX Line, should be reserved for upscale regional retail, **neighborhood and community scale development should be pursued to capture incremental growth in demand**.
- SoDa Row serves as the primary commercial development for this district and is comprised of 250,000 sq. ft. of retail and office space with 87% occupancy. It is anticipated that an additional 150,000 sq. ft. of new space will be added to the SoDa Row commercial area. **As new demand is introduced in the Daybreak area, neighborhood and community scale retail will need to expand**.
- Daybreak Commerce Park (250 acres) will serve as a premier office and data/tech center location. Marketing strategy for this area should focus on attracting new data centers and to promote the area as **a "shovel ready" site, with necessary infrastructure in place to handle additional growth. Additionally, the City can promote sustainability by attracting additional life science, bio-med, and other manufacturing companies to this area.**
- Daybreak in general is categorized by superb connectivity and multiple modes of transportation, flexible zoning and available land for expansion, which can all be highlighted to spur development. **The flexible zoning and availability of unencumbered sites will allow for the development of a diverse economic base and the ability to match product with demand.** The nature of the Daybreak district as a master planned community creates a sense of development security, which in turn encourages high quality tenants to locate within Daybreak. This promotes a multiplier effect as the strength of existing development encourages new development to locate within this district.

SODA ROW COMMERCIAL DEVELOPMENT

TOWNE CENTER

The Towne Center, a walkable neighborhood-scale development with a grocery store, accounts for nearly 17 percent of all retail sales in the City. This area also has a drugstore, dollar store, eating establishments and a variety of smaller-scale specialty stores.

There is limited land available for additional development in this area, estimated at nine acres of vacant land, with an additional 42 acres that may be "underutilized" and therefore redeveloped at some point in time.

The limited amount of developable land in this area, plus the neighborhood scale of the existing development, suggests that this area is best suited to remain as a "downtown." In order to preserve the integrity and uniqueness of the area, it is important to promote walkability, ambiance, and to maintain the small scale of most of the buildings. "Destination" type retail – one-of-a-kind specialty stores, art stores, antiques, and unique restaurants should be encouraged and incentivized in this location. Where possible, street furniture, umbrellas, awnings, and eating on the street should be allowed in order to further the friendly and welcoming nature of this location. This area will be successful to the extent that it is seen as unique and charming, and to the extent that it does not become confused or associated with a strip mall development philosophy.

KEY FINDINGS AND RECOMMENDATIONS:

- This area has approximately 51 acres of remaining developable land and accounts for 16.8 percent of all retail sales citywide.
- **Commercial development will likely continue to occur along South Jordan Parkway** where additional developable property is located.
- Access along South Jordan Parkway and to I-15 will encourage continued development in personal, health and business services.
- **The City should maintain the centralized and walkable feel of the Towne Center Plaza** by promoting a centralized development pattern, focused around the intersection.
- **The Towne Center should be encouraged to attract unique, "destination" specialty stores** such as art stores, antiques and specialty eating that will draw people to the area and that will preserve the ambiance of this area as the walkable "downtown" of South Jordan.

HARVEST VILLAGE

Harvest Village is situated along primary traffic routes within the City at the intersection of 10400 South and Bangerter Highway. Plans for Harvest Village include more than 240,000 square feet of commercial space on 33 acres. The area will also feature high density housing, which allows for rooftops (demand) to be located near commercial development creating more sustainable growth. A major big box, such as Costco (which is in the planning stages) would provide a major anchor and tenant for this area. The Harvest Village district will be categorized by neighborhood and community scale development (i.e. personal services, personal retail, bakeries, banking, general merchandise, etc.).

KEY FINDINGS AND RECOMMENDATIONS:

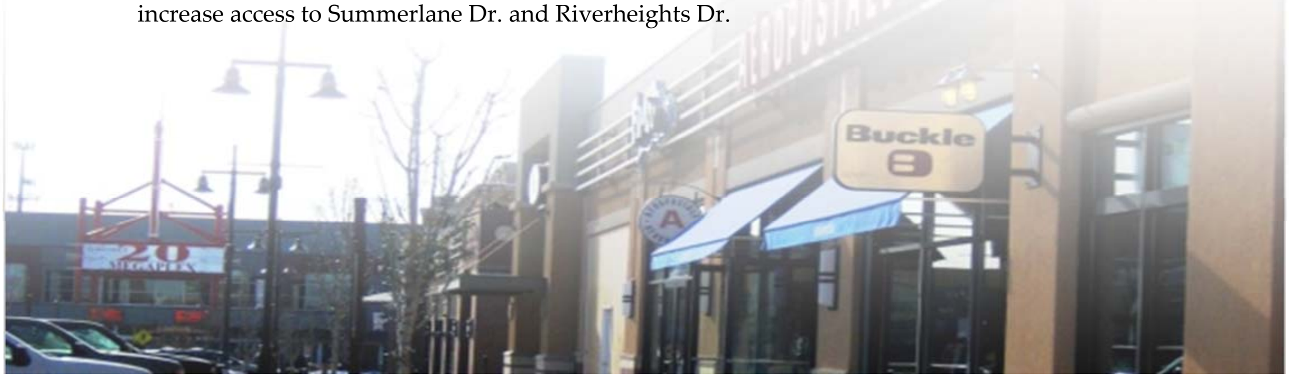
- Although this area is primarily undeveloped in relation to commercial activity, there are 190 acres of developable land within a half mile radius of the intersection of South Jordan Parkway and Bangerter Highway, positioning the area to experience high commercial growth.
- With established neighborhoods, proximity to Daybreak, and development plans underway for a Costco, a Wal-Mart and other commercial development, this area should become a significant retail sales tax generator for the City.
- Future economic growth will be supported by establishing a mix of land uses within the Harvest Village district, including high density residential, office and commercial zoning. The future land use plan supports this goal by providing for a mixed-use approach to land uses surrounding this area. **The City should explore the allocation of land within each zoning class near Harvest Village to ensure there is a proper mix of uses that will support both a daytime and nighttime population.**
- The **Harvest Village district should expand development in personal, health and business services, as well as eating establishments** that will complement the future Costco and Wal-Mart. The City should balance commercial growth while promoting a centralized development pattern at or near the intersection.
- Other categories that could be emphasized at this location include entertainment and family friendly amenities (i.e. bowling alley, personal fitness, family entertainment). **Vacant or underutilized land and buildings should be identified as potential locations for these types of retail categories** to ensure a vibrant economic district.
- **The City should also explore transportation infrastructure improvements that will increase access from residential zones along Bangerter** to existing and future commercial zones, from alternative routes other than direct highway access. For example, access to the Village Mixed Residential zone on the southwest side of the Harvest Village district is limited and will need to be improved to ensure accessibility.

THE DISTRICT

The District currently serves as a major retail center for the City, with 25 percent of all sales generated within the City originating in The District. With stores such as Target, JC Penny, Sports Authority, and a Megaplex Theater, this area is a community-scale development that features value stores and big box. This type of development is important for communities as it generates good sales tax revenues. However, it is also distinct and different from regional retail centers such as Gateway in Salt Lake, the emerging City Creek in downtown Salt Lake, and Fashion Place in Murray which focus on more upscale retail development.

KEY FINDINGS AND RECOMMENDATIONS:

- There are about 185 developable acres to the north of The District, stretching along Bangerter Highway.
- The District accounts for 25 percent of all retail sales Citywide.
- The market area, which incorporates much of the Southwest Valley, is slated for rapid population growth, with a potential for nearly 256,000 persons located within a five-mile radius of the proposed regional retail site, suggesting sufficient population to support regional retail development at either The District or Daybreak. However, the District will likely remain as a power center in the near term, with Daybreak as the optimal location for long-term regional retail in the Southwest portion of the valley.
- Traffic counts in this area, along Bangerter Highway, are roughly 16,440 to 36,215 average daily trips (ADTs), with ADTs reaching 49,000 to 53,000 along Bangerter Highway at 10600 South.
- Favorable demographics and excellent access to this area (both east to west and north to south connectivity) suggests The District will serve as an attractive destination for continued growth in the Southwest Valley. The development density is reaching a 360 degree trade area around the District, with room to grow, thus increasing the strength of this area as a retail center for the City.
- **The District should expand on its existing strengths as a "power center"** and expand in the areas of consumer electronics; sporting goods; office supplies; home furnishings; home improvement goods; bulk foods; drugs, health and beauty aids; toys and computer stores. This may also include expanding upon the existing fashion and entertainment elements, with a focus on family entertainment.
- **To elevate the market competitiveness of The District, the area should focus on diversifying land uses,** focusing on additional office space, high density residential, and family friendly amenities. This will help solidify the area as a destination center, while increasing the daytime population to support existing and new commercial development.
- To facilitate increased demand, **the area should pursue alternatives to increase parking density**, specifically on the South end of The District near the theater. This helps provide ease of access for existing customers and also allows for The District to capture future demand.
- As traffic increases along Bangerter Highway, intersection improvements at 114th South and 118th South will help facilitate the flow of traffic and ease of access to this area. **The City should evaluate transportation improvements that will facilitate access to this area.** A Continuous Flow Intersection (CFI) at 114th South could be developed, similar to the intersection of Bangerter Highway and 3500 South. In addition, grade separated transportation improvements that help facilitate access at 118th South from Bangerter Highway could also help bring demand into The District. Increased traffic volume along Bangerter and 114th may necessitate changes to the roundabout north of The District to increase access to Summerlane Dr. and Riverheights Dr.



RIVERPARK

The RiverPark district incorporates the RiverPark Corporate Center, as well as surrounding commercial development. This area represents a premiere office location and illustrates the diversity of South Jordan's economic potential. The presence of Class A office and the convergence of multiple modes of transportation in adjacent areas highlight the economic strengths of South Jordan.

Favorable income and education levels in South Jordan are also factors that should help the office market flourish. Approximately 37 percent of South Jordan City's population has attained a Bachelor degree or higher, substantially higher than in other communities in Salt Lake County. In comparison, the category, "some college or associate's degree," represents the highest attainment level for most of the surrounding communities. High educational levels translate into a high per capita demand for office space.

KEY FINDINGS AND RECOMMENDATIONS:

- A majority of the 27 corporate headquarters located in South Jordan are within the RiverPark district. RiverPark was recently awarded "The best suburban office park" in Utah. (BOMA, 2010). With high lease rates ($22.50 to $23.50 per sq. ft.) and low vacancy rates (92% occupied), the RiverPark district serves as a key economic district within the City.
- With population growth in the Southwest Valley estimated at 79,000 persons over the next ten years and 144,000 persons over the next 20 years, the office space needed to support the additional population should conservatively reach between 1.0 – 1.9 million square feet of office space, or an average of 100,000 square feet per year (assumes average of 13 sq. ft. of office space per capita).
- Average office absorption in the Southwest part of the Valley has been 138,000 sq. ft. per year for the past eight years, with future absorption in South Jordan conservatively estimated at 40,000 – 60,000 sq. ft. per year.
- RiverPark is primarily built-out. The office campus absorbed 300,000 sq. ft. in 2010 and is 92% occupied. There is currently one office space pad left undeveloped, which will allow for an additional 60,000 sq. ft. of office development. The two remaining retail pads are slated for restaurant expansion, with Dickies and Brick-Oven filling these sites.
- Retail development in this area is occurring, though it is limited, with a total 2.4 percent of the City's taxable retail sales generated in this area. **Future development surrounding this area should focus on increasing retail opportunities in this area as well as providing for additional residential growth**.
- The RiverPark district not only serves as a Class A office hub, but provides access to dining amenities and recreation. **Marketing strategy for this area is focused on categorizing the area as a restaurant destination, known as the Restaurants at RiverPark**, with 12 restaurants now and more coming. The area will also support a high class Hilton branded hotel with four stories and 123 rooms. This hotel is in the planning process and is being reviewed for approval by the City.
- **The City should help explore ways to increase connectivity to Salt Lake City International Airport and to the TOD development along I-15,** which will increase the viability and attractiveness of this area. Transportation alternatives from the airport to lodging opportunities near RiverPark will help eliminate the need for rental cars and support access to Class A office utilized by corporate and international clientele. Transportation solutions may include shuttle services from the airport and a trolley system within South Jordan City.
- **The City should explore existing developable and agricultural land surrounding RiverPark to identify areas for additional development**. The City should review the Future Land Use Plan to identify any necessary zoning adjustments that may help facilitate the expansion of Class A office and supporting commercial development.
- **The City should maintain a mix of land uses in this area,** which will promote sustainability by placing rooftops and office space near commercial development.

I-15

The I-15 Economic District follows I-15 on the east side of South Jordan, between 106th South and 114th South. This area represents a key retail center within South Jordan. The presence of Wal-Mart and Sam's Club, as well as improvements to 114th South and a new intersection along I-15 at this location promote the retail attractiveness of this area. Retail development along South Jordan's southern portion of I-15 includes general merchandise, furniture sales, hotels and lodging and motor vehicle sales. Large retail establishments in this area include: the Sleep Inn, Perry Brothers Honda World, Prestige Imports, Volkswagen Southtowne, Super 8, Wal-Mart, Sam's Club, and a Carmax auto dealership.

KEY FINDINGS AND RECOMMENDATIONS:

- Retail development along South Jordan's southern portion of I-15 is strongly centered on general merchandising, furniture sales, hotels and lodging, and motor vehicle sales.
- Hotels and lodging are also a driving force in this area due to the inclusion of the Country Inn & Suites north of the Parkway Towers.
- I-15 represents the strongest economic district in relation to retail sales, generating 43.9% of the City's taxable retail sales.
- There are a total of 150 acres of developable property within the I-15 District, with 64 acres considered vacant property. The majority of the developable property is located north of the existing retail along 114th South as well as surrounding the future FrontRunner station.
- The completion of the 114th South interchange and the extension of 114th South through 1300 West provides increased access to this area for local and pass-through demand along I-15.
- A new FrontRunner station is scheduled for completion in 2015 with adjacent transit-oriented development, surrounded by industrial, commercial office, recreation/open space, village mixed use and residential land uses of varying densities.
- **The City should help explore ways to increase connectivity to Salt Lake City International Airport and to the TOD development along I-15** which will increase the viability and attractiveness of this area. Transportation alternatives from the airport to lodging opportunities within South Jordan will help eliminate the need for rental cars and support Class A office development. Transportation solutions may include shuttle services from the airport and a trolley system within South Jordan City.
- **Retail development around the transit center should focus on business and personal services as well as eating establishments and small food markets for residents** which will also support the existing hotel and lodging establishments.
- In the I-15 District, the presence of Wal-Mart and Sam's Club, as well as the improvements to 114th South and a new intersection along I-15 at this location will further increase the retail attractiveness of this area. **Developable land north of existing retail should focus on capturing pass-by traffic on I-15 and increase the draw of this area. Future development near the future commuter rail stop should merge office, commercial and residential components into a transit-oriented district.**

SECTION II: GOALS AND POLICIES

In order to establish South Jordan as an economic hub in the Southwest Valley and to promote sustainability, the City must focus on regional retail, neighborhood and community scale retail development, Class A office park development, the completion of important transportation infrastructure, and the promotion of the unique dynamics of each economic district in the City. The following points illustrate the areas the City should focus on to promote economic growth and sustainability:

1. PROMOTE TRANSPORTATION IMPROVEMENTS:

- **The City should continue to promote the completion of important transportation infrastructure including the construction of the Mountain View Corridor and a potential bus rapid transit (BRT) line** proposed for the southwest valley.

- **The City should help explore ways to increase connectivity to Salt Lake City International Airport to Class A office and to the TOD development along I-15** which will increase the viability and attractiveness of future commercial growth. Transportation alternatives from the airport to lodging opportunities within South Jordan will help eliminate the need for rental cars and support Class A office development. Transportation solutions may include shuttle services from the airport and a trolley system within South Jordan City.

- As traffic increases along Bangerter Highway, intersection improvements at 114th South and 118th South will help facilitate the flow of traffic and ease of access to this area. **The City should evaluate transportation improvements that will facilitate access to this area.** A Continuous Flow Intersection (CFI) at 114th South could be developed, similar to the intersection of Bangerter Highway and 3500 South. In addition, grade separated transportation improvements that help facilitate access at 118th South from Bangerter Highway could also help bring demand into The District. Increased traffic volume along Bangerter and 114th may necessitate changes to the roundabout north of The District to increase access to Summerlane Dr. and Riverheights Dr.

- **The City should also explore transportation infrastructure improvements that will increase access from residential zones along Bangerter** to existing and future commercial zones, from alternative routes other than direct highway access. For example, access to the Village Mixed Residential zone on the southwest side of the Harvest Village district is limited and will need to be improved to ensure accessibility.

2. FOSTER A REGIONAL RETAIL PERSPECTIVE:

- The Mountain View Corridor (MVC) and Mid-Jordan TRAX Line will provide a new transportation route for the growing population occurring along the Wasatch front. **A mix of land-uses should be promoted along the Corridor to increase the attractiveness of the west side of the City for a regional retail site.**

- **The commercial development adjacent to MVC will serve as a premier regional retail and office destination**, similar in scope to the Cottonwood Corporate Center, the Gateway retail center and City Creek.

- However, **emerging retail centers in neighboring communities will compete for the buying power in the Southwest Valley.** As population continues to extend toward the south and west of I-15, the City will need to balance the promotion of community and neighborhood retail development with the establishment of a regional retail destination.

3. ADVANCE NEIGHBORHOOD/COMMUNITY RETAIL TO CAPTURE INCREMENTAL GROWTH:

- While regional retail development should be promoted, specifically near MVC and the Mid-Jordan TRAX Line, **neighborhood and community scale development should be pursued to capture incremental growth in demand**.

- **Commercial development will likely continue to occur along South Jordan Parkway** where additional developable property is located.

- Access along South Jordan Parkway and to I-15 will encourage continued development in personal, health and business services.

- **The City should maintain the centralized and walkable feel of the Towne Center Plaza** by promoting a centralized development pattern, focused around the intersection.

- **The Towne Center should be encouraged to attract unique, "destination" specialty stores** such as art stores, antiques and specialty eating that will draw people to the area and that will preserve the ambiance of this area as the walkable "downtown" of South Jordan.

- **The City should explore the allocation of land within each zoning class near Harvest Village to ensure there is a proper mix of uses that will support both a daytime and nighttime population (i.e. zoning for office and retail uses).**

- The **Harvest Village district should expand development in personal, health and business services, as well as eating establishments** that will complement future big-box retail. The City should balance commercial growth while promoting a centralized development pattern at or near the intersection.

4. ENCOURAGE SPECIALIZED COMMERCIAL DEVELOPMENT:

- **The District should expand on its existing strengths as a "power center"** and expand in the areas of consumer electronics; sporting goods; office supplies; home furnishings; home improvement goods; bulk foods; drugs, health and beauty aids; toys and computer stores. This may also include expanding upon the existing fashion and entertainment elements, with a focus on family entertainment.

- **To elevate the market competitiveness of The District, the area should focus on diversifying land uses,** focusing on additional office space, high density residential, and family friendly amenities. This will help solidify the area as a destination center, while increasing the daytime population to support existing and new commercial development.

5. SUPPORT THE DEVELOPMENT OF HIGHWAY COMMERCIAL AND TRANSIT ORIENTED DEVELOPMENT:

- In the I-15 District, the presence of Wal-Mart and Sam's Club, as well as the improvements to 114th South and a new intersection along I-15 at this location will further increase the retail attractiveness of this area. **Developable land north of existing retail should focus on capturing pass-by traffic on I-15 and increase the draw of this area. Future development near the commuter rail stop should merge office, commercial and residential components into a transit-oriented district.**

- **Retail development around the proposed transit center along I-15 should focus on business and personal services as well as eating establishments and small food markets for residents** which will also support the existing hotel and lodging establishments.

- The convergence of multiple modes of transportation within the Daybreak development will lead to the formation of a transit-oriented district. **Development should incorporate a variety of services within walking distance of a transit station; good pedestrian connections to transit and between buildings; and buildings that are outwardly oriented toward the street** rather than inwardly oriented toward parking. The first tenant of the TOD development is the University Health Care Center which could expand to 50 acres, and include a University satellite campus.

6. EXPAND UPON THE EXISTING CLASS A OFFICE STRENGTHS:

- **The City should explore existing developable and agricultural land surrounding RiverPark to identify areas for additional development**. The City should review the Future Land Use Plan to identify any necessary zoning adjustments that may help facilitate the expansion of Class A office and supporting commercial development.

- **The City should maintain a mix of land uses near office developments,** which will promote sustainability by placing rooftops and office space near commercial development.

7. BUILD ECONOMIC DIVERSITY THROUGH PREMIER RESEARCH AND BUSINESS PARKS:

- Daybreak Commerce Park (250 acres) will serve as a premier office and data/tech center location. Marketing strategy for this area should focus on attracting new data centers and to promote the area as **a "shovel ready" site, with necessary infrastructure in place to handle additional growth.**

- **Additionally, the City can promote sustainability by attracting additional life science, bio-med, and other manufacturing companies to the City**. This will not only expand the Cities current economic base, but will also help support existing businesses like Merit Medical and Ultradent by bringing multiple components of an industry into a single location.

In addition, the following points highlight the goals and objectives of the City regarding economic development strategy, as stipulated in the General Plan. Where applicable, the goals and objectives are enhanced with findings from this plan.

GOAL ED-1: DEVELOP A POSITIVE BUSINESS ATMOSPHERE THAT FOSTERS ECONOMIC DEVELOPMENT FOR THE BENEFIT OF CITY RESIDENTS AND BUSINESSES.

- **POLICY ED-1.1** Continue commitment to a high standard of development for all commercial and industrial projects by adhering to high standards of site design, architecture, landscaping and project construction.

- **POLICY ED-1.2** Encourage quality businesses to locate in the City and expedite projects by minimizing delays in project approvals and development processing.

- **POLICY ED-1.3** Promote high quality commercial and industrial development by establishing and maintaining high architectural and landscaping standards.

- **POLICY ED-1.4** Pursue transportation improvements that will increase mobility, traffic, access and capacity including the construction of the Mountain View Corridor, the Mid-Jordan TRAX line, and a potential bus rapid transit (BRT) line proposed for the southwest valley that will serve the communities of South Jordan, Herriman, Riverton, Bluffdale, and Draper. These types of projects will provide additional access to South Jordan businesses, accommodate the increases in travel demand due to high growth in this part of the county, create new opportunities for transit-oriented development and future commercial developments and promote job growth.

- **POLICY ED-1.5** Preserve and enhance development value and South Jordan's "sense of place" by promoting compatible projects with consistent design themes.

- **POLICY ED-1.6** Encourage recreational and cultural amenities for an enhanced quality of life through zoning and incentive practices.

- **POLICY ED-1.7** Strengthen relationships and communication with existing businesses through an active business outreach program.

- **POLICY ED-1.8** Partner with the South Jordan Chamber of Commerce in promoting area businesses and encouraging residents to shop locally.

- **POLICY ED-1.9** Update and revise the City's "Economic Strategic Plan" as business and economic needs of the City change.

- **POLICY ED-1.10** Identify uses/businesses/employers that provide goods and services that will increase convenience for City residents, that will increase the variety of places to shop and that will help the City become a full service community. A sales gap analysis ("leakage") suggests that the City is capturing 75 percent of retail purchases overall, which is a significant increase over the 52 percent capture rate achieved in 2006 and the 38 percent capture rate reached in 2005. Continue to monitor and increase this capture rate.

- **POLICY ED-1.11** Actively recruit targeted retail businesses. Capitalize on the high incomes, large family sizes, and other demographic factors in the City that will support lifestyle centers, outlet malls, dining out, cultural and entertainment attractions.

- **POLICY ED-1.12** Seek high-paying jobs and provide incentives when competitively necessary in order to attract top-quality businesses to the City. Promote development in and around employment centers that are near public transit.

GOAL ED- 2 EXPAND SOUTH JORDAN'S ECONOMIC BASE WITH NEW RETAIL COMMERCIAL BUSINESSES AND HIGH QUALITY INDUSTRY.

- **POLICY ED-2.1** Maximize the economic development potential at key nodes within the City. Encourage commercial activities around major intersections with 1-15, 1300 West, Redwood Road, Bangerter Highway, Mountain View Corridor, South Jordan Parkway, and 11400 South.

- **POLICY ED-2.2** Establish office, retail, mixed use, and light industrial uses near major transportation facilities such as I-15, Mountain View Corridor, light rail stops and commuter rail. Promote transit-oriented development near public transportation nodes.

- **POLICY ED-2.4** Provide prestigious office locations for research and business parks including Class A (steel frame construction, minimum three stories with at least 10,000 sq. ft. per floor, and central interior lobby) and Class B developments (steel frame, concrete, or masonry construction, minimum two stories with at least 15,000 sq. ft. per floor, and central interior lobby). Areas of highest office potential include the Daybreak development, near I-15 and adjacent to existing Class A office developments.

- **POLICY ED-2.5** Establish and equitably implement economic development incentive policies.

- **POLICY ED-2.6** Attract selected targeted industries that are consistent with the City's goal of expanding economic vitality with protecting the environment and quality of life. Targeted industries include the following: 1) business and financial services, 2) bio and life sciences, 3) software development, IT and data storage, 4) food manufacturing, 5) research, engineering, and other high tech areas.

- **Policy ED-2.7** Develop an action plan for each targeted industry to encourage retention and expansion of businesses.

Goal ED- 3 Plan for adequate land within the City for shopping and employment locations which will encourage regional shopping and employment centers in South Jordan, conveniently serve current and future local needs, provide employment opportunities and contribute to the City's tax base.

- **Policy ED-3.1** Designate commercial sites on the Future Land Use Plan Map that are large enough to accommodate regional commercial development. Daybreak is a major regional retail site due to the availability of land and the convergence of key transportation infrastructure at this location.

- **Policy ED-3.2** Promote transit-oriented development where multi-modal transit is established. Areas of focus include the Commuter Rail station, Mid-Jordan TRAX line, and a potential bus rapid transit (BRT) line proposed for the southwest valley.

- **Policy ED-3.3** Discourage commercial strip centers and the piecemeal development of large commercial and employment centers.

- **Policy ED-3-4** Develop land use policies that blend or buffer employment centers with adjoining residential development.

- **Policy ED-3.5** Establish and maintain a capital projects plan and implement it based upon available financial resources.

- **Policy ED-3.6** Promote and leverage expansion and densification of the South Jordan Towne Center on Redwood Road, the development of the Daybreak Town Center and other appropriate regional commercial development for the benefit of the community.

- **Policy ED-3.7** Create a mechanism to bring attractive developments to the City, i.e. medical technology, light manufacturing, educational and scientific facilities, and recreational uses.

- **Policy ED-3.8** Investigate strategies, land use clusters, and development designs that will encourage residents and visitors to lengthen their on-site shopping experiences.

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SECTION III: OVERVIEW OF SOUTH JORDAN CITY

Population growth and demographic characteristics are key factors in assessing market opportunities and economic development strategies. The following provides a summary of the demographic highlights of South Jordan. A more detailed analysis of demographic information (i.e. population projections, household sizes, educational levels, income levels, etc.) is found in Appendix A.

DEMOGRAPHIC HIGHLIGHTS

POPULATION AND RETAIL BUYING POWER GROWTH

- The City of South Jordan has experienced extremely rapid growth over the past decade, with its population nearly doubling in size from 2000 to 2010, increasing from a population of 29,437 persons in 2000, to 50,418 persons in 2010.[1] Much of this growth is attributable to the new Daybreak community. South Jordan is projected to reach a population of roughly 140,000 in 2060.

- The Southwest part of the Valley is expected to grow by over 79,000 persons by 2020 and by nearly 144,000 people over the next 20 years. This will fuel the demand for goods and services and will be the impetus for increased retail development. The average per capita retail spending in Utah is $10,316 annually,[2] which would result in nearly $817 million in increased sales by 2020 and $1.5 billion by 2030. Assuming that retail businesses average sales of $300 per sq. ft., this would generate demand for an additional 2.7 million sq. ft. of retail space by 2020, and 4.9 million sq. ft. by 2030. However, this would equate to approximately 40 sq. ft. of retail space per capita; the better approximation is 25 retail square feet per capita based on data provided by Commerce Real Estate Solutions and calculated for four Utah counties along the Wasatch Front.[3] Based on 25 sq. ft. per capita and a suburban floor area ratio (FAR) of 0.15 for retail development, an additional 303 acres of retail space will be needed in the next ten years, and 550 acres over the next 20 years.

TABLE 3.1: POPULATION GROWTH AND BUYING POWER IMPACTS – SOUTHWEST VALLEY

	GROWTH 2010-2020	GROWTH 2010-2030
Increased Population	79,188	143,709
Square Feet per Capita	25	25
Increased Retail sq. ft.	1,979,700	3,592,725
Increased Retail Acres	303	550

- Currently, cities on the east side of Salt Lake County (east of I-15) account for 45 percent of the County's population, with the northwest portion of the County accommodating 27 percent and the southwest accounting for 14 percent (and the unincorporated County accounting for the remaining 14 percent). By 2020, the split between east and west sides of the County is expected to be fairly similar, with the greatest growth coming in the Southwest sector.

AGE AND HOUSEHOLD SIZE

- South Jordan is made up of a significantly higher percentage of individuals less than 21 years of age as compared to the County overall. South Jordan has fewer young families (ages 22 to 34 years), but a higher middle-age population and a smaller elderly population.

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[1] Census 2010.
[2] Calculated by taking the $28.7 billion in retail sales in Utah in CY 2009 and dividing by a state population of over 2.78 million.
[3] The larger-than-average household sizes in South Jordan are driving this number up; therefore, we have adjusted to reflect 25 sf per capita based on averages in counties along the Wasatch Front (Salt Lake County, 36 sf; Weber County, 25 sf; Davis County, 24 sf; and Utah County, 20 sf).

- Not surprisingly, with a large percentage of children, South Jordan has a large average household size (3.83 persons) – significantly larger than the average size in Utah (3.14 persons) and in the United States (2.61 persons). This suggests that demand for goods and services will be centered on family needs.

- Utah has the youngest median age in the nation – 28.6 years compared to 36.7 years nationwide. The median age in South Jordan is 28.4 years.

HOUSING

- South Jordan's housing market has remained relatively stable due to the shift in construction of predominantly single-family units to multi-family or condo units beginning in 2008 and 2009. When comparing the percentage of single-family units to total dwelling units, the cities that maintained the healthiest housing markets in Salt Lake County over the past few years are those that adjusted the dynamics of their housing to accommodate more multi-family units.

- Median home values in South Jordan are nearly 1.6 times higher than in the County, 1.2 times higher than in Riverton, and 1.6 times higher than in West Jordan.[4]

INCOME

- South Jordan has a much higher median household income than Salt Lake County and surrounding cities. According to 2010 Census data, the median household income in South Jordan City is 1.40 times higher than that of Salt Lake County -- $94,107 compared to $67,052 respectively. South Jordan also has a significantly higher percentage of households making between $75,000 and $99,000, with 62 percent of South Jordan's workforce earning an annual income of $75,000 or more while only 36 percent of Salt Lake County residents make more than $60,000 a year. This means that there is significantly increased buying power in South Jordan. South Jordan's income is also higher than any of the surrounding communities on the west side.

- South Jordan City has relatively high incomes, large household sizes, a young median age, and high educational levels. All of these characteristics increase the demand for commercial development in the local area.

TABLE 3.2: ILLUSTRATION OF INCOME DATA

	SALT LAKE COUNTY	BLUFFDALE*	HERRIMAN	SOUTH JORDAN**	RIVERTON	WEST JORDAN
Median Household Income	$67,052	NA	$85,182	$94,107	$82,059	$70,228
Ratio of South Jordan to:	1.00	NA	1.27	1.40	1.22	1.05

Source: 2010 US Census
**2010 Census Data not available.*
***According to The City of South Jordan's website updated May 2008 the median household income is $97,645.*

- These favorable demographics, coupled with a low crime rate, propelled CNN Money Magazine to recently rank South Jordan as the 18th most favorable place to live in the Nation.[5]

EDUCATION

- Educational levels in South Jordan are higher than in Salt Lake County and the highest of any of the cities in the Southwest part of the Valley. Over 37 percent of South Jordan residents have a bachelor's degree or higher, compared to 21 percent in Bluffdale, 22 percent in West Jordan, 29 percent in Herriman, 30 percent in Salt Lake County and 31 percent in Riverton.

[4] U.S. Census ACS 2006-2008
[5] http://money.cnn.com/magazines/moneymag/bplive/2010/snapshots/PL4970850.html

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WORKFORCE

- Similar to other west side communities, South Jordan has a high percentage of residents who work outside the City, with an estimated 85 percent working away from their place of residence. Commute data, along with the high educational levels, suggests significant opportunity for office development in South Jordan.

- Jobs per household are a standard measurement of economic activity in a community. South Jordan is lagging in local job growth – typical of communities that see rapid growth. South Jordan, as well as other communities on the west side, has fewer jobs per capita (at 1.01 jobs per household) than do comparative cities on the east side, suggesting that the west side is poised to capture future job growth. For example, jobs per household for Sandy and Salt Lake City equal 1.41 and 3.35 respectively, with the County at 1.70 jobs per household.

- The largest industries in South Jordan include: 1) trade, transportation and utilities; and 2) professional services. Compared to surrounding communities, the financial services industry is stronger in South Jordan, while West Jordan has the highest percentage of employees working in trade, transportation and utilities, and Riverton has a greater concentration of construction employees.

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SECTION IV: GENERAL ECONOMIC ANALYSIS

A stable and diverse economy includes good-paying jobs and a healthy and growing tax base that supports schools, parks, infrastructure, public safety, and other public facilities and services. This section first addresses general economic conditions, followed by the economic characteristics that define South Jordan City. Detailed analysis is provided for sales leakage, buying power and commercial development opportunities that will diversify the local economy and ensure a sustainable economic tax base.

NATIONAL ECONOMY

Most economic indicators are weak – consumer confidence is down, new and existing home sales and prices are down, and the economy is still not producing net job growth. Unemployment is at 9.7 percent. Real estate markets remain in poor condition but are showing signs of increasing stability. Cap rates are somewhat steady at 7.92 percent, but are above the historic norm of 7.6 percent since 2001.[6]

According to the National Association of Realtors (NAR), prices for new home starts are 12.3 percent lower than they were one year ago. The total supply of new single-family homes is at 9.1 months, substantially higher than the historic average of 6.3 months since 1970. Foreclosure filings are 15.1 percent higher than one year ago. Home mortgage rates (30-year fixed) were at 4.97 percent in February 2010.[7]

Office vacancy rates are at 19.7 percent nationally, with retail vacancies at 19.2 percent. Both office and retail rents are down 8.3 percent from one year ago.[8]

UTAH'S ECONOMY

In comparison to the national economy, Utah has fared relatively well during the recession. Utah was recently recognized by the Pew Center on the States as the "best managed state in the nation." Businesses yearn for a safe, stable, well managed and predictable place such as Utah to conduct business. This is evidenced by the fact that Utah has one of the lowest unemployment rates in the nation -- 6.5 percent compared to 9.7 percent nationally. However, Utah has not been exempt from the impacts of the national economic recession. During the past year, jobs have contracted by 2.8 percent, compared to 3.1 percent nationally.

Average annual pay in Utah was $37,764 in 2009; in comparison, average annual pay nationwide was $48,237. A well-educated and young workforce, lower living costs, and lower annual pay are critical factors in making Utah an attractive place for companies to expand or locate. With a median age of 28 years, Utah has one of the youngest workforces in the nation, and a half million children in grades K-12, suggesting "decades of power house success ahead of it."[9] In fact, Utah has the youngest median age in the nation, largest household sizes, and has the second highest population growth rate in the United States.

Home prices were down 10.8 percent last year (compared to 12.3 average nationally), placing Utah 48th in the nation for declining home prices.[10] In many respects, such as declining home prices, and job losses, the impacts in Utah have been less severe than in other parts of the country.

SALT LAKE COUNTY'S ECONOMY

Despite the recession, Salt Lake County has seen a significant amount of private investment, including Salt Lake City's flagship downtown renovation project known as Downtown Rising. Downtown Rising is a revitalization effort covering 20 acres over three city blocks at the downtown core of Salt Lake City. It is a vibrant mixed use

[6] Urban Land Institute: ULI Real Estate Business Barometer, March 2010.
[7] Freddie Mac.
[8] Urban Land Institute: ULI Real Estate Business Barometer, March 2010.
[9] Utah Governor's Office of Economic Development.
[10] http://www.governor.utah.gov/DEA/EconSummaries/EconomicSummary.pdf

development that will include 700 residential units in its initial phase, a grocery store, two major department stores, nearly 775,000 square feet of retail space, and an additional office tower (several office buildings are already located in the redevelopment area).

Public multi-modal transportation options are also increasing, thus improving accessibility to employment centers throughout the Salt Lake Valley. The Utah Transit Authority (UTA) is working to extend the TRAX light rail system from downtown Salt Lake City to the International Airport as well as south through Provo and Orem to Spanish Fork. Additionally, many existing companies are looking to grow and increase the number of employees hired over the next few years. This is reflected in the employment growth projections, which indicate Salt Lake County will experience steady growth over the next ten years. Total employment is expected to reach nearly 900,000 by 2020 – a 14 percent increase from 2010.

TABLE 4.1: SALT LAKE COUNTY EMPLOYMENT GROWTH

	2010	2020	2030	2040	2050
Total Employment	790,393	897,257	994,647	1,112,712	1,233,261
Percent Change		14%	11%	12%	11%
Source: Governor's Office of Planning and Budget					

SOUTH JORDAN CITY ECONOMIC SUSTAINABILITY

In January 2011, the Gadberry Group selected South Jordan City as one of the ten most notable high-growth areas in the United States in 2010. South Jordan was the only site selected in Utah. The other sites selected included four areas in Texas, two areas in Arizona, and one site each in Florida, California and North Carolina. South Jordan was also ranked #18 last year on CNN Money's list of the Top 100 Best Places to Live.

Revenue analysis is used to evaluate the economic sustainability of the City. This analysis makes comparisons with surrounding or other similarly-sized cities based on general fund revenue generation to determine relative reliance on various revenue sources. The common revenue sources for each of the cities include property taxes, sales taxes, other taxes (such as energy, utilities, cable TV, etc.), building permits, other licenses and permits, intergovernmental revenue (i.e., Class C Road Funds, State Liquor Fund, etc.), charges for services, fines and forfeitures, and other miscellaneous revenues (i.e., interest earnings, rental of assets, etc.).

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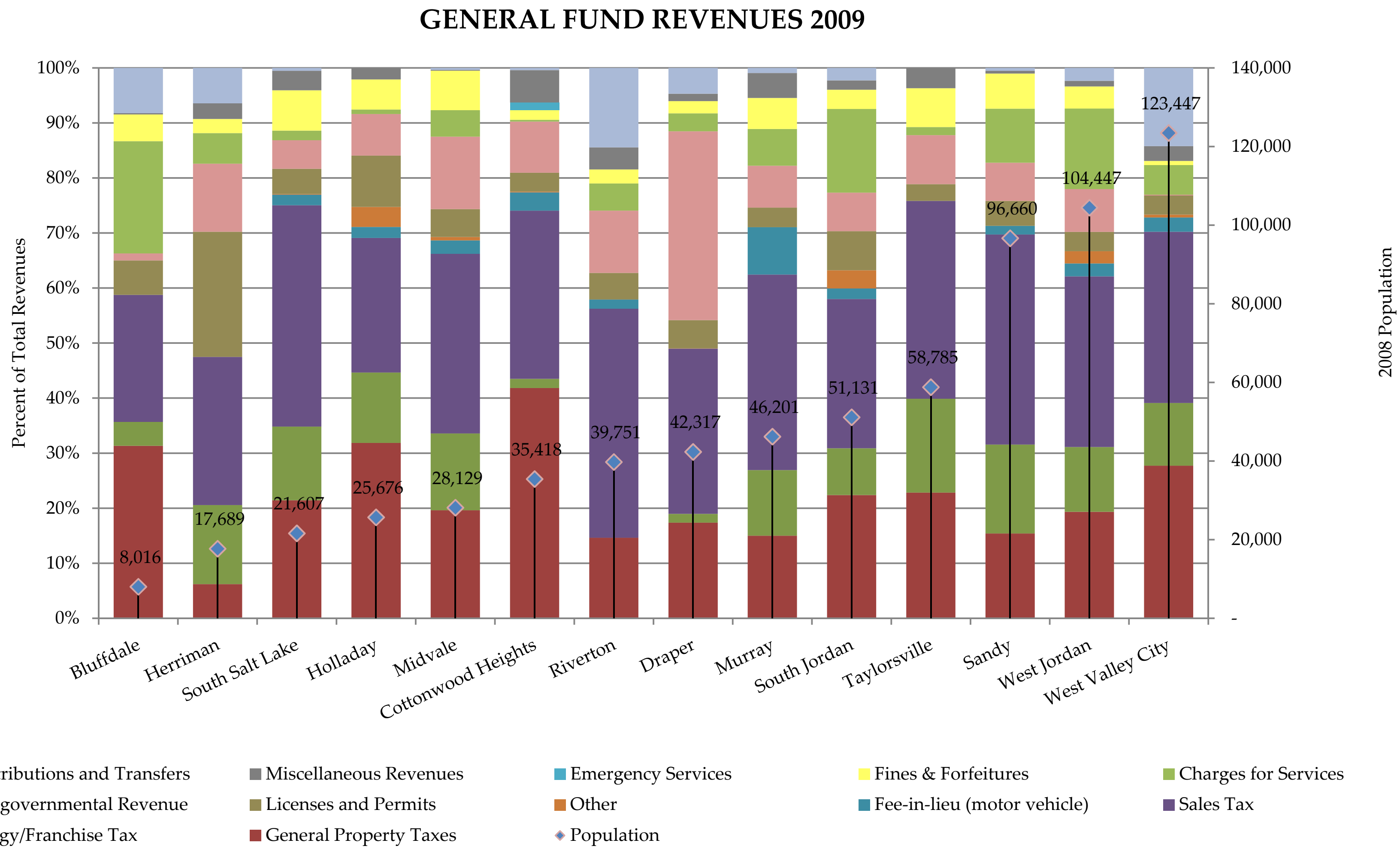
FIGURE 4.1: GENERAL FUND REVENUES 2009



The legend above directly correlates to the bars on the graph if the legend is read from left to right, going across the columns. The legend begins with the top of the bar graphs and progresses downward. Because cities combine their revenue sources differently, not all revenue categories are present for each City.

In order to make an evaluation of economic sustainability, City revenues as a percentage of total revenues have been compared for a cross-section of cities. Based on this analysis, South Jordan receives a slightly lower percentage of its revenues from sales taxes than do most other cities, receiving only 27 percent of all of its revenues from sales taxes, compared to a high of 42 percent in Riverton (highest among the cities chosen in the comparative analysis). The average for all cities in the sample, not including South Jordan, is 32 percent. This analysis, along with the sales leakage analysis conducted later in this study, suggests that it is important for South Jordan to expand its retail sales. Income levels are high, and disposable income is available, but goods and services are not sufficiently available for purchase in South Jordan.

TABLE 4.2: PERCENT OF TOTAL GENERAL FUND REVENUES BY TYPE (2009)

	BLUFFDALE	HERRIMAN	SOUTH SALT LAKE	HOLLADAY	MIDVALE	MURRAY	COTTONWOOD HEIGHTS
General Property Taxes	31.3%	6.2%	21.4%	31.9%	19.6%	15.0%	41.8%
Energy/Franchise Tax	4.3%	14.4%	13.4%	12.8%	14.0%	11.9%	1.7%
Sales Tax	23.1%	26.9%	40.2%	24.5%	32.6%	35.5%	30.6%
Fee-in-lieu (Motor Vehicle)	0.0%	0.0%	1.9%	2.0%	2.5%	8.6%	3.3%
Other	0.0%	0.0%	0.1%	3.7%	0.6%	0.0%	0.2%
Licenses and Permits	6.3%	22.7%	4.6%	9.3%	5.1%	3.6%	3.4%
Intergovernmental Revenue	1.3%	12.4%	5.2%	7.5%	13.2%	7.6%	9.3%
Charges for Services	20.4%	5.6%	1.7%	0.8%	4.8%	6.7%	0.3%
Fines & Forfeitures	4.9%	2.6%	7.3%	5.5%	7.2%	5.6%	1.8%
Emergency Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
Miscellaneous Revenues	0.2%	2.8%	3.5%	2.1%	0.2%	4.6%	5.9%
Contributions and Transfers	8.2%	6.4%	0.5%	0.0%	0.3%	0.9%	0.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

TABLE 4.2 (CONTINUED): PERCENT OF TOTAL GENERAL FUND REVENUES BY TYPE

	RIVERTON	DRAPER	MURRAY	SOUTH JORDAN	TAYLORS-VILLE	SANDY	WEST JORDAN	WEST VALLEY CITY
General Property Taxes	14.6%	17.4%	15.0%	22.4%	22.8%	15.4%	19.3%	27.7%
Energy/Franchise Tax	0.0%	1.6%	11.9%	8.5%	17.1%	16.1%	11.8%	11.4%
Sales Tax	41.6%	30.0%	35.5%	27.1%	36.0%	38.2%	31.0%	31.1%
Fee-in-lieu (Motor Vehicle)	1.7%	0.0%	8.6%	1.9%	0.0%	1.6%	2.3%	2.6%
Other	0.0%	0.1%	0.0%	3.3%	0.0%	0.0%	2.2%	0.5%
Licenses and Permits	4.8%	5.1%	3.6%	7.1%	3.0%	4.5%	3.5%	3.4%
Intergovernmental Revenue	11.3%	34.3%	7.6%	7.0%	8.9%	6.9%	7.8%	0.2%
Charges for Services	4.9%	3.3%	6.7%	15.2%*	1.5%	9.8%	14.6%	5.4%
Fines & Forfeitures	2.5%	2.2%	5.6%	3.5%	7.0%	6.4%	4.0%	0.7%
Emergency Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous Revenues	4.0%	1.4%	4.6%	1.7%	3.7%	0.5%	1.0%	2.7%
Contributions and Transfers	14.4%	4.7%	0.9%	2.3%	0.0%	0.5%	2.4%	14.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

**South Jordan's charges for service include ambulance fees, engineering fees, plan check fees, zoning and subdivision fees, general public sanitation and other services.*

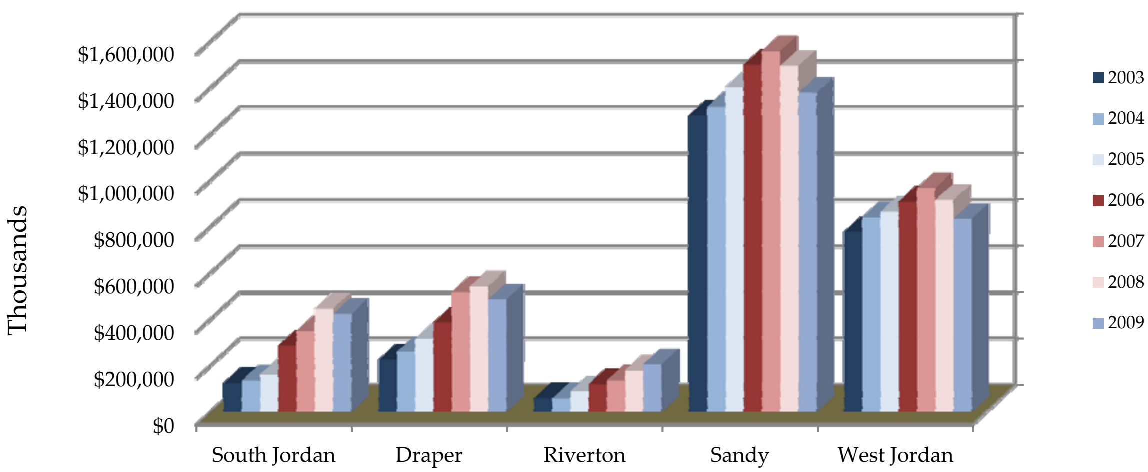
Heavy reliance on one-time revenues, such as building permits, can be an indicator of future difficulties if the City can't replace these revenues with other, more stable sources. South Jordan receives 7.1 percent of total revenues from licenses and permits and 15.2 percent from charges for services -- relatively high shares when compared to surrounding communities. This again suggests a need to expand retail sales.

RETAIL SALES MARKET SHARE ANALYSIS

Retail sales in South Jordan grew at an average annual rate of 29 percent from 2003 to 2008. This growth largely occurred from 2006 to 2008, and was fueled by retail expansion within the South Jordan Towne Center and The District. South Jordan has achieved this growth at a time when many cities are seeing declining sales due to recessive economic conditions.

The following chart compares the retail sales history in South Jordan and surrounding communities for the years 2003 through 2009. The tables allow us to track the relative gains and losses of each community over the respective time periods. It is also helpful to evaluate the total percentage of market share as compared to the total percent of population of the five cities. Population percentages are as follows: Draper, 13%; Riverton, 11%; Sandy, 28%; South Jordan, 17%; and West Jordan, 32%.

FIGURE 4.2: COMPARISON OF TOTAL RETAIL TAXABLE SALES BY YEAR AND CITY



Retail sectors where South Jordan gained market share are shown in the following table.

TABLE 4.3: MARKET SHARE ANALYSIS – CHANGE IN SOUTH JORDAN SHARE COMPARED TO TOTAL FOR FIVE CITIES (SOUTH JORDAN, DRAPER, RIVERTON, SANDY AND WEST JORDAN)

	2003 Market Share*	2009 Market Share*
Building & Garden	1%	1%
General Merchandise	0%	17%
Food Stores	8%	13%
Motor Vehicles	12%	18%
Apparel & Accessories	1%	18%
Eating & Drinking	5%	11%
Miscellaneous Retail	2%	10%
Hotel & Lodging	0%	14%
Personal Services	3%	9%
Auto Repair Services	7%	9%
Amusement & Recreation Services	5%	17%

**Shows South Jordan's comparative market share when compared among West Jordan, Riverton, Draper and Sandy.*

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A summary of market capture rates is summarized below. For a detailed analysis of each retail/services category, see Appendix B.

- **Building and Garden.** In the building and garden category, South Jordan, Sandy and West Jordan lost market share or remained constant over the seven-year period. At less than two percent, South Jordan's capture of the market is relatively small despite its population.

- **General Merchandise.** South Jordan has experienced a substantial increase in general merchandise purchases, capturing 16.7 percent of the market in 2009 versus an insignificant amount in 2003. Purchases within the general merchandise category are influenced by both regional and local demand. Thus, South Jordan's strong housing market and population growth will help expand this category, augmented by demand from surrounding communities.

- **Food Stores.** South Jordan's market share increased from eight percent to 13 percent over the time period, reflecting the strong population growth experienced in the City.

- **Motor Vehicles.** South Jordan has historically followed Sandy in motor vehicle dealer sales, at 17.6 percent of the market in 2009 compared to 54 percent for Sandy. However, recent 2008 and 2009 sales data shows Draper has edged above South Jordan, capturing above 20 percent within this area. Given the City's exposure along Bangerter Highway, the South Station TRAX line and Mountain View Corridor, South Jordan could expand auto-mall type development.

- **Apparel and Accessories.** South Jordan has experienced a substantial increase in market share in the apparel and accessories category, shifting from approximately one percent in 2003 to 28 percent in 2007. However, market share declined from 28 percent to 16.2 percent from 2007 to 2009. Major stores within this category include: Payless Shoesource, JC Penney, Ross Dress for Less, and Aeropostale West.

- **Eating and Drinking.** Sandy and West Jordan are the major restaurant destinations in the south part of the County. This is not surprising given the larger population and the regional attractions like the REAL Salt Lake Stadium, South Towne Mall and Jordan Landing. South Jordan has increased its share of the market in this category from 4.6 percent in 2003 to 11.3 percent in 2009. The continued expansion of regional retail and office space will help increase South Jordan's market share in this area. Retail and entertainment (including restaurant) development is a high priority for South Jordan, due to its strategic location along I-15, Redwood Road, Bangerter Highway and future transportation routes including the Mountain View Corridor and TRAX lines.

- **Miscellaneous Retail.** The miscellaneous retail category includes a wide variety of businesses including bookstores, florists, jewelers, sporting goods, sewing stores, etc. South Jordan showed a solid increase in this category – from two percent to eight percent of total sales in the region.

- **Hotels and Lodging.** South Jordan established lodging in the City over the time period, and now captures 14 percent of the total market.

- **Personal Services.** Personal services include beauty and barber shops, laundry, dry cleaning, and funeral homes. South Jordan's market share in this category has increased from 3.2 percent to ten percent. Generally, residents prefer to make these purchases closer to home or office, if opportunity allows. The high population growth in South Jordan compared to the low market share suggests room for expansion in this sector. The lack of office development in South Jordan may be influencing the slow growth in this category.

- **Business Services.** Generally, business services are correlated with the amount of office space in a given city. South Jordan saw its highest share of business-related services in 2003, with a decrease in subsequent years.

- **Auto Repair.** Retail sales related to auto repair have increased slightly relative to the surrounding municipalities, capturing 7.2 percent in 2003, reaching a high of 10.9 percent in 2006, and settling at 9.2 percent by 2009.

- **Amusement and Entertainment.** South Jordan City has shown strong growth in recent years (from five percent to 17 percent) in the entertainment category. This sector includes movie theaters, bowling alleys, video arcades, video rentals, dance studios, and other professional entertainment.

SOUTH JORDAN RETAIL SALES LEAKAGE ANALYSIS

A sales gap (aka "leakage") analysis is conducted in order to identify economic development opportunities for a community by evaluating the total purchases made by residents inside and outside the community (hence, the term "leakage" for sales lost outside the community). A sales gap analysis differs from a market analysis in that it shows the percentage of purchases being made by South Jordan residents within South Jordan itself rather than the City's percentage of market share as compared to other communities. In comparison, the preceding market share analysis calculated the percent of total sales in the region that are captured in South Jordan.

This type of analysis first identifies sales within the State of Utah for each major SIC code category and then calculates the average sales per capita in each SIC category. Per capita sales in South Jordan are compared to average per capita sales statewide in order to estimate what portion of resident purchases are being made within City boundaries, and what amount is leaving the City. The resident purchases being made outside of the city represent an opportunity for the City to recapture some of these lost sales. Overall, South Jordan is capturing 75 percent of the estimated retail purchases made by its residents. The 75 percent capture rate is a significant increase over the 52 percent capture rate achieved in 2006 and the 38 percent capture rate in 2005.

The following analysis details sales leakage by specific retail categories, as established by the Utah State Tax Commission.

TABLE 4.4: SUMMARY OF SOUTH JORDAN CITY HISTORIC CAPTURE RATES BASED ON STATE-WIDE TAXABLE SALES

SIC MAJOR	2009	2008	2007	2006	2005
Retail-Building & Garden (5211-5271)	5%	4%	NA	3%	NA
Retail-General Merchandise (5311-5399)	112%	112%	NA	28%	NA
Retail-Food Stores (5411-5499)	83%	86%	90%	73%	66%
Retail-Motor Vehicles (5511-5599)	123%	119%	145%	134%	112%
Retail-Apparel & Accessory (5611-5699)	107%	101%	208%	128%	14%
Retail-Furniture (5712-5736)	21%	22%	18%	18%	22%
Retail-Eating & Drinking (5812-5826)	69%	62%	59%	41%	46%
Retail-Miscellaneous (5912-5999)	53%	46%	39%	17%	16%
Services - Hotels & Lodging (7011-7041)	24%	23%	7%	7%	7%
Services-Personal (7211-7299)	61%	61%	53%	42%	42%
Services-Business (7311-7389)	16%	13%	19%	13%	17%
Services-Auto & Repair (7513-7699)	27%	22%	25%	34%	29%
Services-Amusement & Recreation (7812-7999)	105%	91%	81%	58%	21%
Total	75%	71%	59%	52%	38%

Source: Utah State Tax Commission Sales Tax Data by Major City
The data in 2007 and 2005 did not include the amount of retail sales revenue within the Building and Garden category or the General Merchandise category. Within these years the values may have been classified as non-disclosable or non-classifiable.

South Jordan has increased its capture rate since 2005 in all of the major retail areas except furniture, business services, and auto and repair services. The capture rate for business services should increase as the supply of office space increases within South Jordan.

A review of the capture rates in the south part of the Valley illustrates that Sandy is currently the regional retail leader. While West Jordan and Draper outpace South Jordan overall, South Jordan has significant strengths to build on, including: general merchandise, motor vehicles, apparel and accessory, and amusement and recreation. Other retail categories representing an opportunity for improvement include: building and garden, food stores, furniture, eating and drinking, miscellaneous retail, hotels and lodging, personal services, business services, and auto repair.

Table 4.5: Summary of 2009 Retail Capture Rates within Market Area

SIC Major	South Jordan	Draper	Riverton	Sandy	West Jordan
Retail-Building & Garden (5211-5271)	5%	64%	133%	109%	153%
Retail-Gen. Merchandise (5311-5399)	112%	41%	90%	145%	105%
Retail-Food Stores (5411-5499)	83%	142%	45%	109%	104%
Retail-Motor Vehicles (5511-5599)	123%	183%	16%	209%	18%
Retail-Apparel & Accessory (5611-5699)	107%	113%	9%	189%	61%
Retail-Furniture (5712-5736)	21%	298%	11%	134%	124%
Retail-Eating & Drinking (5812-5826)	69%	104%	62%	130%	92%
Retail-Miscellaneous (5912-5999)	53%	91%	23%	135%	67%
Services - Hotels & Lodging (7011-7041)	24%	22%	0%	89%	10%
Services-Personal (7211-7299)	61%	84%	31%	203%	48%
Services-Business (7311-7389)	16%	82%	2%	90%	23%
Services-Auto & Repair (7513-7699)	27%	55%	27%	70%	41%
Services-Amusement & Recreation (7812-7999)	105%	66%	21%	124%	74%
Total	**75%**	**104%**	**47%**	**137%**	**79%**

Source: Utah State Tax Commission Sales Tax Data by Major City

Detailed sales leakage analysis, by retail category for the year 2009, can be found in Appendix C.

Summary of Sales Leakage and Tax Revenues

Based on the estimated sales leakage shown in the previous section, the potential lost sales tax revenues were calculated for South Jordan. The calculation is based on one-half of one percent point-of-sale tax revenue. Using the sales leakage assumptions, it appears that South Jordan may be losing nearly $870,000 annually in sales tax revenues.

Table 4.6: Illustration of Estimated Lost Sales/Lost Tax Revenue Annually

Retail Category	Estimated Lost Sales	Estimated Lost Tax Revenues
Building & Garden	$34,551,635	$172,758
General Merchandise	NA	NA
Food Stores	$12,078,719	$60,394
Motor Vehicle Dealers	NA	NA
Apparel & Accessory	NA	NA
Furniture	$21,163,896	$105,819
Eating Places	$17,773,026	$88,865
Miscellaneous Retail	$27,072,046	$135,360
Hotels & Lodging	$10,577,324	$52,887
Personal Services	$1,835,616	$9,178
Business Services	$25,078,347	$125,392
Auto & Misc Repair	$22,762,630	$113,813

RETAIL CATEGORY	ESTIMATED LOST SALES	ESTIMATED LOST TAX REVENUES
Entertainment & Amusement	NA	NA
Total	**$172,893,239**	**$864,466**

BUYING POWER ANALYSIS

The buying power of South Jordan residents will increase by $278 million annually through 2020 ($2010), due to a population increase of approximately 26,944 residents.

TABLE 4.7: BUYING POWER ANALYSIS

	PER CAPITA	BUYING POWER GROWTH 2010-2020
Building & Garden	$664	$17,890,816
General Merchandise	$2,171	$58,495,424
Food Stores	$1,329	$35,808,576
Motor Vehicle Dealers	$1,352	$36,428,288
Apparel & Accessory	$453	$12,205,632
Furniture	$490	$13,202,560
Eating Places	$1,042	$28,075,648
Miscellaneous Retail	$1,054	$28,398,976
Hotels & Lodging	$255	$6,870,720
Personal Services	$86	$2,317,184
Business Services	$547	$14,738,368
Auto & Misc Repair	$573	$15,438,912
Entertainment & Amusement	$301	$8,110,144
Total	$10,316	$277,954,304
SOUTH JORDAN:	**2010**	**2020**
Population	56,144	83,088
Population Growth from Previous Period	NA	26,944

RETAIL DEVELOPMENT

Retail development has slowed throughout the State due to a global economic downturn. Utah taxable retail sales declined from $26.4 billion in 2008 to $24.3 billion in 2009, an 8.3 percent decrease.[11] Total taxable sales declined from $47.3 billion to $43.2 billion, an 8.7 percent decrease. Employment has followed suit with a 4.9 percent decrease in non-agricultural employment since 2008.[12] However, the Salt Lake County retail market is beginning to show signs of stabilization. Additions to the retail sector like WinCo Stores and the buy-out of Albertsons supermarkets by Associated Foods have helped to generate new retail construction in the County.[13] In addition, national chains like In-N-Out Burger and Five Guy's Burgers and Fries have seen the attractiveness of the Utah market and have chosen to locate here. Overall, Salt Lake County witnessed 199,500 sq. ft. of new retail construction in 2009, all of which was in the Central West and Southwest regions.[14]

[11] GOPB Economic Report to the Governor, 2010
[12] GOPB *Notes on the Economy*, 2010
[13] Commerce Real Estate Solutions 2009 Year End Report
[14] Commerce Real Estate Solutions 2009 Year End Report

TABLE 4.8: SALT LAKE COUNTY RETAIL MARKET INDICATORS

		CHANGE SINCE:	
	2009	Q4 08	Q2 09
Retail Vacancy	8.29%	↓	↓
Average Market Lease Rate	$20.16	↓	↓
Completed Construction	199,650 SF	↑	↑

Source: Commerce Real Estate Solutions Year End 2009 Market Review

Surprisingly, lease rates in the southwest market area have steadily increased since 2005 despite economic conditions. This is likely a result of the ratio of supply to demand. However, as the future supply of available retail space increases in the southwest area of the County, lease rates will adjust accordingly. According to Commerce Real Estate Solutions, lease rates are higher in the Southwest due to the scarcity of available retail square feet and the cost of land.

TABLE 4.9: WEIGHTED AVERAGE COUNTY RETAIL LEASE RATES BY SECTOR - FIVE YEAR HISTORY

	2005	2006	2007	2008	2009
Northeast	$28.16	$19.47	$23.34	$21.36	$21.69
Central East	$15.57	$16.54	$18.63	$20.42	$18.90
Southeast	$18.04	$18.21	$22.27	$20.57	$18.58
Northwest	$14.57	$14.06	$13.27	$13.18	$13.65
Central East	$14.61	$15.86	$19.25	$20.77	$19.81
Southwest	$17.40	$19.15	$23.05	$22.57	$24.50
Total by Sector	$17.93	$17.72	$21.32	$20.95	$20.16

Source: Commerce Real Estate Solutions, Year End 2009 Market Review
Weighted lease rate is based on a weighted average of the "high asking rate" as tracked by Commerce Real Estate Solutions.

South Jordan is positioned well to weather the economic downturn. The growing population will result in additional retail demand while the City's ability to offer premiere retail real estate at the District and within Daybreak will attract tenants seeking a growing market. Due to South Jordan's location and the estimated leakage occurring in local retail sales, the City is positioned to capture internal retail demand as well. As a result, future retail development and planning should allow for regional growth as well as community and neighborhood-scale retail.

SOUTH JORDAN RETAIL SITE ANALYSIS

As illustrated in the sales gap analysis, South Jordan is capturing 75 percent in retail sales when compared to State spending averages. Given the relatively high incomes in the City, as well as the rapid growth in the southwest part of the valley, South Jordan should be able to achieve a much higher capture rate. In order to evaluate the relative importance of various commercial sites within the City, as well as the various roles that could be played by individual sites, a radius ("market area") was drawn around each area and sales tax data was analyzed to show percent of total sales citywide that are attributable to each specific location.

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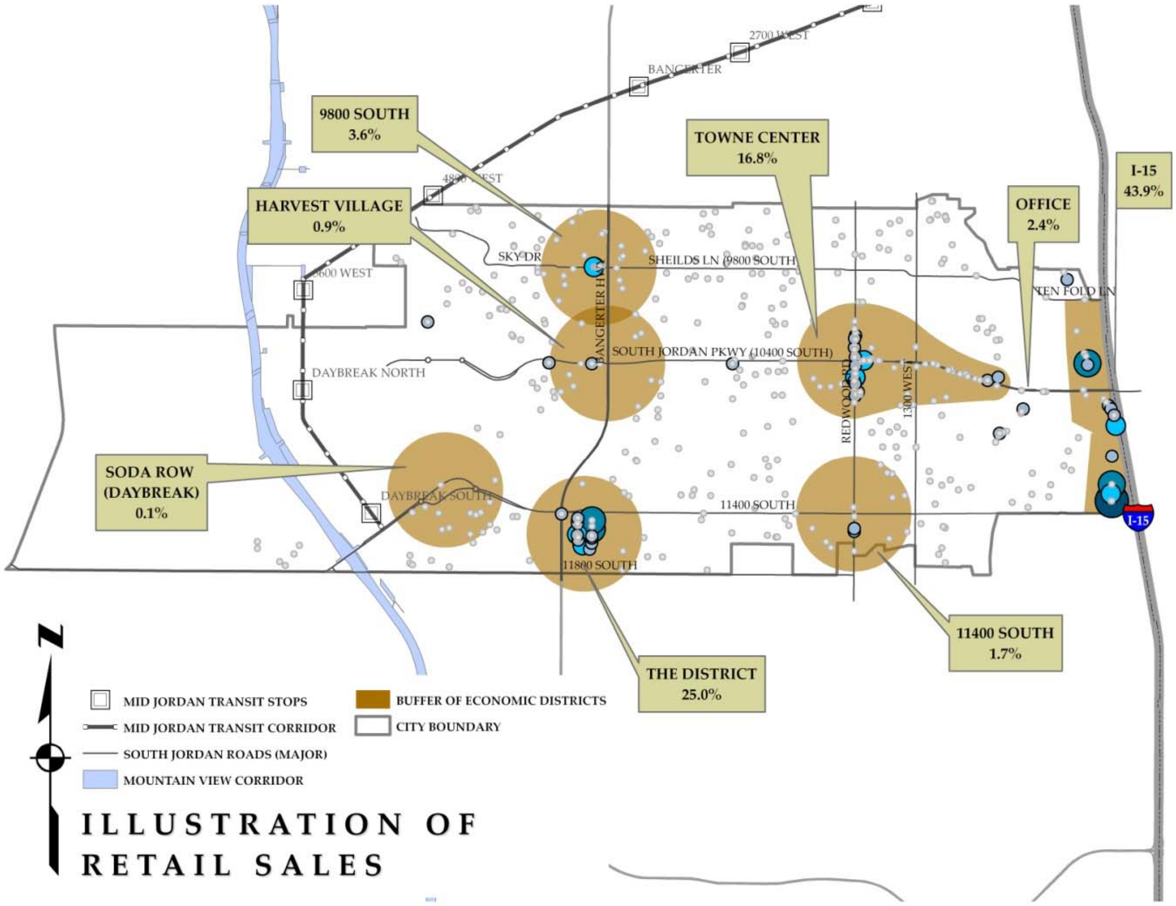
FIGURE 4.3: ILLUSTRATION OF RETAIL SALES ANALYSIS BY DISTRICT



The majority of retail sales are occurring within two locations, the I-15 area (43.9 percent) and The District (25 percent) which account for a combined total of 68.9 percent of total citywide retail sales. The City is positioned well to expand its retail base around existing developments like The District, Harvest Village (South Jordan Parkway), SoDa Row and the I-15 corridor. The sections in this report for each economic district describe in greater detail existing and future economic districts, including: possible locations of a future regional retail center site, emerging regional retail locations, existing community centers (like the Towne Center), and the location of developable land that would be able to support future commercial growth.

TABLE 4.10: 2008 RETAIL SALES SURROUNDING RETAIL CENTERS

LOCATION	RETAIL CATEGORY	NUMBER OF BUSINESSES	TOTAL TAXABLE SALES	PERCENT OF CITY-WIDE RETAIL SALES
11400 South	Total Retail	16	$7,541,325	1.7%
Daybreak	Total Retail	14	$477,256	0.1%
Office	Total Retail	14	$10,861,022	2.4%
Harvest Village	Total Retail	18	$4,127,166	0.9%
The District	Total Retail	47	$111,317,209	25.0%
Towne Center	Total Retail	126	$74,949,856	16.8%
9800 South Total	Total Retail	31	$15,830,213	3.6%
I-15	Total Retail	26	$195,455,349	43.9%
Grand Total		**292**	**$420,559,396**	**94.4%**

**The remaining 5.6% of retail sales are scattered throughout the City and not located in the areas defined above.

TYPES OF RETAIL DEVELOPMENT

Shopping centers are generally categorized as neighborhood, community, regional or super regional.

TABLE 4.11: SHOPPING CENTER GUIDELINES

TYPE OF CENTER	LEADING TENANT	TYPICAL GLA SQ FT	GENERAL RANGE IN GLA	USUAL MIN. SIZE (ACRES)	APPROXIMATE MINIMUM POPULATION SUPPORT REQUIRED
Neighborhood	Supermarket	60,000	30,000 – 100,000	3-10	3,000-40,000
Community	Supermarket, drugstore/pharmacy, discount department store, mixed apparel	180,000	100,000,-400,000	10-30	40,000-150,000
Regional	One or two full-line department stores	600,000	300,000-900,000	10-60	150,000 or more
Super Regional	Three or more full-line department stores	1,000,000	600,000-2,000,000	15-100 or more	300,000 or more
Urban Land Institute, Retail Development, 4th ed.					

Of all the basic center types, community centers have undergone and continue to undergo the most changes. Anchors today have a wide range of possibilities including discount stores (such as Target), strong specialty stores such as hardware, building/home improvement, and category killers (expanded format stores specializing in such items as books, sporting goods, and office supplies).

The most popular types of community centers are described below.

POWER CENTERS

A power center contains approximately four category-specific anchors of 20,000 or more square feet that account for roughly 85 percent of the total building space. These anchors often include consumer electronics, sporting goods, office supplies, home furnishings, home improvement goods, bulk foods, drugs, health and beauty aids, toys, and personal computer hardware/software.

TOWN CENTERS

A town center contains at least two pedestrian streets with street-front retail and public space. Many town centers also have residential or civic uses integrated with the site.

OUTLET CENTERS

An outlet center contains manufacturers' and labels' own branded stores where products are sold directly to the public. General requirements are for a population ranging between one million and two million within a 100-mile radius, good traffic counts and visibility, 20 miles distance from a regular shopping center, and fairly high tourism levels.

TABLE 4.12: OUTLET CENTER REQUIREMENTS

	PRIME RETAIL	OUTLET CENTER/BELZ ENTERPRISES
Population	2.5M within 100-mile radius	1M within 100 miles
Traffic Counts	30,000 ADTs	Face an interstate with good exposure; 75,000+/day
Distance from Shopping Center	20 miles	20 miles
Tourism	3M	4M
Income		Ave of $75,000+/yr within 30 miles
Source: Prime Retail and Belz Enterprises		

OFF-PRICE CENTERS

Off-price centers focus on stores that offer out-of-season, surplus stock, or discontinued items at discounted prices. Apparel and general merchandise are common items sold at off-price centers.

LIFESTYLE CENTERS

A lifestyle center typically contains upscale national chain specialty stores, dining and entertainment in an open air setting. It is usually not anchored by a single large tenant but rather by a grouping of highly branded stores, as well as tenants such as bookstores and cinemas. There is a stronger emphasis on design, landscaping, and outdoor amenities (i.e., fountains and street furniture).

South Jordan currently has two definable community centers, with other areas demonstrating the potential for community commercial locations. Jordan Towne Center, located near the intersection of South Jordan Parkway and Redwood Road, includes retail establishments related to personal services, dining, and grocery. In addition to the Jordan Towne Center, the intersection of 9800 South (Shields Lane) and Bangerter has a Wal-Mart and miscellaneous retail shops. There is one vacant parcel (approx. 0.76 acres) at the southeast corner of the intersection. Other key locations within the City that could serve as potential future community centers include:

- Harvest Village (10400 South and Bangerter)
- 11400 South and Redwood
- SoDa Row (Daybreak)

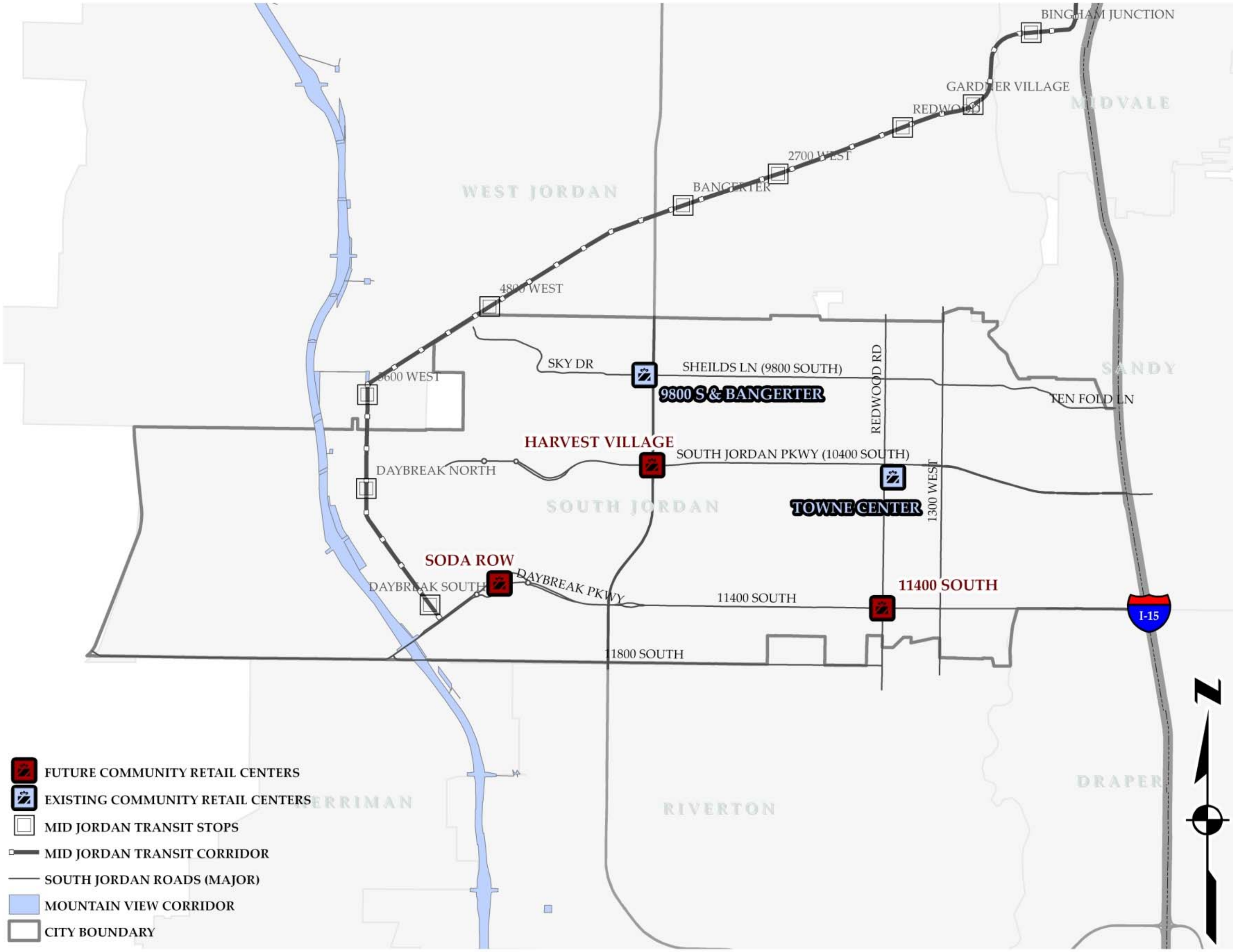
Harvest Village, located at 10400 South (South Jordan Parkway) and Bangerter Highway is located on three corners of 10400 South and Bangerter Highway. Plans for Harvest Village include more than 240,000 square feet of commercial space on 33 acres. The area will also feature 102 single-family, high density housing units on approximately 13-15 acres. A Costco warehouse store provides the main anchor to this development, with a footprint of 150,000 square feet on 17 acres. This location will also include a fuel center. Additionally, Harvest Village has secured contracts for Barnes Bank, Salt Lake Credit Union and America First Credit Union to build branch locations within the project.

The intersection of 11400 South and Redwood has limited commercial development, with large tracts of developable land surrounding the intersection.

SoDa Row is the first of multiple community scale retail locations planned for Daybreak. SoDa Row is designed to be within walking or biking distance from any home in Daybreak. Currently there is very little retail development in Daybreak, but retail generally follows rooftops and the Daybreak community is just emerging. Less than one percent of the City's retail sales are currently generated within Daybreak.

Retail development along I-15 serves as a major retail center within the City. This area serves as the gateway to the City and incorporates two freeway interchanges – at 10600 South and the recently completed interchange at 11400 South. These locations provide premier freeway access and visibility, high traffic counts and developable land. These locations may also attract a large portion of pass-through traffic and demand generated from neighboring communities. Thus, this area may differ from the community centers described above as it will serve more than the South Jordan community. This location is discussed in further detail in the I-15 District analysis.

Figure 4.4: Community Retail Locations



REGIONAL RETAIL DEVELOPMENT

The description of community centers outlined above does not reflect the additional regional retail potential for South Jordan. Based on research conducted by the Urban Land Institute (ULI), regional retail centers have, on average, 600,000 square feet of building space and cover between 10 and 60 acres. A regional retail center generally requires a population of 150,000 or more within an eight-mile radius of the center, while a super regional center requires a population of 300,000 or more within a 12-mile radius. Two locations have been identified as potential regional retail locations, based on the availability of available land and population densities: The District and Daybreak. The regional retail development potential for these two locations is discussed in further detail in the economic districts analysis. Future land use plans and entitlements show the Daybreak area will be a unique regional retail destination with a strong retail and office presence, supported by over 20,000 residential units in Daybreak alone.

TABLE 4.13: DAYBREAK LAND USE ENTITLEMENTS

P-C ZONE LAND USE ENTITLEMENTS	
Total Acres	4,157
Open Space Acres	1,040
Residential Units	20,785
Retail (Square Feet)	3,500,000
Office (Square Feet)	5,300,000
Industrial (Square Feet)	5,000,000
Source: South Jordan City	

BUSINESS PARK/LIGHT INDUSTRIAL DEVELOPMENT

South Jordan has two main Business/Industrial Parks – Daybreak Commerce Park and Pheasant Hollow Business Park. Daybreak Commerce Park, located in the Daybreak master-planned community, has approximately 220 acres designated in a Community Development Area (CDA) that has access to tax increment funding to incentivize development. Currently the business park is home to the Rio Tinto Distribution Center and office building (a 240,600 square foot facility) and EBay's $287 million data center. The recently completed center sits on 60 acres and currently has 230,302 square feet of building space. In addition to eBay and Rio Tinto, the park is anticipated to house 2.3 million square feet of business park space, absorbed over a period of ten years, for average absorption of 230,000 square feet per year.

Pheasant Hollow Business Park is located at approximately 10000 South Jordan Gateway, west of the South Towne Mall at approximately 500 West. It features office/warehouse space with impressive glass and rock store fronts, abundant parking and truck circulation. A portion of the business park is also in Sandy. There are a total of 10 buildings currently in the business park, with the potential for two additional buildings totaling 130,000 square feet. This site includes ground level and dock high loading, 24 foot clear ceiling heights and easy access from two freeway access points, at 90th and 106th South. The business park is slated for 850,000 square feet at buildout. New construction at this site is anticipated to occur within South Jordan.

The Daybreak Commerce Park and Pheasant Hollow Business Park provide optimal locations for expansion of business park/light industrial development. These centers offer excellent access to major transportation infrastructure including I-15 and the future Mountain View Corridor which are crucial for transportation and shipping needs.

Historical industrial absorption in Salt Lake County dipped significantly in 2007 and 2009, with average absorption of 2.6 million square feet per year. With Daybreak Commerce Park anticipating absorption of 230,000 square feet per year, it would represent approximately nine percent of all business park absorption annually in Salt Lake County. According to Commerce Real Estate Solutions, lease activity is anticipated to show improvement through 2010 and 2011, which will bode well for the new business park square footage slated for South Jordan. For a further review of Salt Lake County industrial market trends see Appendix D.

OFFICE DEVELOPMENT

Office development is most likely to take place in areas where executives and decision-makers live, simply because these key players prefer to work close to home and to minimize their commute times. Median home values in South Jordan are nearly 1.6 times higher than in the County, 1.2 times higher than in Riverton, and 1.6 times higher than in West Jordan,[15] suggesting that higher wage earners are more likely to live in South Jordan, which will increase the future demand for office space in South Jordan.

With population growth in the Southwest Valley estimated at 79,000 persons over the next ten years and 144,000 persons over the next 20 years, the office space needed to support this additional population should reach 1.0 – 1.9 million square feet of office space, or an average of 100,000 square feet per year.[16] According to Commerce Real Estate Solutions, as of mid-year 2010, there was a total of 419,581 square feet of available office space within South Jordan. Additionally, 648,046 square feet of office space is planned for this area. Of the planned square footage, approximately 410,634 square feet is Class A office space.

TABLE 4.14: AVAILABLE OFFICE SQUARE FEET (SOUTH JORDAN CITY)

	SURVEYED BLDG SQUARE FEET	AVAILABLE SQUARE FEET	AVG. LEASE RATE (LOW)	AVG. LEASE RATE (HIGH)
Existing	1,902,286	419,581	$18.67	$18.99
Planned	648,046	623,046	$17.00	$17.00

Source: Commerce Real Estate Solutions; LYRB
Represents all office properties with vacant space within the Commerce Real Estate Solutions database.

South Jordan, as well as other communities on the west side, has fewer jobs per capita (at 1.01 jobs per household) than do comparative cities on the east side, suggesting that the west side is poised to capture future job growth. For example jobs per household for Sandy and Salt Lake City equal 1.41 and 3.35 respectively, with the County at 1.70 jobs per household. South Jordan's relatively low figure may partially be due to its larger-than-average household sizes.

SUMMARY OF RETAIL, OFFICE AND INDUSTRIAL MARKET CHARACTERISTICS

Based on a comparison of the "average" amount of office square feet per capita in counties along the Wasatch Front, Salt Lake County is clearly the regional hub of activity for the region. However, even Davis County (with many commuters into the Salt Lake Valley) has an average of nine square feet per capita.

TABLE 4.15: 2008 OFFICE/INDUSTRIAL/RETAIL BUILDING ANALYSIS

	SALT LAKE	WEBER	DAVIS	UTAH	WEIGHTED AVERAGE	UNWEIGHTED AVERAGE
Population	1,019,444	223,005	292,923	496,762		
Office SF *	29,636,013	2,889,456	2,686,910	8,002,741		
Industrial SF *	108,908,678	31,451,628	25,224,592	14,828,070		
Retail SF *	36,452,293	5,668,892	7,025,707	9,961,303		
Office SF per capita	29	13	9	16	21	17
Industrial SF per capita	107	141	86	30	89	91
Retail SF per capita	36	25	24	20	29	26
Commercial SF per capita	172	179	119	66	139	134

**Source: Commerce Real Estate Solutions; LYRB*

[15] ACS 2006-2008 data

[16] Calculated based on an average of 13 sf of office space per capita, based on information provided by Commerce Real Estate Solutions and population data that suggest the following ratios of office space per county: Salt Lake County, 29 sf; Weber County, 13 sf; Davis County, 9 sf; and Utah County, 16 sf.

EXISTING INVENTORY OF DEVELOPABLE LAND IN SOUTH JORDAN

There are approximately 4,747 acres of developable land within the City (of which 3,222 are in Daybreak). This amounts to approximately 34 percent of the total 14,142 acres within the City boundaries. It is important to note that the acreage presented below includes both vacant and underutilized land. The term developable indicates that the land is either vacant, primarily open space, underutilized or agricultural in nature and could experience development (to a highest and best use) in the future based on land use and zoning changes as shown. Future development is also conditioned upon the willingness of private property owners to develop their land.

TABLE 4.16: DEVELOPABLE PROPERTY (EXCLUDING DAYBREAK)

TYPE	DESCRIPTION	CURRENT MARKET VALUE	CURRENT TAXABLE VALUE	CALCULATED ACRES
111	Single-Family Residence	$62,708,040	$27,416,562	280
112	Duplex	$459,700	$252,835	1
118	Mobile Home Real Property	$1,295,380	$1,037,975	6
511	Residential Improvements On Commercial Land	$6,596,640	$2,286,276	15
560	Medical Office	$6,100,100	$6,100,100	17
566	Office	$5,074,200	$1,364,180	2
575	Retail Store	$734,300	$734,300	2
700	Common Area	$700	-	1
811	Agricultural Production (Animals)	$7,377,100	$195,380	43
812	Agricultural Production (Grain)	$38,974,890	$355,035	170
816	Agricultural Production (Ranch)	$25,306,400	$157,060	146
901	Vacant Land Residential	$8,274,740	$7,313,374	50
902	Vacant Land Industrial	$1,471,500	$3,040	5
905	Vacant Land Commercial	$63,473,300	$52,886,260	138
911	Improved Residential Lot	$2,856,400	$2,517,880	14
912	Associated Commercial/Industrial Land	$247,000	$440	1
915	Associated Multi-Housing Land	$1,008,900	$1,008,900	2
916	Associated Multi-Housing Land	$841,600	$841,600	2
917	Recreational Vacant Land	$996,000	$996,000	7
951	Public	$11,900,800	$500	65
953	Government Building/Land	$8,600,800	-	68
955	Exempt Property	$3,127,200	$3,530	25
956	Church	$667,300	-	28
957	Related Parcel	$3,553,100	$3,437,545	31
960	Golf Course	$105,100	$105,100	2
993	Salvage Residence	$425,800	$424,000	1
997	Multiple Residential	$4,463,770	$519,695	20
999	Underdeveloped Property	$12,400	$12,400	0
Not Assigned		-	-	384
Total		**$266,653,160**	**$109,969,967**	**1,525**

Source: South Jordan City

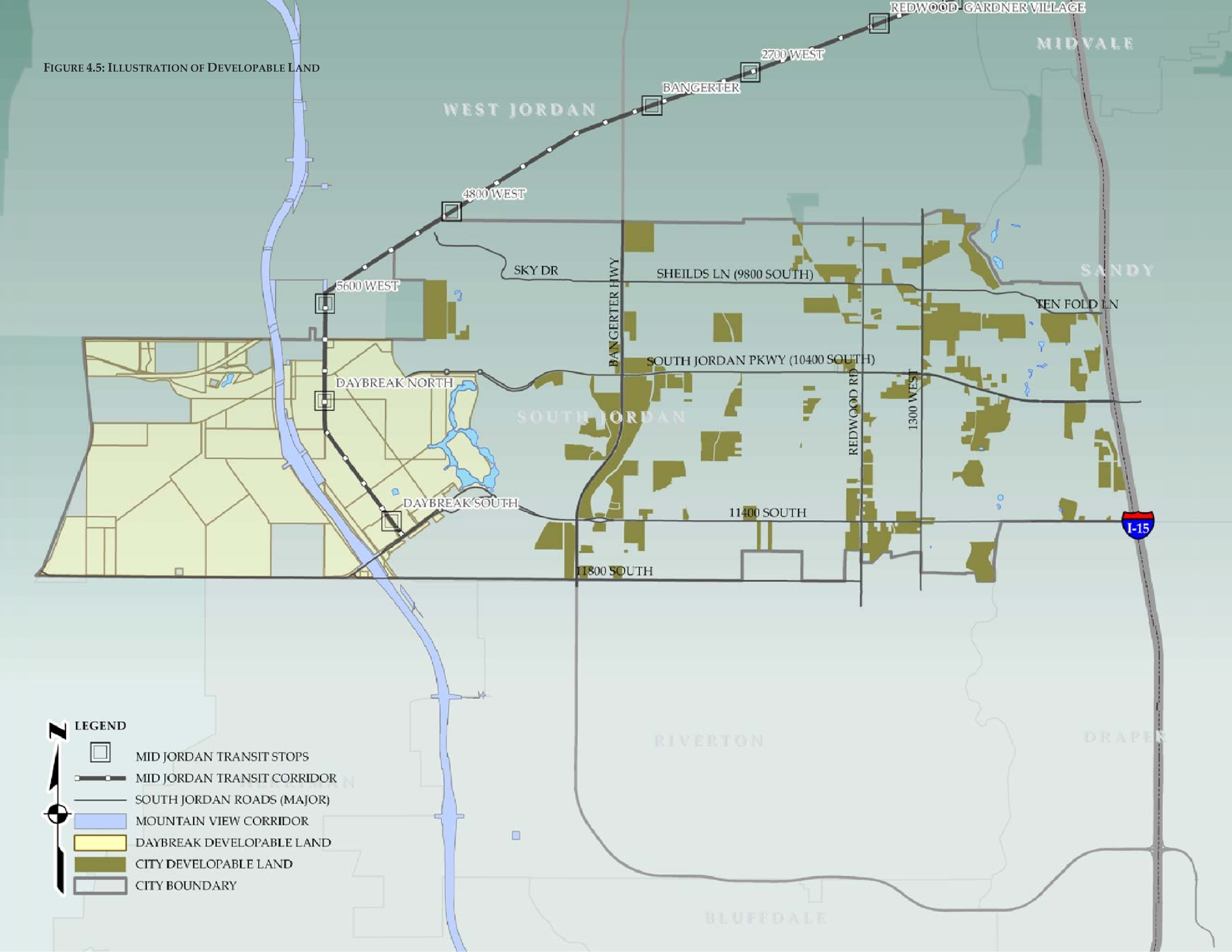
An analysis of contiguous undeveloped land shows a concentration along Bangerter Highway, between South Jordan Parkway and 11400 South (See Figure 4.5). This area includes undeveloped land within the District RDA and includes residential property to the north of the District. Another location with contiguous developable property is the intersection of 11400 South and Redwood. Within the northeast quadrant of the city, developable land is concentrated along 1300 West and at 1055 West, west of the Jordan River and Beckstead Canal. The largest area of undeveloped land is in Daybreak.

The analysis of developable property within the Daybreak community is best illustrated by the development agreements that will govern this area. Future land use plans and entitlements show the Daybreak area will serve as a unique regional retail destination and urban center with a strong office presence, supported by over 20,000 residential units in Daybreak alone. The area will incorporate a substantial amount of open space, with approximately 1,040 acres dedicated to this land use. Additionally, 13.8 million square feet of retail, office and industrial space has been planned for this area through buildout. A more detailed analysis of the available land surrounding existing and future commercial sites is discussed in the analysis of economic districts.

TABLE 4.17: DAYBREAK LAND USE ENTITLEMENTS

P-C ZONE LAND USE ENTITLEMENTS	
Total Acres	4,157
Open Space Acres	1,040
Residential Units	20,785
Retail (Square Feet)	3,500,000
Office (Square Feet)	5,300,000
Industrial (Square Feet)	5,000,000
Source: South Jordan City	

Figure 4.5: Illustration of Developable Land



SECTION V: ECONOMIC DISTRICT – DAYBREAK

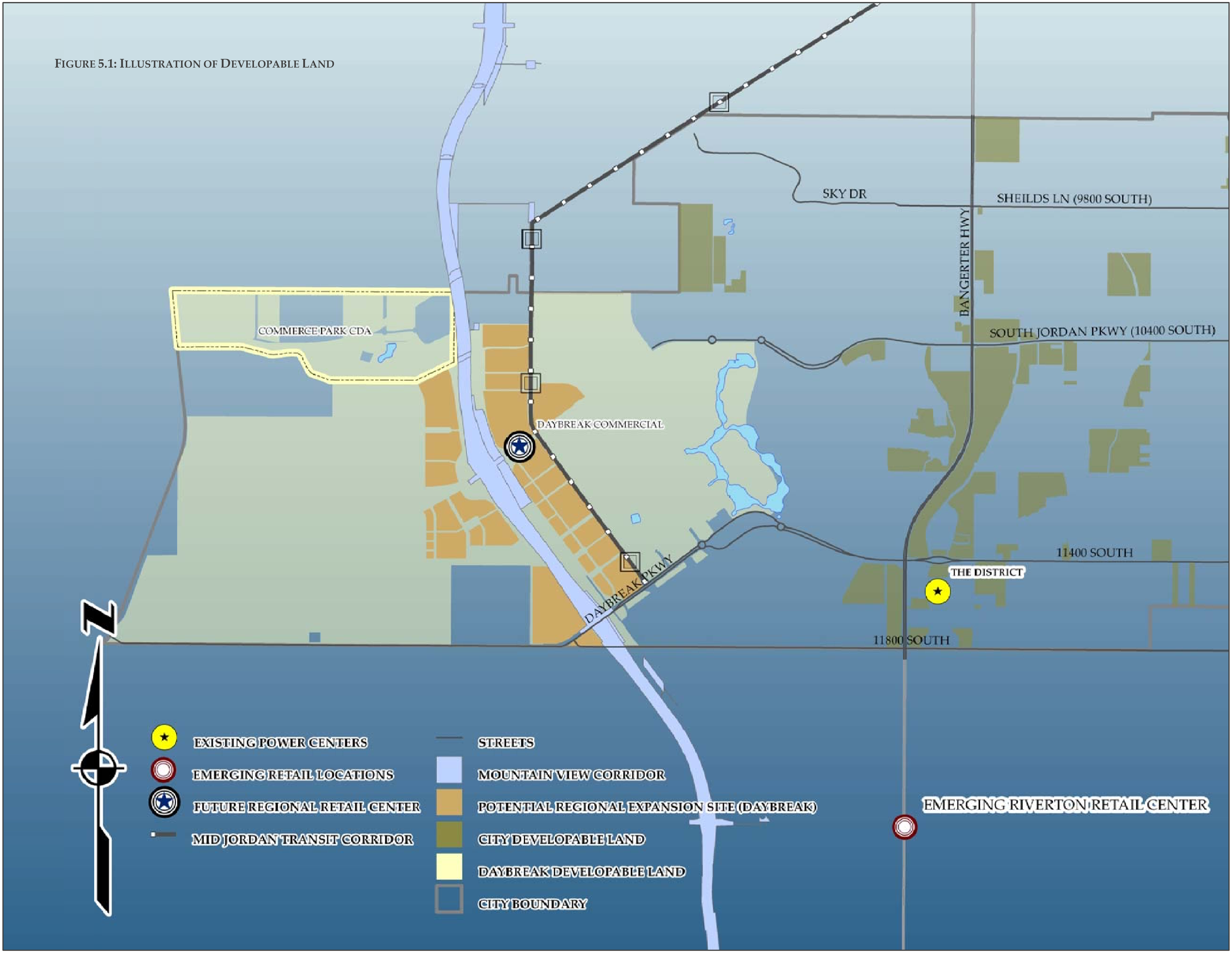
Daybreak is a Rio Tinto master-planned community located on the west side of South Jordan. Consisting of over 4,000 acres, Daybreak represents the largest master-planned community in the State of Utah. Home construction began in 2004 and the community is expected to be built out at 20,785 dwelling units. Major infrastructure will also intersect this area including the Mid-Jordan TRAX Line and the Mountain View Corridor. The TRAX line will provide an affordable mass transit option to the residents of Daybreak and South Jordan and will connect the City to the rest of Salt Lake County. The Mountain View Corridor, when constructed, will also provide easy access to Daybreak. The uniqueness of Daybreak and the availability of large tracts of land will naturally lead to the development of a range of retail options, from regional retail to small-scale community retail centers.

Currently there is very little retail development in Daybreak, but retail generally follows rooftops and the Daybreak community is just emerging. As the table below demonstrates, less than one percent of the City's retail sales are generated within Daybreak.

TABLE 5.1: 2008 DAYBREAK RETAIL SALES

LOCATION	RETAIL CATEGORY	NUMBER OF BUSINESSES	TOTAL TAXABLE SALES	PERCENT OF CATEGORY SALES	PERCENT OF CITY-WIDE RETAIL SALES
11400 South	**Total Retail**	**16**	**$7,541,325**		**1.7%**
Daybreak	Auto & Miscellaneous Repair		$8,247	0.1%	0.0%
	Business		$11,781	0.3%	0.0%
	Furniture		$90,522	1.2%	0.0%
	Miscellaneous		$120,961	0.4%	0.0%
	Motor Vehicle Dealers		$239,033	0.2%	0.1%
	Personal		$6,712	0.2%	0.0%
Daybreak	**Total Retail**	**14**	**$477,256**	**0.1%**	**0.1%**
Office	**Total Retail**	**14**	**$10,861,022**		**2.4%**
Harvest Village	**Total Retail**	**18**	**$4,127,166**		**0.9%**
The District	**Total Retail**	**47**	**$111,317,209**		**25.0%**
Towne Center	**Total Retail**	**126**	**$74,949,856**		**16.8%**
9800 South	**Total Retail**	**31**	**$15,830,213**		**3.6%**
I-15	**Total Retail**	**26**	**$195,455,349**		**43.9%**
Grand Total	**Total Retail**	**292**	**$420,559,396**		**94.4%**

Figure 5.1: Illustration of Developable Land



REGIONAL RETAIL DEVELOPMENT

Due to the large availability of land within the Daybreak area and the growth projected to occur within the master planned community, there is a large amount of property zoned for commercial use. According to Daybreak planning documents, approximately 500 acres are classified as future commercial property or transit-oriented development between the proposed Mountain View Corridor and the recently completed Mid-Jordan TRAX line. The availability of land, project population growth, and convergence of major transportation networks establish this area as a focus of regional retail development.

Currently, the community is primarily residential in nature, with neighborhood commercial along Daybreak Parkway. The construction of high density apartment homes in the South Station Village near the TRAX line, as well as the completion of the University of Utah Health Center will help draw demand to this area. The University of Utah Health Care center is a 208,000 square foot facility that provides access to primary, specialty and emergency health care services. According to University health care officials, the facility in Daybreak will be the largest off-campus facility and will be the first phase of a larger medical campus in South Jordan, with potential to reach one million sq. ft. The medical center is also the first component of Daybreak's South Station Village and benefits from convenient access to TRAX and the future Mountain View Corridor.

The gradual expansion of commercial development, the introduction of community facilities, and the large tracts of available land position this area as the primary regional retail destination. Future land use plans and entitlements show the Daybreak area will serve as a unique regional retail destination and urban center with a strong office presence, with 13.8 million square feet of retail, office and industrial space planned for this area through buildout.

TABLE 5.2: DAYBREAK LAND USE ENTITLEMENTS

P-C ZONE LAND USE ENTITLEMENTS	
Total Acres	4,157
Open Space Acres	1,040
Residential Units	20,785
Retail (Square Feet)	3,500,000
Office (Square Feet)	5,300,000
Industrial (Square Feet)	5,000,000
Source: South Jordan City	

Continued population and demographic growth will also benefit this area. According to Wasatch Front Regional Council TAZ Data, the 2010 population residing within a three-mile radius of the Daybreak future regional center is estimated at 37,541 persons, whereas the population within a five-mile radius – 135,692 persons - encompasses nearly 100,000 additional persons. Growth within these areas is expected to be rapid, with the population in the three-mile radius doubling within the next 15 years, and increasing by nearly 69 percent (at an average annual rate of 3.6 percent) in a five-mile radius. It is important to note that the TAZ figures do not capture the rapid growth occurring in the Daybreak area. According to building permit data, Daybreak has approximately 2,700 residential units, nearly 1,200 more units than portrayed in the TAZ Data. This equates to approximately 4,800 additional persons within a three to five mile radius of the regional site in Daybreak.[17] Typically, regional retail[18] requires a population of 150,000 within eight miles or a drive time of 20 minutes or less, and super regional needs a population of 300,000 or more within a 12-mile radius, and a drive time of 30 minutes or less.[19] The population density within Salt Lake County allows regional retail centers to be located within a much smaller radius. The following map and table shows the population within a three-mile radius of each center.

[17] This assumes an average household size of 3.85 persons.

[18] Regional retail includes one or two full-line department stores; super regional includes three or more full-line department stores.

[19] Urban Land Institute, *Retail Development*, 4th ed.

Figure 5.2: Illustration of Regional Retail

TABLE 5.3: COMPARISON OF 2010 TAZ FOR REGIONAL SHOPPING CENTERS

	POPULATION	HOUSEHOLDS	EMPLOYMENT
South Towne	98,392	31,127	69,488
Valley Fair	126,929	44,134	113,189
Cottonwood	122,031	51,385	72,433
Gateway	130,860	58,427	168,819
Trolley Square	130,625	62,852	196,018
Fashion Place	142,633	57,737	93,544

Source: Wasatch Front Regional Council AOG

Commercial development in Riverton, located to the south of Daybreak at approximately 12600 South and Bangerter Highway, and at Jordan Landing in West Jordan will both serve as competitive retail locations. Jordan Landing is mostly built out, with only 45 acres of developable land available to expand, whereas the Riverton site is fairly new, with approximately 150 acres of developable land immediately adjacent to the intersection of Bangerter Highway and 12300 South and an additional 336 acres of potentially developable land directly west of this area. Both of these areas could be characterized as community commercial, with Jordan Landing emerging as a regional retail site. Jordan Landing is characterized by large parking lots and open spaces separating a variety of tenants – from small retailers to larger big box to department stores. The population within a three-mile radius of this site is 68,404 persons in 2010, with the 2020 population estimated at 102,059.

TABLE 5.4: PROJECTED DEMOGRAPHICS WITHIN 3-MILE BUFFER OF RIVERTON

	2010	2015	2020	2025	2030
Population	68,404	86,683	102,059	112,189	121,761
Households	19,058	24,907	30,072	33,851	37,471
Employment	8,568	11,188	14,828	18,821	23,317

Due to the proximity of the Riverton commercial site to Daybreak and The District, the population thresholds from the demand areas for a regional retail site overlap. An analysis of the expanded demand area shows a current population of 150,000 and a future population of 220,000 people by 2020 that would likely use a regional shopping destination located in the southwest portion of the County.

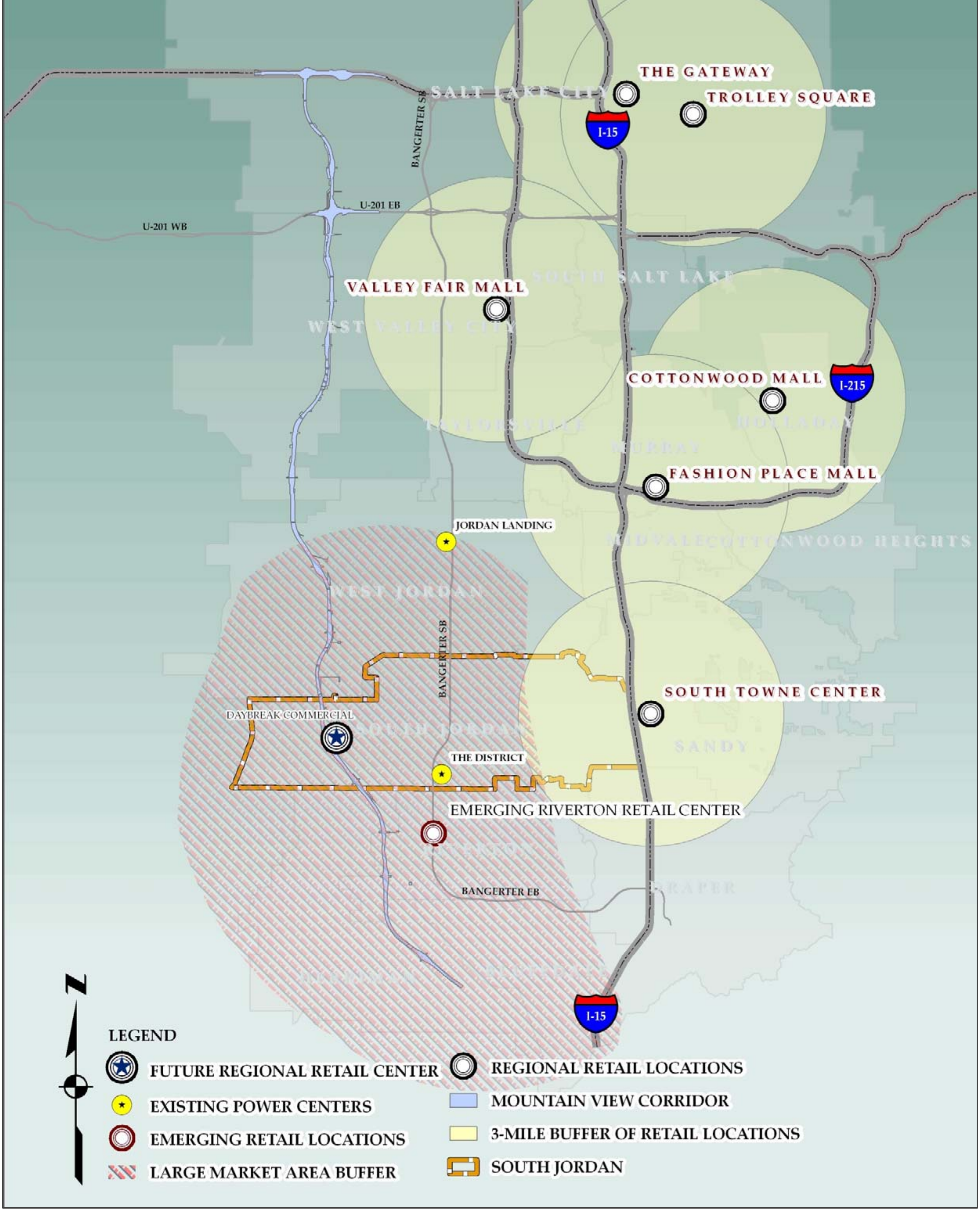
TABLE 5.5: DEMOGRAPHIC PROJECTIONS WITHIN BUFFER OF POTENTIAL REGIONAL COMMERCIAL SITE (DAYBREAK)

DAYBREAK	2010	2015	2020	2025	2030
3-Mile Buffer Population	35,843	48,661	61,236	71,039	81,108
5-Mile Buffer Population	135,692	168,454	201,884	229,094	255,034
Large Market Area Buffer Population	152,626	187,166	219,900	244,845	268,443

Source: 2002 WFRC TAZ Projections

As a result of the shared demand area, the South Jordan-Riverton area will likely support only one regional retail center. It is anticipated that a super regional retail center located on the southwest side of Salt Lake County will draw from a larger market, potentially capturing demand from West Jordan, South Jordan, Bluffdale and Herriman. Although some of these communities have existing or emerging retail centers, a larger regional mall or center that offers upscale department store anchors and a variety of other retail destinations could be feasible in the area.

FIGURE 5.3: ANALYSIS OF THE EXPANDED DEMAND AREA



Visibility, access and traffic counts also play a key role in attracting regional and super regional development. Traffic counts generally need to reach 40,000 or more before national chain stores are attracted to develop at a site although public transit options can somewhat offset traffic counts. Traffic counts at key intersections along Bangerter Highway range from 13,000 to 51,000 average daily trips (ADT).

TABLE 5.6: TRAFFIC COUNTS ALONG MAJOR INTERSECTIONS (SOUTH JORDAN AND SURROUNDING AREA)

LOCATION	2009 TRAFFIC COUNT
126th South and Bangerter Highway	16,440-36,215
104th South and Bangerter Highway	13,510-31,865
90th South and Bangerter Highway	9,130-51,555
126th South and Redwood Road	15,180-23,725
104th South and Redwood Road	13,510-31,865
90th South and Redwood Road	25,850-42,225

South Jordan is positioned well to promote the City as a prime destination for regional retail growth, especially in the Daybreak area. The large tracts of developable land, the convergence of key travel nodes, and the favorable demographics all work in South Jordan's favor. Given the demographics of South Jordan, with its higher-than-average incomes, South Jordan is the logical place to house an upscale regional mall in the southwest valley. The Daybreak site will become more feasible as the community and surrounding population grows. Regardless, both Riverton and West Jordan have established, or emerging retail centers, that will compete for buying power in this area. Therefore, the Daybreak site should be reserved for upscale regional retail, similar to Fashion Place, Gateway and the emerging City Creek development in downtown Salt Lake City.

COMMUNITY/NEIGHBORHOOD RETAIL DEVELOPMENT

SODA ROW

SoDa Row (South Daybreak Row) is a village retail center that currently supports a variety of specialty shops centered on providing personal services to the community. SoDa Row is designed to be within walking or biking distance from any home in Daybreak. As such, retail development in this area will continue to center on neighborhood-scale retail, with a grocery store anchoring the development.

SODA ROW COMMERCIAL DEVELOPMENT

INDUSTRIAL/BUSINESS PARK DEVELOPMENT

Industrial and business park development is on the rise in South Jordan. Daybreak Commerce Park is home to eBay's data center, which houses eBay.com and PayPal.com. This project, which cost $287 million, was completed May 4, 2010. Phase one is a 240,000 square foot two-story building with three, 20,000 square foot rooms to house IT equipment - one for eBay Marketplace, one for PayPal.com, and a third hall for expansion space. This facility is part of Technology Operations four year data center strategy. The master plan allows for four phases. These phases are designed to consolidate data center space currently leased by eBay in other states.

With eBay located at Daybreak Commerce Park, this site will serve as a hub for future industrial and technology-related industry. There are currently 250 acres, zoned and entitled for development. Unlike other areas in Salt Lake County, Commerce Park is "shovel ready," meaning there is plenty of land ready for development with high quality infrastructure, including water, energy and telecommunications. This site also offers excellent accessibility due to the proximity to the Mid-Jordan TRAX light rail service.

TRANSIT ORIENTED DEVELOPMENT

The convergence of multiple modes of transportation within the Daybreak development has led to the formation of a transit-oriented district. Transit-oriented development generally includes:

- A variety of services within walking distance of a transit station;
- Good pedestrian connections to transit and between buildings; and
- Buildings that are outwardly oriented toward the street rather than inwardly oriented toward parking.

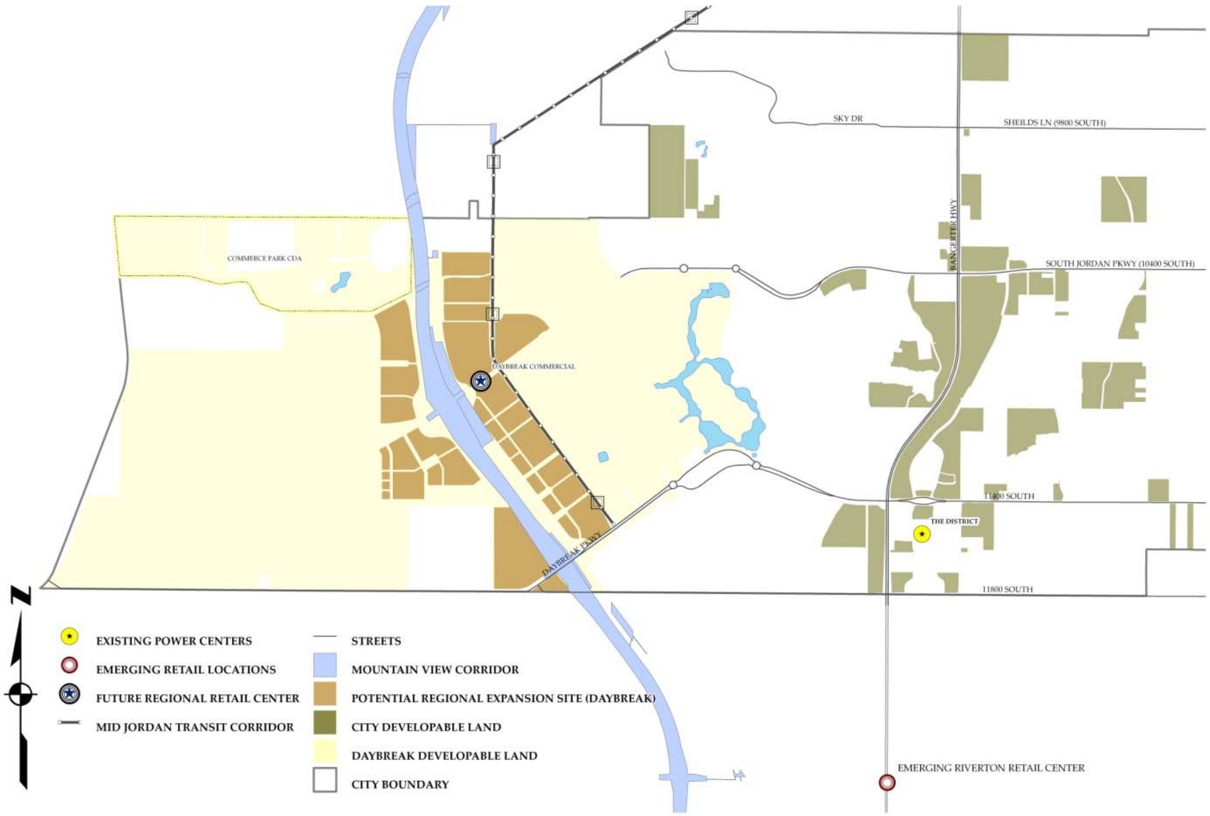
Transit-oriented development is just emerging in Daybreak. The first tenant is the University Health Care Center. Future plans include a medical campus that could expand to 50 acres, and could include a University satellite campus. In addition, a light rail (TRAX) line will extend to Daybreak adjacent to the proposed Mountain View Corridor. The combination of the new light rail connection and the Mountain View Corridor on the west side of South Jordan will create an opportunity for transit-oriented development and future commercial developments. The area will be supported by both regional demand generated by pass-through traffic and improved access, as well as local demand. The construction of the Mountain View Corridor has been prioritized to address projected local and regional transportation demand in western Salt Lake County and western Utah County (north of Utah Lake), with the construction of the Salt Lake County portion of the roadway slated to be completed Fall 2013.

LAND ANALYSIS

DEVELOPABLE LAND

Most of the land within the Daybreak community is developable. Currently, the community is primarily residential in nature, with neighborhood commercial along Daybreak Parkway. Vacant, developable land surrounding the proposed Mountain View Corridor and the Mid Jordan TRAX Line is designated as future commercial property, with the potential for a transit-oriented district. There are approximately 500 acres of land classified as future commercial surrounding the two regional transportation modes. The construction of high density apartment homes in South Station Village near the TRAX line, as well as the construction of the University of Utah Health Center will help draw demand to this area.

FIGURE 5.4: DAYBREAK DEVELOPABLE LAND



A typical regional retail shopping center covers 60 to 100 acres. For example, the South Towne shopping center comprises over 85 acres, with surrounding commercial development totaling over 300 acres. Similarly, Fashion Place Mall in Murray, encompasses approximately 70 acres (with nearly 200 acres of total commercial development along the State Street corridor between 5900 South and I-215). In order to enable this type of development in South Jordan, vacant/developable land suitable for regional development should be identified and incentives should be put in place that will encourage and accelerate the process for regional retail growth.

SUMMARY AND RECOMMENDATIONS

- The market area, which incorporates much of the Southwest Valley, is slated for rapid population growth, with a potential for nearly 256,000 persons located within a five-mile radius of the proposed regional retail site.
- Although commercial development within this district currently accounts for less than one percent of all retail sales Citywide and is limited to a 180 degree trade area; the area has ample undeveloped property that could be used for retail and office development;
- Future land use plans and entitlements show this area will be a unique regional retail destination with a strong retail and office presence, supported by over 20,000 residential units and a population of 65,000 residents in Daybreak alone.
- The availability of developable land, coupled with the strong residential growth projected for this community, positions Daybreak as an ideal location for significant retail and office development.
- Future development entitlements for the Daybreak area position this area as the regional center of the Southwest Valley, with future land use plans showing approximately 13.8 million square feet of retail, office and industrial space planned for this area through buildout.
- As a result of the shared demand area, the South Jordan-Riverton area will likely support only one regional retail center.

- Jordan Landing and The District are already supplying a large portion of the retail opportunities for this area, with Riverton replicating this process by expanding commercial development around the intersection of 12600 South and Bangerter.
- Daybreak will become a more feasible site for a regional retail shopping center as the community and surrounding population grows. The Daybreak site should be reserved for upscale regional retail, similar to Fashion Place, Gateway and the emerging City Creek development in downtown Salt Lake City in order to capture the retail demand in the Southwest Valley. However, if Riverton develops a regional retail center before Daybreak grows sufficiently large, it may be too late for South Jordan to develop a regional retail center at Daybreak as the area will support only one upscale regional retail center.
- Future development will eventually extend westward beyond the planned Mountain View Corridor (MVC). The convergence of major transportation routes in this location provide an optimal location for regional retail (coupled with office development). Commercial development will abut the MVC on the east and west sides, with a total of 300-500 acres dedicated as a mix of commercial, office and residential space in this area. **The mix of uses should be promoted to increase the favorability of this site for regional development.**
- **The commercial development adjacent to MVC will serve as a premier regional retail and office destination**. The vision for this area will be similar in scope to the Cottonwood Corporate Center, the Gateway retail center and City Creek. However, this scale of development will require substantial residential, employment and traffic count growth, which will be spurred by the completion of the MVC. As a result, development of a premier regional center will likely occur in 10-15 years. It is anticipated that Development will begin when MVC has 50,000 daily trips and the area has more of a 360 degree trade area, with development on both sides of MVC.
- **Regional development should be patterned in a way (such as Riverwoods in Provo) that would be complementary with the scale and design of the Daybreak development.**
- The trend of existing commercial development has followed the general development pattern for the Southwest Valley, with a strong commercial presence in communities to the north of the City where there is greater residential density. In addition, **emerging retail centers in neighboring communities will compete for the buying power in the Southwest Valley** as population continues to extend toward the south and west of I-15.
- While the Daybreak area, specifically near MVC and the Mid-Jordan TRAX Line should be reserved for upscale regional retail, **neighborhood and community scale development should be pursued to capture incremental growth in demand**.
- SoDa Row serves as the primary commercial development for this district and is comprised of 250,000 sq. ft. of retail and office space with 87% occupancy. It is anticipated that an additional 150,000 sq. ft. of new space will be added to the SoDa Row commercial area. **As new demand is introduced in the Daybreak area, neighborhood and community scale retail will need to expand**.
- Daybreak Commerce Park (250 acres) will serve as a premier office and data/tech center location. Marketing strategy for this area is focused on attracting data centers and touts the area as **a "shovel ready" site, with necessary infrastructure in place to handle additional growth.**
- Daybreak in general is categorized by superb connectivity and multiple modes of transportation, flexible zoning and available land for expansion, which can all be highlighted to spur development. **The flexible zoning and availability of unencumbered sites will allow for the development of a diverse economic base and the ability to match product with demand.** The nature of the Daybreak district as a master planned community creates a sense of development security, which in turn encourages high quality tenants to locate within Daybreak. This promotes a multiplier effect as the strength of existing development encourages new development to locate within this district.

SECTION VI: ECONOMIC DISTRICT – TOWNE CENTER

The South Jordan Towne Center Plaza serves as the "downtown" of the City and includes South Jordan City Hall, several retail shops, food and grocery establishments, business services, personal services and the South Jordan Library. Tenants include Zion's Bank, Bosch, Chase Bank, Café Rio, Walgreens, Harmons, Roberts, The Dollar Tree, Panda Express, Subway, Smith's Marketplace, Wendy's and McDonalds. There are approximately 4,900 square feet of available retail and restaurant space at the Towne Center. Lease rates for this area range from $12.00 - $20.00 per sq. ft. (plus $5.00 NNN[20]), compared to the average market lease rate of $20.16 for Salt Lake County.

TABLE 6.1: WEIGHTED AVERAGE LEASE RATES BY SECTOR - FIVE YEAR HISTORY

	2005	2006	2007	2008	2009
Northeast	$28.16	$19.47	$23.34	$21.36	$21.69
Central East	$15.57	$16.54	$18.63	$20.42	$18.90
Southeast	$18.04	$18.21	$22.27	$20.57	$18.58
Northwest	$14.57	$14.06	$13.27	$13.18	$13.65
Central East	$14.61	$15.86	$19.25	$20.77	$19.81
Southwest	$17.40	$19.15	$23.05	$22.57	$24.50
Total by Sector	$17.93	$17.72	$21.32	$20.95	$20.16

Source: Commerce Real Estate Solutions, Year End 2009 Market Review
Weighted lease rate is based on a weighted average of the "high asking rate" as tracked by Commerce Real Estate Solutions

RETAIL DEVELOPMENT

Current retail within the Towne Center area accounts for 16.8 percent of the total retail sales within South Jordan, with food stores in the area contributing the majority share at 6.9 percent of all sales citywide (and over 46 percent of all grocery sales citywide), followed by eating and drinking establishments at 3.6 percent of all sales citywide (and nearly 44 percent of all restaurants and fast food sales City-wide). In short, this area is strong in grocery stores and eating places, but is not strong in other types of retail shopping.

TABLE 6.2: 2008 TOWNE CENTER RETAIL SALES

LOCATION	RETAIL CATEGORY	NUMBER OF BUSINESSES	TOTAL TAXABLE SALES	PERCENT OF CATEGORY SALES	PERCENT OF CITY-WIDE RETAIL SALES
11400 South	**Total Retail**	**16**	**$7,541,325**		**1.7%**
Daybreak	**Total Retail**	**14**	**$477,256**		**0.1%**
Office	**Total Retail**	**14**	**$10,861,022**		**2.4%**
Harvest Village	**Total Retail**	**18**	**$4,127,166**		**0.9%**
The District	**Total Retail**	**47**	**$111,317,209**		**25.0%**
Towne Center	Amusement & Recreation		$948,632	6.0%	0.2%
	Apparel & Accessory		$1,645,202	6.0%	0.4%
	Auto & Miscellaneous Repair		$3,547,396	42.3%	0.8%
	Building & Garden		$1,443,640	71.8%	0.3%
	Business		$1,700,489	39.8%	0.4%
	Eating & Drinking		$16,073,830	43.7%	3.6%
	Food Stores		$30,859,888	46.6%	6.9%

[20] Triple net lease.

LOCATION	RETAIL CATEGORY	NUMBER OF BUSINESSES	TOTAL TAXABLE SALES	PERCENT OF CATEGORY SALES	PERCENT OF CITY-WIDE RETAIL SALES
	Furniture		$2,533,699	34.7%	0.6%
	General Merchandise		$2,718,584	2.0%	0.6%
	Miscellaneous		$5,374,991	18.4%	1.2%
	Motor Vehicle Dealers		$6,619,440	6.2%	1.5%
	Personal		$1,484,065	47.1%	0.3%
Towne Center	**Total Retail**	**126**	**$74,949,856**	**16.8%**	**16.8%**
9800 South	**Total Retail**	**31**	**$15,830,213**		**3.6%**
I-15	**Total Retail**	**26**	**$195,455,349**		**43.9%**
Grand Total	**Total Retail**	**292**	**$420,559,396**		**94.4%**

ILLUSTRATION OF TOWNE CENTER PLAZA RETAIL

LAND ANALYSIS

DEVELOPABLE LAND

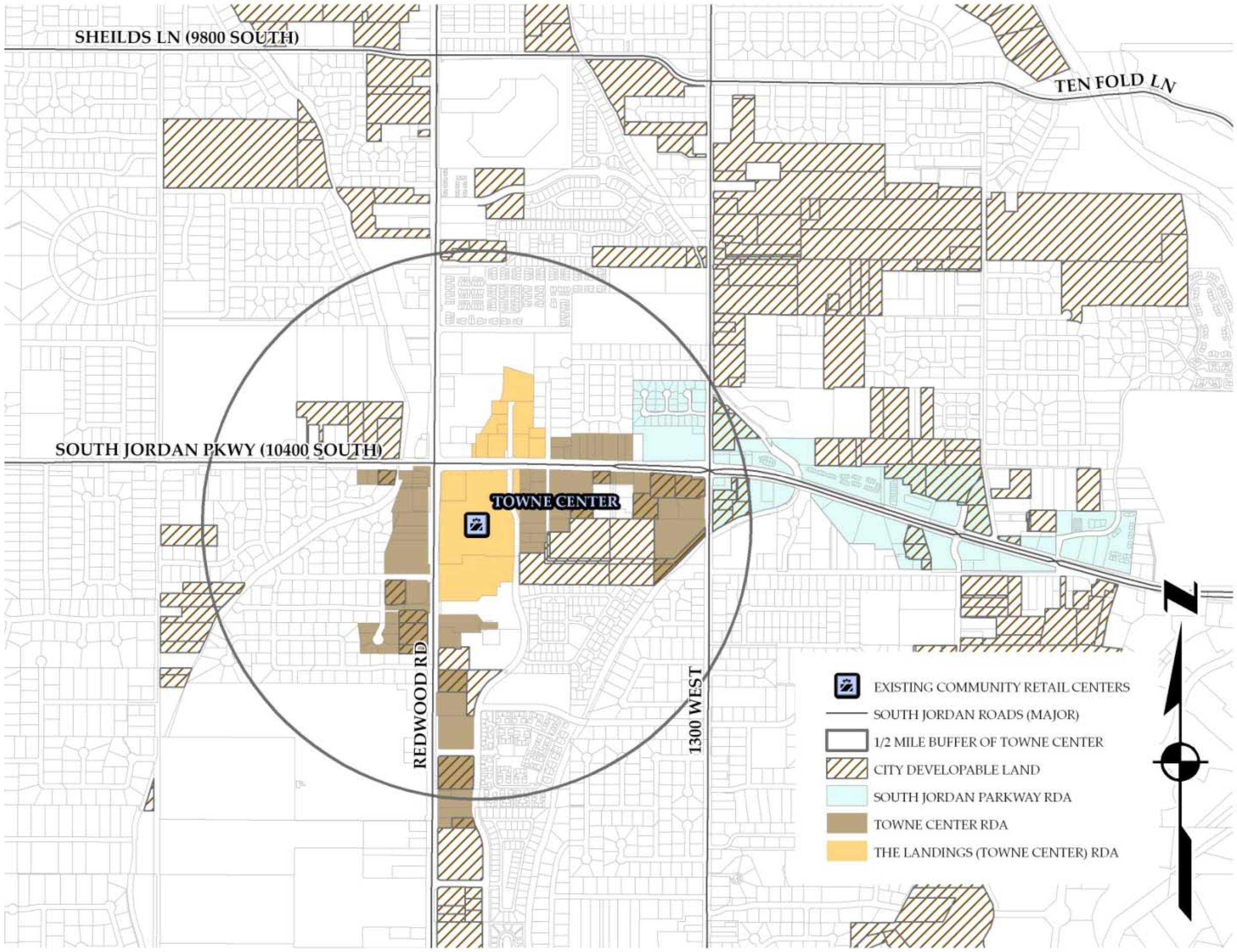
There are 9.07 acres currently classified as "vacant" within one-half mile of the Towne Center area. However, there are 42.63 additional acres of developable land – land that is underutilized – for a total of 51.7 developable acres within a ½-mile radius. Three redevelopment areas intersect this area as well: the South Jordan Parkway RDA, the South Jordan Towne Center RDA and the Landings RDA, which is also part of the South Jordan Towne Center. A total of 22 parcels fall within the boundaries of a current RDA.

TABLE 6.3: TOWNE CENTER DEVELOPABLE LAND ANALYSIS

TOWNE CENTER	TOTAL ACRES	# OF PARCELS	TOTAL VALUE	TOTAL TAXABLE VALUE	NUMBER CITY OWNED	ACREAGE CITY OWNED
Developable	51.70	37	$24,415,270	$9,893,076	3	3.17
Vacant	9.07	10	$5,939,000	$5,939,000	-	-

The limited amount of developable land in this area, plus the neighborhood scale of the existing development, suggests that this area is best suited to remain as a "downtown." In order to preserve the integrity and uniqueness of the area, it is important to promote walk ability, ambiance, and to maintain the small scale of most of the buildings. "Destination" type retail – one-of-a-kind specialty stores, art stores, antiques, and unique restaurants should be encouraged and incentivized in this location. This area will be successful to the extent that it is seen as unique and charming, and to the extent that it does not allow itself to become confused or associated with strip malls in any way.

FIGURE 6.1: ILLUSTRATION OF DEVELOPABLE LAND – TOWNE CENTER

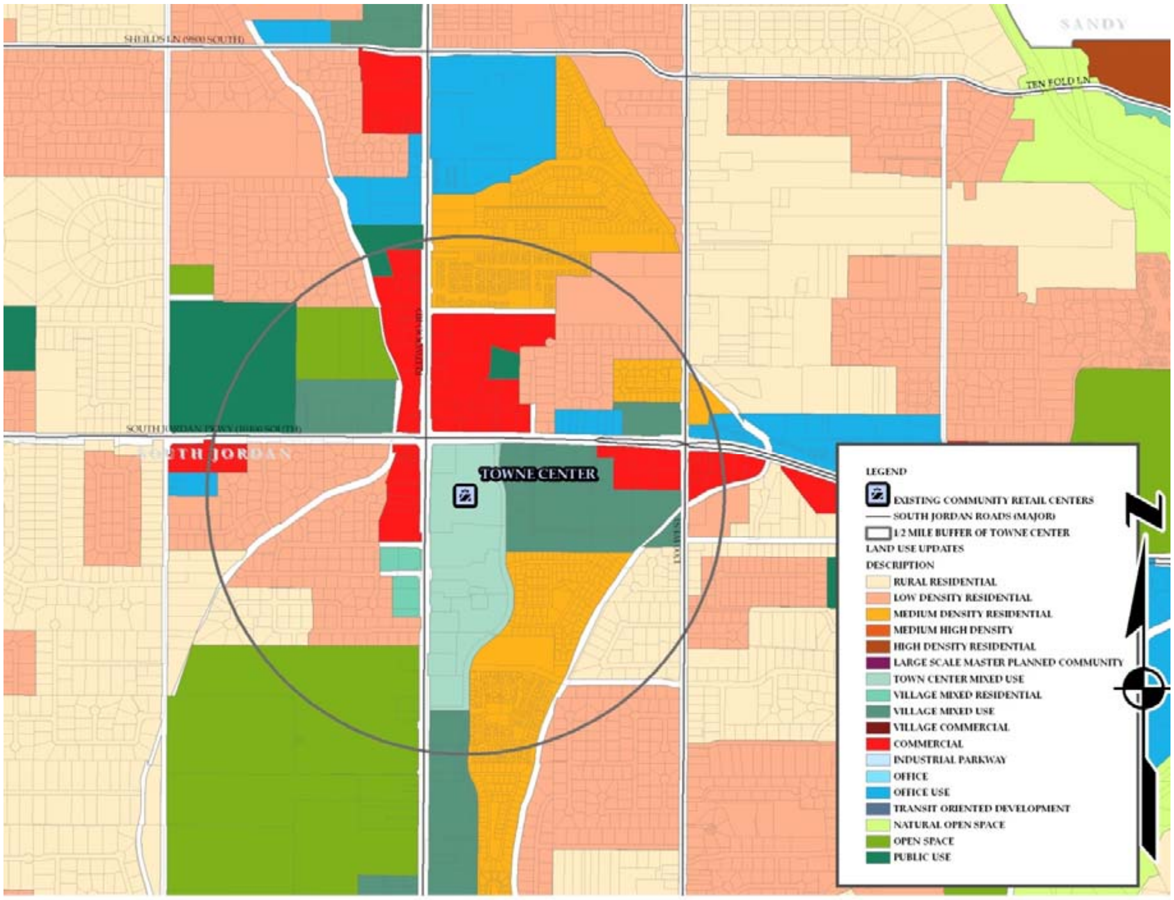


Commercial development will likely continue to occur along South Jordan Parkway where additional developable property is located. Access along South Jordan Parkway and to I-15 will encourage continued development in personal, health and business services. However, the City should maintain the centralized and walkable feel of the Towne Center Plaza development by promoting focused growth in this area.

FUTURE LAND USE ANALYSIS

The intersection of 10400 South and Redwood Road is framed by commercial and Towne Center Mixed Use land-use types. Additional land-use types bordering the Towne Center include Medium-Density Fesidential, Village Mixed Use, Low-Density Residential and Office Use.

FIGURE 6.2: ILLUSTRATION OF FUTURE LAND USE – TOWNE CENTER



The land-use policies adjacent to the Towne Center should continue to incorporate a mix of residential densities and commercial-related property. Traffic volumes at the intersection of 104th South and Redwood Road range from 13,510 – 31,865 daily trips, which suggests this area will continue to support neighborhood commercial development. The following table compares traffic counts along 104th South through South Jordan.

TABLE 6.4: TRAFFIC COUNTS ALONG MAJOR INTERSECTIONS (SOUTH JORDAN AND SURROUNDING AREA)

LOCATION	2009 TRAFFIC COUNT
104th South and 1300 West	12,640-31,865
104th South and Redwood Road	13,510-31,865
104th South and 2700 West	8,110-14,510
104th South and Bangerter Highway	13,510-31,865

SUMMARY AND RECOMMENDATIONS

- This area has approximately 51 acres of remaining developable land and accounts for 16.8 percent of all retail sales citywide. The limited amount of developable land in this area, along with the dynamics of the existing neighborhood-scale development, suggests that this area is best suited to remain as a "downtown."
- **Commercial development will likely continue to occur along South Jordan Parkway** where additional developable property is located.
- Access along South Jordan Parkway and to I-15 will encourage continued development in personal, health and business services.

- **The City should maintain the centralized and walkable feel of the Towne Center Plaza** development by promoting growth focused around the intersection and maintaining the small scale of most of the buildings.
- **The Towne Center should be encouraged to attract unique, "destination" specialty stores** such as art stores, antiques and specialty eating that will draw people to the area and that will preserve the ambiance of this area as the walkable "downtown" of South Jordan.

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SECTION VII: ECONOMIC DISTRICT – HARVEST VILLAGE

Harvest Village is located on three corners of 10400 South and Bangerter Highway. Plans for Harvest Village include more than 240,000 square feet of commercial space on 33 acres. The area will also feature 102 single-family, high density housing units on approximately 13-15 acres. A Costco warehouse store provides the main anchor to this development, with a footprint of 150,000 square feet on 17 acres. This location will also include a fuel center. Additionally, Harvest Village has secured contracts for Barnes Bank, Salt Lake Credit Union and America First Credit Union to build branch locations within the project.

RETAIL DEVELOPMENT

This area is primarily undeveloped as is evident in the amount of retail sales in the vicinity. Current retail near the Harvest Village development area accounts for less than one percent of the total City-wide retail sales. As residential growth occurs in the northwestern areas of the City, this area will serve as a strong neighborhood center.

Table 7.1: 2008 Harvest Village Retail Sales

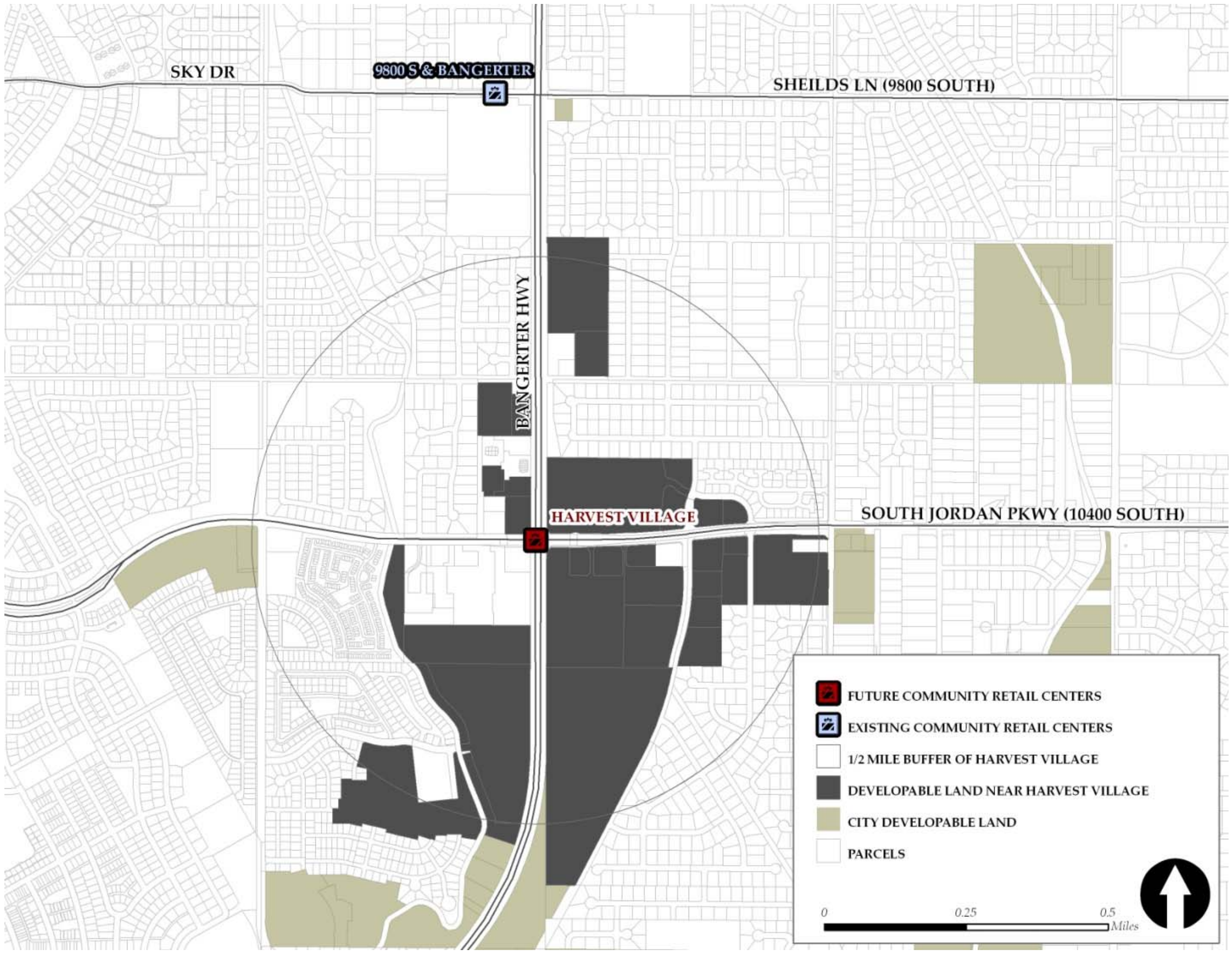
Location	Retail Category	Number of Businesses	Total Taxable Sales	Percent of Category Sales	Percent of City-Wide Retail Sales
11400 South	**Total Retail**	**16**	**$7,541,325**	**1.7%**	**1.7%**
Daybreak	**Total Retail**	**14**	**$477,256**	**0.1%**	**0.1%**
Office	**Total Retail**	**14**	**$10,861,022**	**2.4%**	**2.4%**
Harvest Village	Auto & Miscellaneous Repair		$15,740	77.3%	0.0%
	Eating & Drinking		$544,284	75.4%	0.1%
	Food Stores		$3,474,381	0.5%	0.8%
	Miscellaneous		$49,434	21.4%	0.0%
	Personal		$43,327	38.6%	0.0%
Harvest Village	**Total Retail**	**18**	**$4,127,166**	2.0%	**0.9%**
The District	**Total Retail**	**47**	**$111,317,209**	43.7%	**25.0%**
Towne Center	**Total Retail**	**126**	**$74,949,856**	0.7%	**16.8%**
9800 South	**Total Retail**	**31**	**$15,830,213**	100.0%	**3.6%**
I-15	**Total Retail**	**26**	**$195,455,349**	**0.9%**	**43.9%**
Grand Total	**Total Retail**	**292**	**$420,559,396**	**94.4%**	**94.4%**

LAND ANALYSIS

Developable Land

There are 190 acres of developable land within a half mile radius of the intersection of South Jordan Parkway and Bangerter Highway. This area is positioned well to experience high commercial growth. With established neighborhoods, proximity to Daybreak, and development plans underway for a Costco, a Wal-Mart and other commercial development, complementary development will quickly follow.

FIGURE 7.1: ILLUSTRATION OF DEVELOPABLE LAND – HARVEST VILLAGE

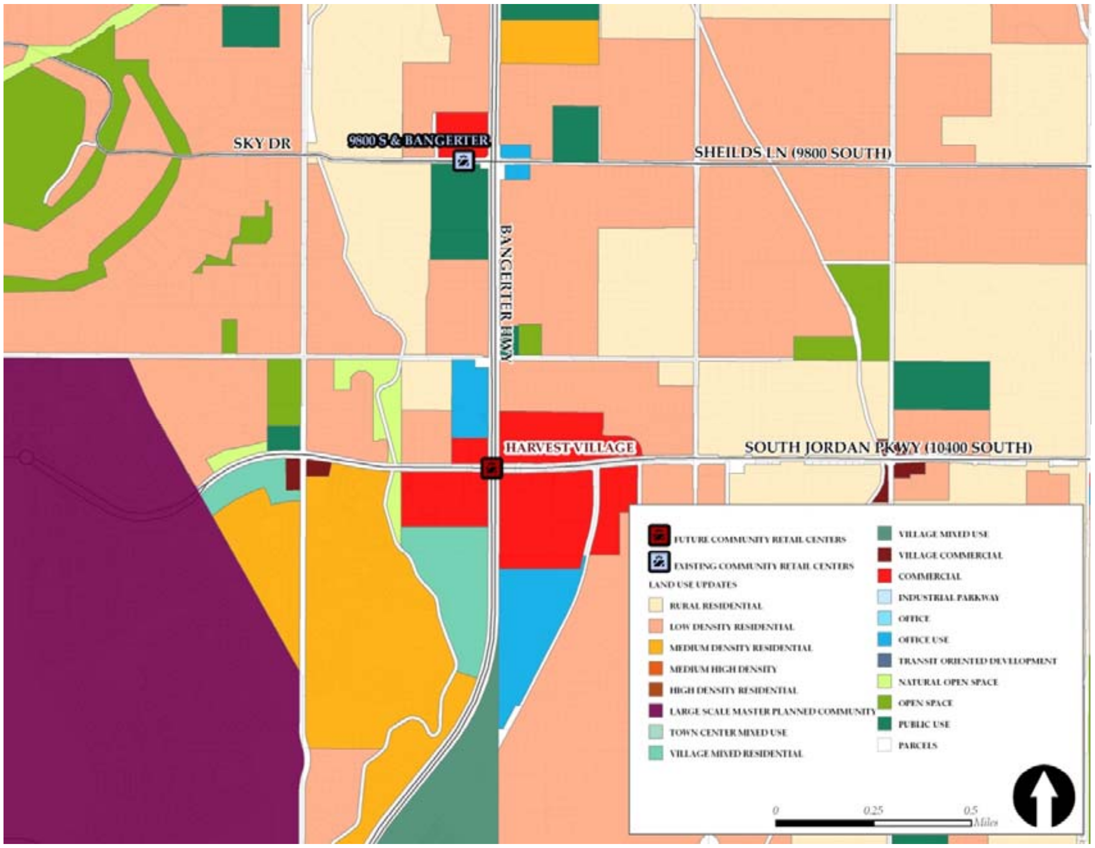


Due to the availability of land around Harvest Village, commercial growth will likely push outward from this intersection. The City should encourage continued development in personal, health and business services. Growth should focus on the intersection of Bangerter Highway and South Jordan Parkway, limiting congestion along South Jordan Parkway and Bangerter as well as promoting a neighborhood center.

FUTURE LAND USE ANALYSIS

The intersection of South Jordan Parkway and Bangerter Highway is encompased by commercial land uses, Expanding outward, the commercial center is framed by Office, Residential and Village Mixed Residential land-use types. This will encourage the development of a neighborhood center while providing necessary rooftops to support a mix of commercial development.

FIGURE 7.2: ILLUSTRATION OF FUTURE LAND USE – HARVEST VILLAGE



Traffic volumes at the intersection of 104th South Bangerter Highway range from 13,510 – 31,865 daily trips, which suggests this area will continue to support neighborhood commercial development. The following table compares traffic counts along Bangerter Highway through South Jordan.

TABLE 7.2: TRAFFIC COUNTS ALONG MAJOR INTERSECTIONS (SOUTH JORDAN AND SURROUNDING AREA)

LOCATION	2009 TRAFFIC COUNT
90th South and Bangerter Highway	9,130 - 51,555
104th South and Bangerter Highway	13,510 - 31,865
123rd and Bangerter Highway	16,440 - 36,215

SUMMARY AND RECOMMENDATIONS

- Although this area is primarily undeveloped in relation to commercial activity, there are 190 acres of developable land within a half mile radius of the intersection of South Jordan Parkway and Bangerter Highway, positioning the area to experience high commercial growth.
- With established neighborhoods, proximity to Daybreak, and development plans underway for a Costco, a Wal-Mart and other commercial development, this area should become a significant retail sales tax generator for the City.
- Future economic growth will be supported by establishing a mix of land uses within the Harvest Village district, including high density residential, office and commercial zoning. The future land use plan supports this goal by providing for a mixed-use approach to land uses surrounding this area. **The City should explore the allocation of land within each zoning class near Harvest Village to ensure there is a proper mix of uses that will support both a daytime and nighttime population.**
- The **Harvest Village district should expand development in personal, health and business services, as well as eating establishments** that will complement the future Costco and Wal-Mart. The City

should balance commercial growth while promoting a centralized development pattern at or near the intersection.

- Other categories that could be emphasized at this location include entertainment and family friendly amenities (i.e. bowling alley, personal fitness, family entertainment). **Vacant or underutilized land and buildings should be identified as potential locations for these types of retail categories** to ensure a vibrant economic district.
- **The City should also explore transportation infrastructure improvements that will increase access from residential zones along Bangerter** to existing and future commercial zones, from alternative routes other than direct highway access. For example, access to the Village Mixed Residential zone on the southwest side of the Harvest Village district is limited and will need to be improved to ensure accessibility.

SECTION VIII: ECONOMIC DISTRICT – THE DISTRICT

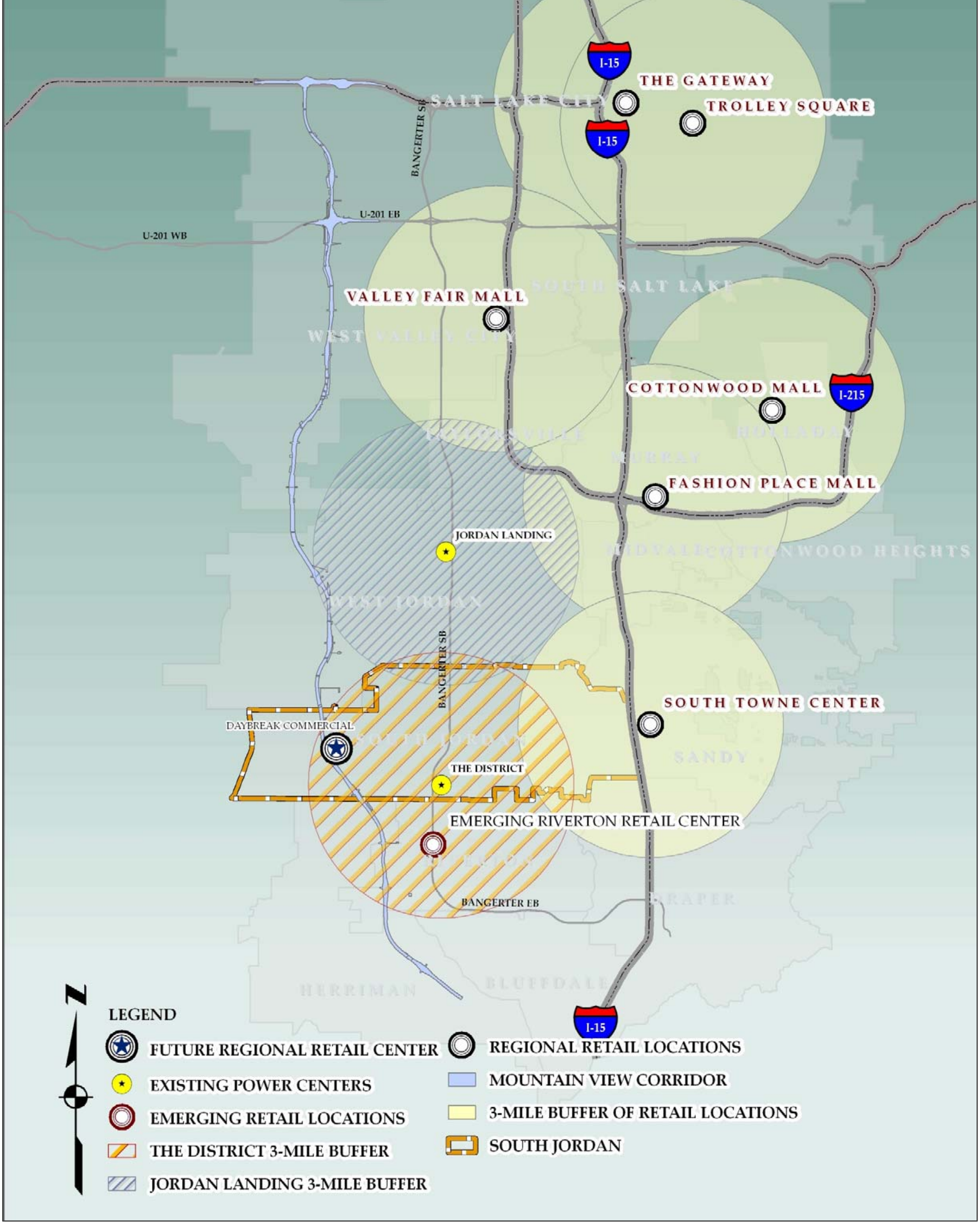
The District currently serves as the major retail center for the City, with 25 percent of all sales generated within the City originating in the District. Strategically located between 11400 South and 11800 South along Bangerter Highway, this area provides retail opportunities for much of the population in the southwest portion of the County.

RETAIL DEVELOPMENT

The District is a vibrant retail destination. Applebee's, JC Penney, Aeropostale West, The Buckle, Famous Footwear, Petco, Sports Authority, OfficeMax, Target and a Megaplex 20 are all located at The District. Regional centers are usually anchored by one or two full line department stores and provide a variety of apparel, furniture and home furnishings, and general merchandise. A regional mall has a similar function to a super regional mall, but with fewer anchors and somewhat smaller range and strength in attracting customers.

As discussed in the analysis of the Daybreak district, regional retail centers have, on average, 600,000 square feet of building space and cover between 10 and 60 acres. A regional retail center generally requires a population of 150,000 or more within an eight-mile radius of the center, while a super regional center requires a population of 300,000 or more within a 12-mile radius. However, the population density within Salt Lake County allows regional retail centers to be located within a much smaller radius. The following map and table show the population within a three-mile radius of each center.

FIGURE 8.1: ILLUSTRATION OF REGIONAL RETAIL



A comparison of *existing* retail centers in the southwest corner of Salt Lake County shows a similar pattern. Jordan Landing, located in West Jordan, has a total population of over 144,000 within a three-mile radius. The District in South Jordan has a substantially smaller population (71,893) within a three-mile radius. However, growth projections indicate that the population will surpass 100,000 by 2020.

TABLE 8.1: PROJECTED DEMOGRAPHICS WITHIN 3-MILE BUFFER OF THE DISTRICT

	2010	2015	2020	2025	2030
Population	71,873	88,140	102,678	112,976	122,454
Households	19,360	24,574	29,453	33,272	36,829
Employment	10,888	13,955	18,101	22,869	28,251

TABLE 8.2: PROJECTED DEMOGRAPHICS WITHIN 3-MILE BUFFER OF JORDAN LANDING

	2010	2015	2020	2025	2030
Population	144,667	155,053	164,804	172,134	179,330
Households	41,531	45,493	49,416	52,772	55,968
Employment	32,440	36,223	40,020	43,948	48,000

As discussed in the Daybreak district analysis, it is likely that large-scale retail development will draw from a larger demand area that captures the buying power of many of the communities on the southwest side of the valley, potentially capturing demand from West Jordan, South Jordan, Bluffdale and Herriman. As a result of the shared demand area, the South Jordan-Riverton area will likely support only one regional retail center. To capture a larger market, retail development at The District will need to expand beyond the current development patterns and shift toward the development of a unique shopping experience similar to that found at the Gateway in Salt Lake City, where the walkable design and the variety of retail and entertainment options have turned the area into a super regional retail destination.

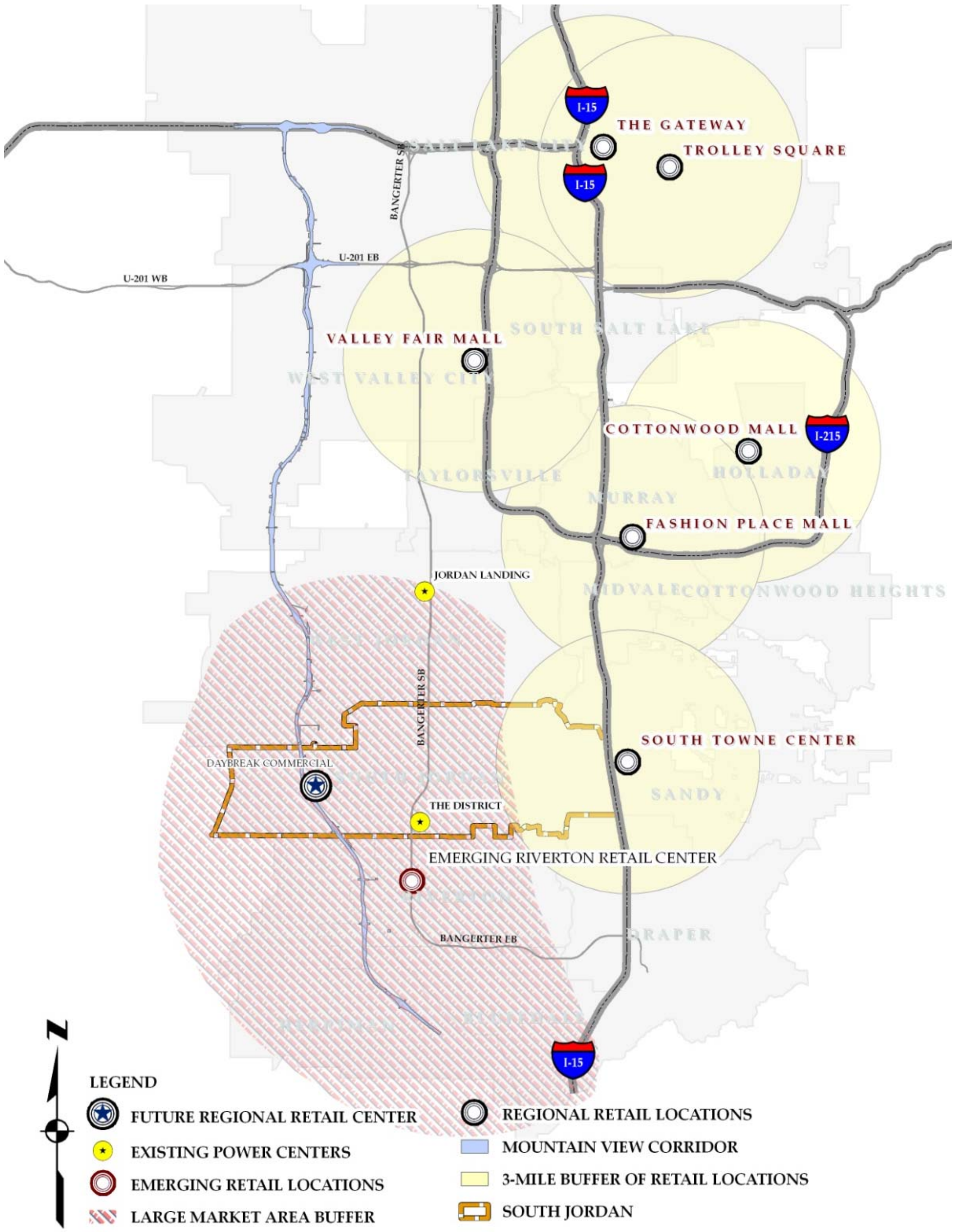
COMMERCIAL DEVELOPMENT AT THE DISTRICT

An analysis of the expanded demand area shows a current population of 150,000 and a future population of 220,000 people by 2020 that would likely use a regional shopping destination located in the southwest part of the County, should the area continue to develop and specialize.

TABLE 8.3: DEMOGRAPHIC PROJECTIONS OF LARGER MARKET AREA

	2010	2015	2020	2025	2030
Population	152,626	187,166	219,900	244,845	268,443

FIGURE 8.2: ANALYSIS OF THE EXPANDED DEMAND AREA



However, the development of this area is focusing on community-scale retail that features value stores, big box, etc. These types of development are important for communities as they generate good sales tax revenues. This type of development is distinct and different though from super regional retail centers such as Gateway in Salt Lake, the emerging City Creek in downtown Salt Lake, and Fashion Place in Murray which focus on more upscale retail development. There is no upscale super regional development available in the Southwest Valley.

As a result, future growth in this area should be centered on attracting retail establishments that will increase the City's retail sales capture rates and tax base. Based on the estimated sales leakage shown in the previous sections, major areas of leakage include building and garden, furniture, miscellaneous retail, and restaurants.

TABLE 8.4: SOUTH JORDAN CITY CAPTURE RATES FOR SELECT INDUSTRIES

SIC MAJOR	2009
Retail-Building & Garden (5211-5271)	5%
Retail-Furniture (5712-5736)	21%
Retail-Eating & Drinking (5812-5826)	69%
Retail-Miscellaneous (5912-5999)	53%

THE MEGAPLEX THEATRE AT THE DISTRICT

Transportation infrastructure is well established surrounding The District. Improvements to 11400 South, from I-15 to 3600 West will provide additional access to this area. The improvements will provide an I-15 interchange, with new auxiliary lanes on I-15 in both directions between 11400 South and 10600 South and will create a continuous east/west connection through South Jordan via 11400 South. These improvements will help increase the accessibility of The District.

The following table shows the traffic counts along Bangerter Highway, between 104th South and 126th South. These traffic counts are sufficient to attract national tenants to the area.

TABLE 8.5: TRAFFIC COUNTS ALONG MAJOR ALONG BANGERTER HIGHWAY AND REDWOOD RD.

LOCATION	2009 TRAFFIC COUNT	2030 PROJECTIONS
126th South and Bangerter Highway	16,440 - 36,215	28,000 - 49,000
104th South and Bangerter Highway	13,510 - 31,865	29,000 - 53,000
Source: Utah Department of Transportation, Wasatch Front Regional Council		

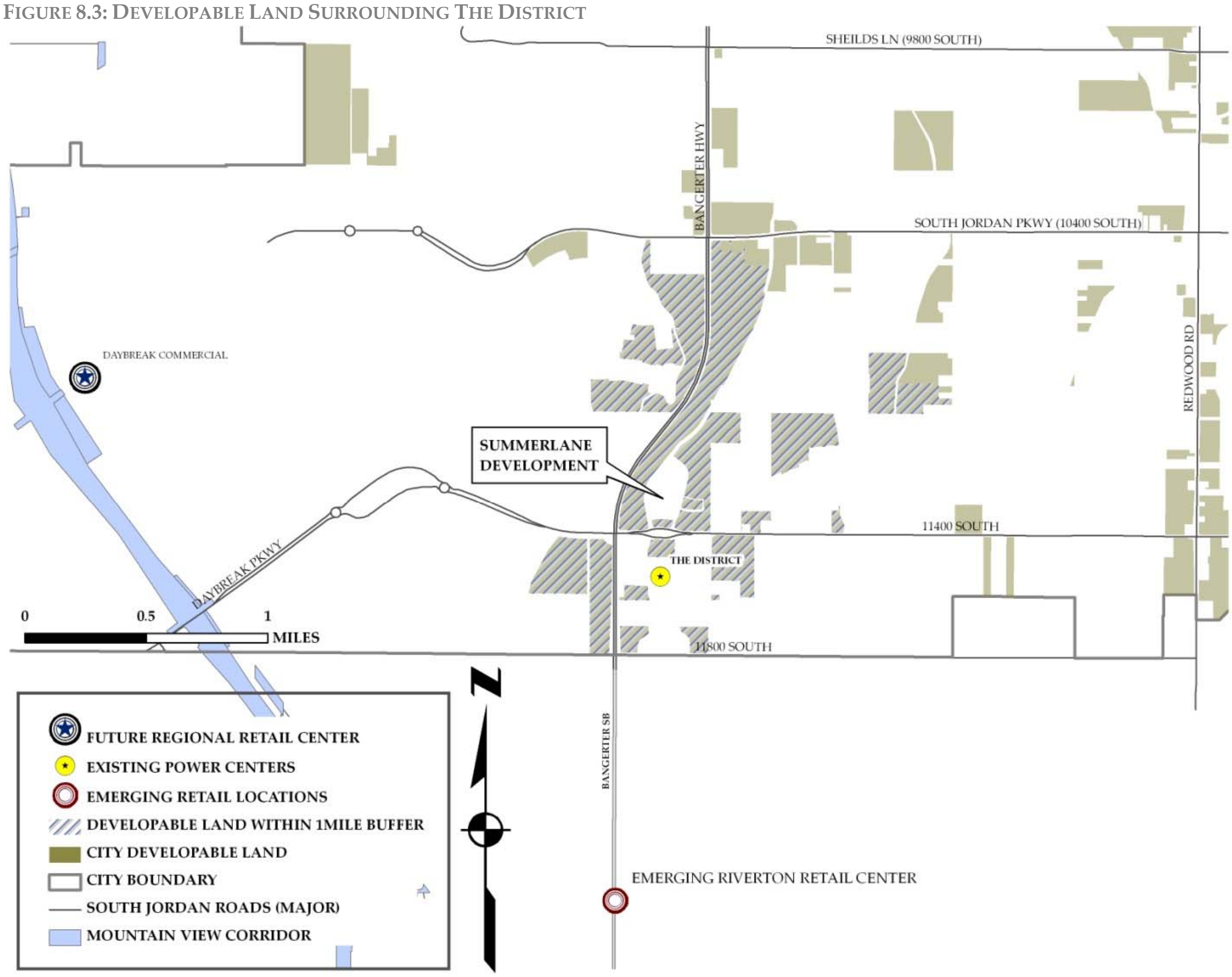
LAND ANALYSIS

Developable Land

A typical regional retail shopping center covers 60 to 100 acres. For example, the South Towne shopping center comprises over 85 acres, with surrounding commercial development totaling over 300 acres. Similarly, Fashion Place Mall in Murray encompasses approximately 70 acres (with nearly 200 acres of total commercial development along the State Street corridor between 5900 South and I-215). In order to enable this type of development in South Jordan, vacant/developable land suitable for regional development should be identified and incentives should be put in place that will encourage and accelerate the process for regional retail growth.

Utilizing a one-mile buffer surrounding The District, several developable properties were identified, with a concentration of developable land extending north along Bangerter Highway. There is sufficient developable land to the north of The District, which provides an optimal location for additional growth. This property encompasses Summerlane Development, a luxury townhome community, and extends to South Jordan Parkway, consisting of approximately 185 acres.[21] Some of the developable property extends into the Harvest Village economic district, which is designed as more of a community-scale retail center. In addition, extending retail along Bangerter Highway will likely reduce the connectivity of The District and affect the ability to create a walkable or centralized retail destination. The area is also divided across 11400 South which further fragments the area.

Figure 8.3: Developable Land Surrounding The District



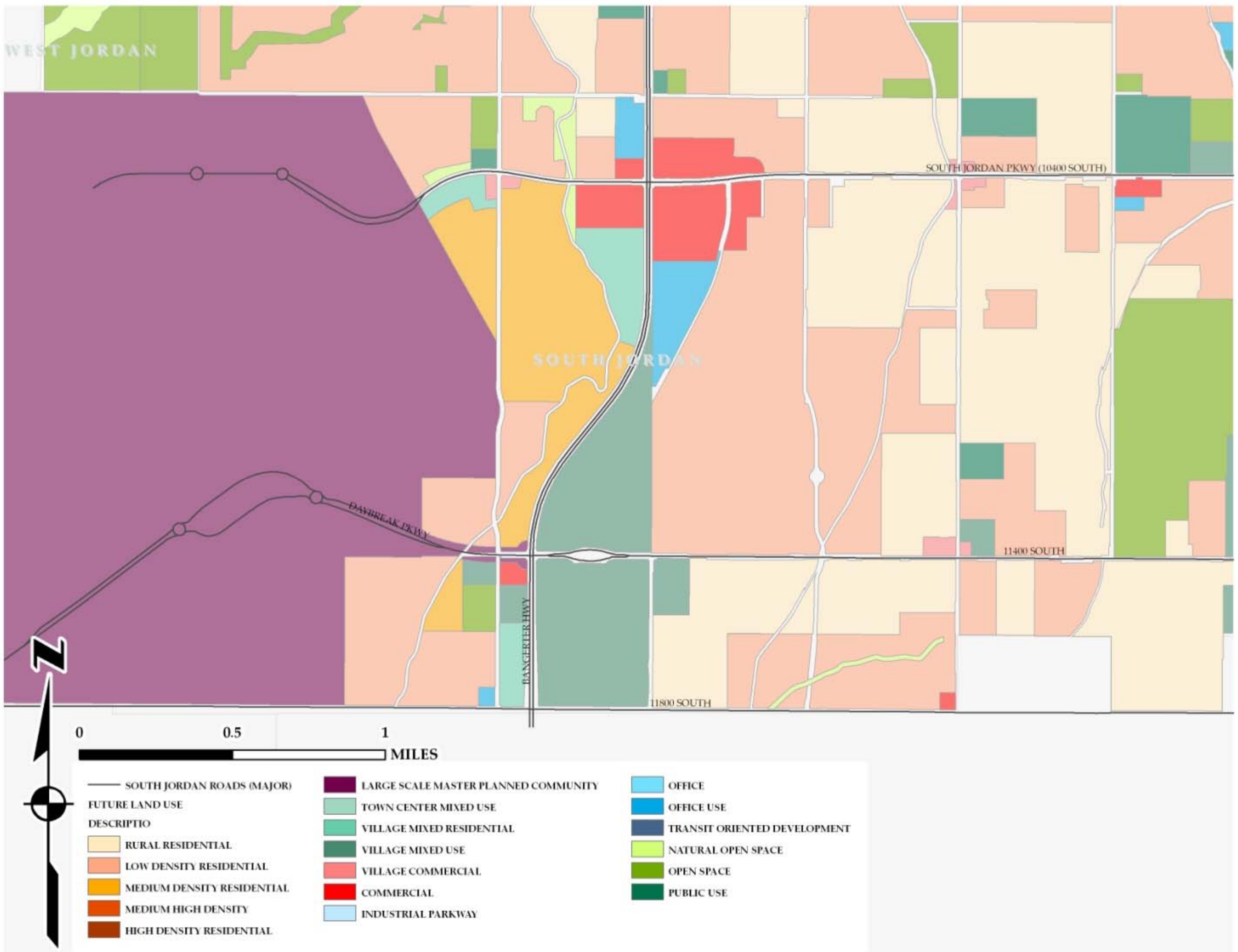
[21] Comprised of the developable property along Bangerter Highway, north of The District.

A review of property ownership in this area shows that much of the property is privately held by development companies. As such, the City will need to discourage commercial strip centers and piecemeal development in this area.

FUTURE LAND USE

The land use policies surrounding the district support additional commercial growth with a mix of residential development.

FIGURE 8.4: FUTURE LAND USES SURROUNDING THE DISTRICT



SUMMARY AND RECOMMENDATIONS

- There are about 185 developable acres to the north of The District, stretching along Bangerter Highway.
- The District accounts for 25 percent of all retail sales Citywide.
- The market area, which incorporates much of the Southwest Valley, is slated for rapid population growth, with a potential for nearly 256,000 persons located within a five-mile radius of the proposed regional retail site, suggesting sufficient population to support regional retail development at either The District or Daybreak. However, the District will likely remain as a power center in the near term, with Daybreak as the optimal location for long-term regional retail in the Southwest portion of the valley.
- Traffic counts in this area, along Bangerter Highway, are roughly 16,440 to 36,215 average daily trips (ADTs), with ADTs reaching 49,000 to 53,000 along Bangerter Highway at 10600 South.

- Favorable demographics and excellent access to this area (both east to west and north to south connectivity) suggests The District will serve as an attractive destination for continued growth in the Southwest Valley. The development density is reaching a 360 degree trade area around the District, with room to grow, thus increasing the strength of this area as a retail center for the City.
- **The District should expand on its existing strengths as a "power center"** and expand in the areas of consumer electronics; sporting goods; office supplies; home furnishings; home improvement goods; bulk foods; drugs, health and beauty aids; toys and computer stores. This may also include expanding upon the existing fashion and entertainment elements, with a focus on family entertainment.
- **To elevate the market competitiveness of The District, the area should focus on diversifying land uses,** focusing on additional office space, high density residential, and family friendly amenities. This will help solidify the area as a destination center, while increasing the daytime population to support existing and new commercial development.
- To facilitate increased demand, **the area should pursue alternatives to increase parking density**, specifically on the South end of The District near the theater. This helps provide ease of access for existing customers and also allows for The District to capture future demand.
- As traffic increases along Bangerter Highway, intersection improvements at 114th South and 118th South will help facilitate the flow of traffic and ease of access to this area. **The City should evaluate transportation improvements that will facilitate access to this area.** A Continuous Flow Intersection (CFI) at 114th South could be developed, similar to the intersection of Bangerter Highway and 3500 South. In addition, grade separated transportation improvements that help facilitate access at 118th South from Bangerter Highway could also help bring demand into The District. Increased traffic volume along Bangerter and 114th may necessitate changes to the roundabout north of The District to increase access to Summerlane Dr. and Riverheights Dr.

SECTION IX: ECONOMIC DISTRICT – RIVERPARK/OFFICE

The RiverPark/Office District incorporates the RiverPark Corporate Center and surrounding commercial development. This area represents South Jordan's premiere office location as well as future commercial and transit-oriented opportunities.

The development of Class A office space on the east side of the freeway (Sandy) provides a competitive alternative, not only for office space but for retail development as well. Historically, almost all Class A office space development has occurred east of I-15. However, as the west side of the valley grows, there will be more demand for Class A office development in the west part of the valley.

OFFICE DEVELOPMENT

Office development is most likely to take place in areas where executives and decision-makers live, simply because these key players prefer to work close to home and to minimize their commute times. Because incomes and median home values in South Jordan are substantially higher than in surrounding areas, this suggests that South Jordan residents include a higher percentage of "decision makers" when compared to surrounding cities; therefore, Class A office development is more likely to take place in South Jordan than in adjacent communities.

Based on a comparison of the "average" amount of office square feet per capita in counties along the Wasatch Front, Salt Lake County is clearly the regional hub of activity for the region. However, even Davis County (with many commuters into the Salt Lake Valley) has an average of nine square feet per capita.

TABLE 9.1: OFFICE/INDUSTRIAL/RETAIL BUILDING ANALYSIS

	SALT LAKE	WEBER	DAVIS	UTAH	WEIGHTED AVERAGE	UNWEIGHTED AVERAGE
Population	1,019,444	223,005	292,923	496,762		
Office SF *	29,636,013	2,889,456	2,686,910	8,002,741		
Office SF per capita	29	13	9	16	21	17
**Source: Commerce Real Estate Solutions*						

With population growth in the Southwest Valley estimated at 79,000 persons over the next ten years and 144,000 persons over the next 20 years, the office space needed to support this additional population should reach between 1.0 – 1.9 million square feet of office space, or an average of 100,000 square feet per year.[22] This may be

[22] Calculated based on an average of 13 sf of office space per capita.

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somewhat conservative, as the average absorption over the past five years has been 138,382 square feet annually. Absorption in the Southwest Valley represents approximately 26 percent of suburban office absorption overall.

TABLE 9.2: OFFICE MARKET HISTORY (2002-2009) – SOUTHWEST VALLEY AND SUBURBAN AREAS

	SOUTHWEST VALLEY		SUBURBAN TOTAL	
YEAR	VACANCY	ABSORPTION SF	VACANCY	ABSORPTION SF
2002	29.51%	105,800	17.89%	237,492
2003	13.99%	43,876	14.97%	538,595
2004	17.21%	73,682	13.77%	635,134
2005	7.04%	147,625	9.32%	949,735
2006	23.13%	159,182	11.55%	617,955
2007	6.36%	242,060	11.53%	938,900
2008	15.16%	268,783	14.83%	204,884
2009	13.36%	66,048	16.11%	304,522
Average	15.72%	138,382	13.75%	527,792

Source: Commerce Real Estate Solutions

Office development is far more likely to take place in Riverton, South Jordan or West Jordan than it is in Herriman or Bluffdale. Therefore, we have assumed that South Jordan can capture at least 40 percent of the Southwest Valley office market or between 40,000 and 55,000 square feet of office space per year.

In comparison, Salt Lake County absorbed 88,000 square feet of Class A office space in 2009. This is lower than the five-year average of 913,000 square feet annually for the County. Absorption levels were higher in the suburban market (304,522 sq. ft.), but were offset by negative absorption in the Central Business District (CBD) and Periphery (around surrounding Salt Lake City downtown). [23]

RIVERPARK CORPORATE CENTER – SOUTH JORDAN

Lease rates in the southwest part of Salt Lake County average approximately $23.03 per sq. ft. for Class A office space and $19.85 for Class B office space. This is slightly higher than the lease rates for Class A and Class B office space in the northwest part of Salt Lake County. Vacancy rates declined from 15.16 percent in 2008 to 13.36 percent in 2009. Based on the low total office space absorption for 2009 in the southwest area (only 66,048 sq. ft.), the reduced vacancy rate is likely a result of absorption of existing space.

[23] Commerce Real Estate Solutions 2009 Year-End Annual Report.

TABLE 9.3: OFFICE MARKET LEASE RATES (2009)

	NORTHEAST	NORTHWEST	CENTRAL EAST	CENTRAL WEST	SOUTHEAST	SOUTHWEST	TOTALS
Vacancy	5.95%	21.39%	17.83%	24.39%	15.88%	13.36%	16.11%
Absorption SF	197,934	-94,154	6,334	-7,400	135,760	66,048	304,522
Rents PSF**							
Class A	$24.87	$19.54	$24.99	NA	$22.18	$23.03	$23.22
Class B	$20.31	$17.25	$19.35	$20.01	$19.46	$19.85	$19.33
Class C	$14.46	$15.48	$14.92	$13.83	$16.51	NA	$15.02
Overall	$19.46	$17.31	$20.37	$19.57	$20.46	$22.70	$19.91

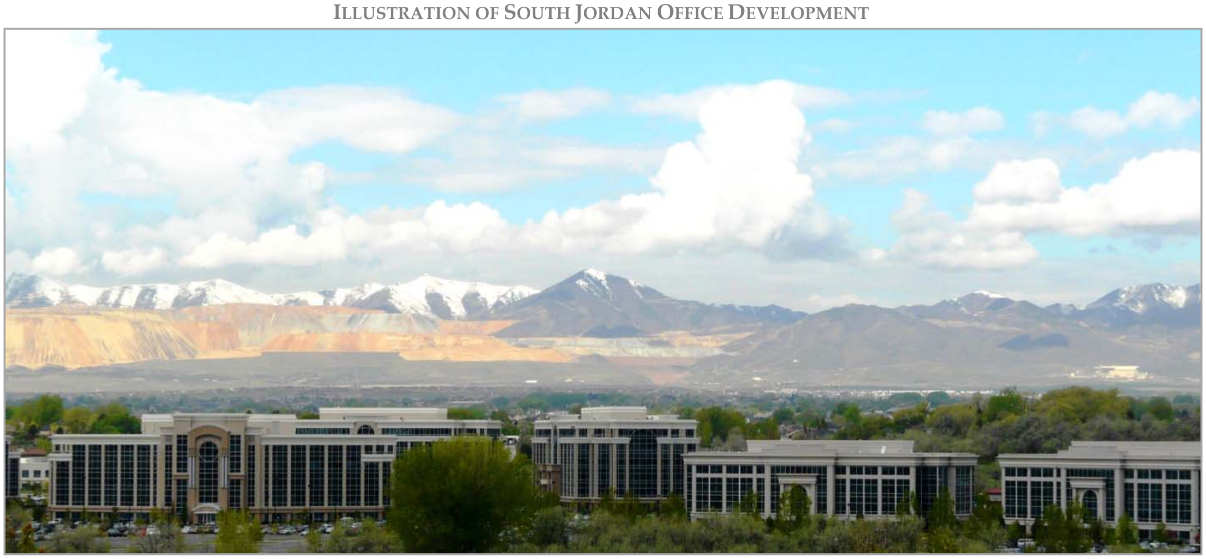
* Sublease space is not included in these figures. ** Weighted full service asking lease rates.

Source: Commerce Real Estate Solutions 2009 Year End Report

Favorable income and education levels in South Jordan are factors that should help the office market flourish. Approximately 37 percent of South Jordan's population has attained a Bachelor degree or higher, substantially higher than surrounding areas. With a median household income of $94,107 and 62 percent of South Jordan's workforce receiving an annual income of $75,000 or more, South Jordan is positioned as a premier regional retail and office site in the area.

The RiverPark Corporate Center is located on 120 acres and will include 1.7 million square feet of office space at buildout.[24] The Center offers a high-end fitness facility, restaurants, retail and a 35-acre park.

ILLUSTRATION OF SOUTH JORDAN OFFICE DEVELOPMENT



RETAIL DEVELOPMENT

Currently, approximately 2.4 percent of retail sales within South Jordan occur in the RiverPark/Office District of the City, with 25.8 percent of all business services related retail sales occurring in this area. The office district also has high retail sales related to eating and drinking establishments which illustrates the synergy between office development and eating establishments. The working population, as well as the exposure along South Jordan Parkway, creates demand for food services. This area has a minimal impact on the other retail categories.

[24] Calculates to an average floor area ratio (FAR) of 0.33.

TABLE 9.4: 2008 RETAIL SALES SURROUNDING SELECT LOCATIONS

LOCATION	RETAIL CATEGORY	NUMBER OF BUSINESSES	TOTAL TAXABLE SALES	PERCENT OF CATEGORY SALES	PERCENT OF CITY-WIDE RETAIL SALES
11400 South	**Total Retail**	**16**	**$7,541,325**	**1.7%**	**1.7%**
Daybreak	**Total Retail**	**14**	**$477,256**	**0.1%**	**0.1%**
Office	Amusement & Recreation		$638,441	4.0%	0.1%
	Business		$1,104,305	25.8%	0.2%
	Eating & Drinking		$8,439,751	23.0%	1.9%
	Furniture		$117,651	1.6%	0.0%
	Miscellaneous		$406,069	1.4%	0.1%
	Personal		$154,805	4.9%	0.0%
Office	**Total Retail**	**14**	**$10,861,022**	**2.4%**	**2.4%**
Harvest Village	**Total Retail**	**18**	**$4,127,166**	2.0%	**0.9%**
The District	**Total Retail**	**47**	**$111,317,209**	43.7%	**25.0%**
Towne Center	**Total Retail**	**126**	**$74,949,856**	0.7%	**16.8%**
9800 South	**Total Retail**	**31**	**$15,830,213**	100.0%	**3.6%**
I-15	**Total Retail**	**26**	**$195,455,349**	**0.9%**	**43.9%**
Grand Total	**Total Retail**	**292**	**$420,559,396**	**94.4%**	**94.4%**

While South Jordan has a low capture rate in the business services category, the continued development of office space at the RiverPark Corporate Center and surrounding office centers should serve to increase the demand for business services. The following tables illustrate the 2009 and historic capture rate for retail business services. The negative numbers show that there is significant leakage in the business services categories.

TABLE 9.5: BUSINESS SERVICES

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Advertising (7311-7319)	-$48.40	-$2,640,188	0%
Credit Reporting (7322-7323)	-$6.12	-$333,793	0%
Mailing, Reproduction & Steno (7331-7338)	-$46.73	-$2,549,179	15%
Service To Buildings (7342-7349)	-$55.08	-$3,004,681	1%
Misc. Equipment Rental & Lease (7352-7359)	-$102.48	-$5,590,234	13%
Personnel Supply Services (7361-7363)	-$2.38	-$129,906	0%
Computer & Data Processing (7371-7379)	-$76.93	-$4,196,720	38%
Misc. Business Services (7381-7389)	-$121.60	-$6,633,646	12%
Total Business Services	**-$459.72**	**-$25,078,347**	**16%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

TABLE 9.6: HISTORIC RETAIL SALES RELATED TO BUSINESS SERVICES

SIC MAJOR	2008	2007	2006	2005
Services-Business (7311-7389)	13%	19%	13%	17%

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

LAND ANALYSIS

DEVELOPABLE LAND

There is currently no developable land within the office district boundaries outlined below. However, there are large tracts of developable land adjacent to the office locations.

FIGURE 9.1: ILLUSTRATION OF DEVELOPABLE AND VACANT LAND WITHIN THE RIVERPARK/OFFICE DISTRICT

A comparison of existing and planned office development shows an additional 650,000 square feet of office space is being planned within South Jordan City. However, future land-use plans suggest additional office growth will occur in other locations throughout the City, including along I-15 and near other economic districts. Additionally, future land use plans and entitlements show the Daybreak area will serve as a unique regional retail destination and urban center with a strong office presence, with 13.8 million square feet of retail, office and industrial space has been planned for this area through buildout.

TABLE 9.7: DAYBREAK LAND USE ENTITLEMENTS

P-C ZONE LAND USE ENTITLEMENTS	
Total Acres	4,157
Open Space Acres	1,040
Residential Units	20,785
Retail (Square Feet)	3,500,000
Office (Square Feet)	5,300,000
Industrial (Square Feet)	5,000,000
Source: South Jordan City	

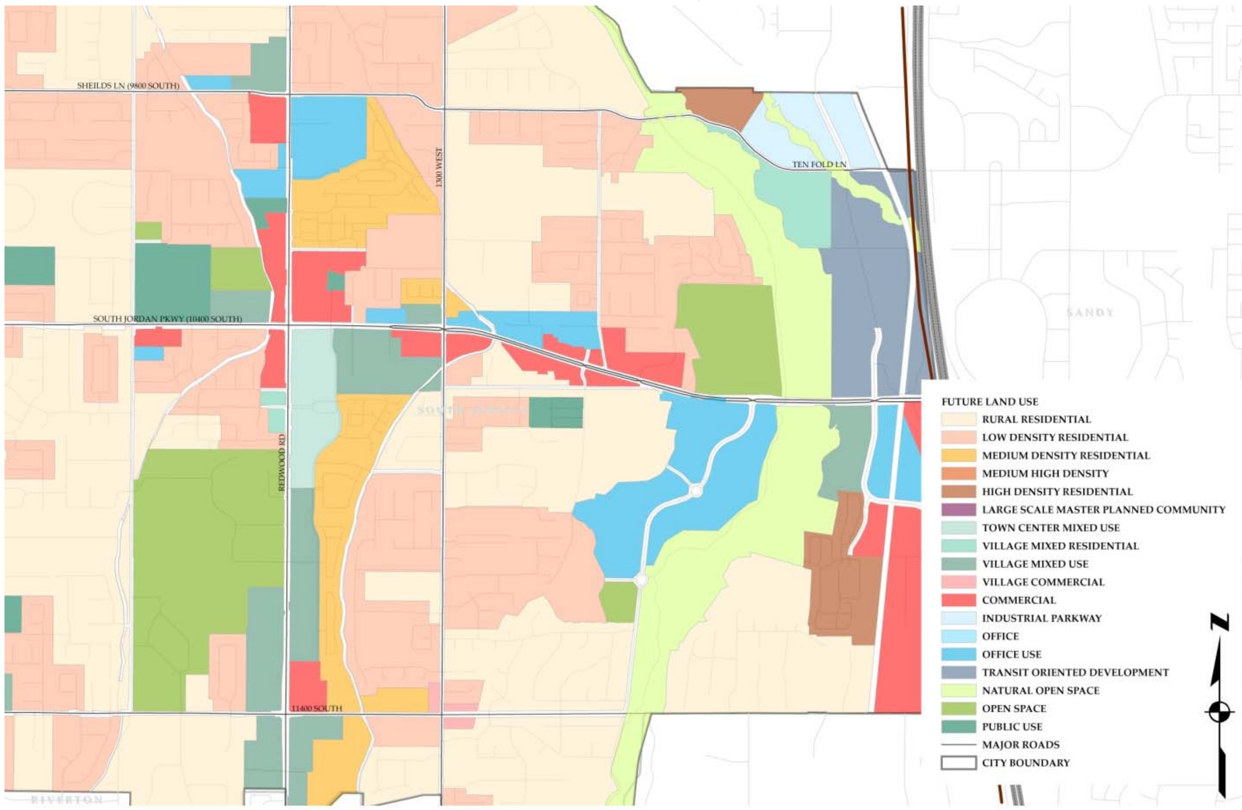
TABLE 9.8: EXISTING AND PLANNED OFFICE SQUARE FEET (JULY 2010)

	BUILDING SF	AVAILABLE SF	LEASED	VACANT	AVG. LEASE RATE (LOW)	AVG. LEASE RATE (HIGH)
Existing	1,902,286	419,581	77.9%	22.1%	$18.67	$18.99
Planned	648,046	623,046	3.9%	96.1%	$17.00	$17.00
Source: Commerce Real Estate Solutions, Cushman & Wakefield Alliance Member, July 14 2010						

FUTURE LAND USE ANALYSIS

Future land use plans suggest future office development will likely occur away from the office district. Thus future development surrounding this area should focus on increasing retail opportunities in this area as well as providing for additional residential growth. The mix of land uses will promote sustainability by placing rooftops and office space near commercial development.

FIGURE 9.2: ILLUSTRATION OF FUTURE LAND USES WITHIN THE RIVERPARK/OFFICE DISTRICT



SUMMARY AND RECOMMENDATIONS

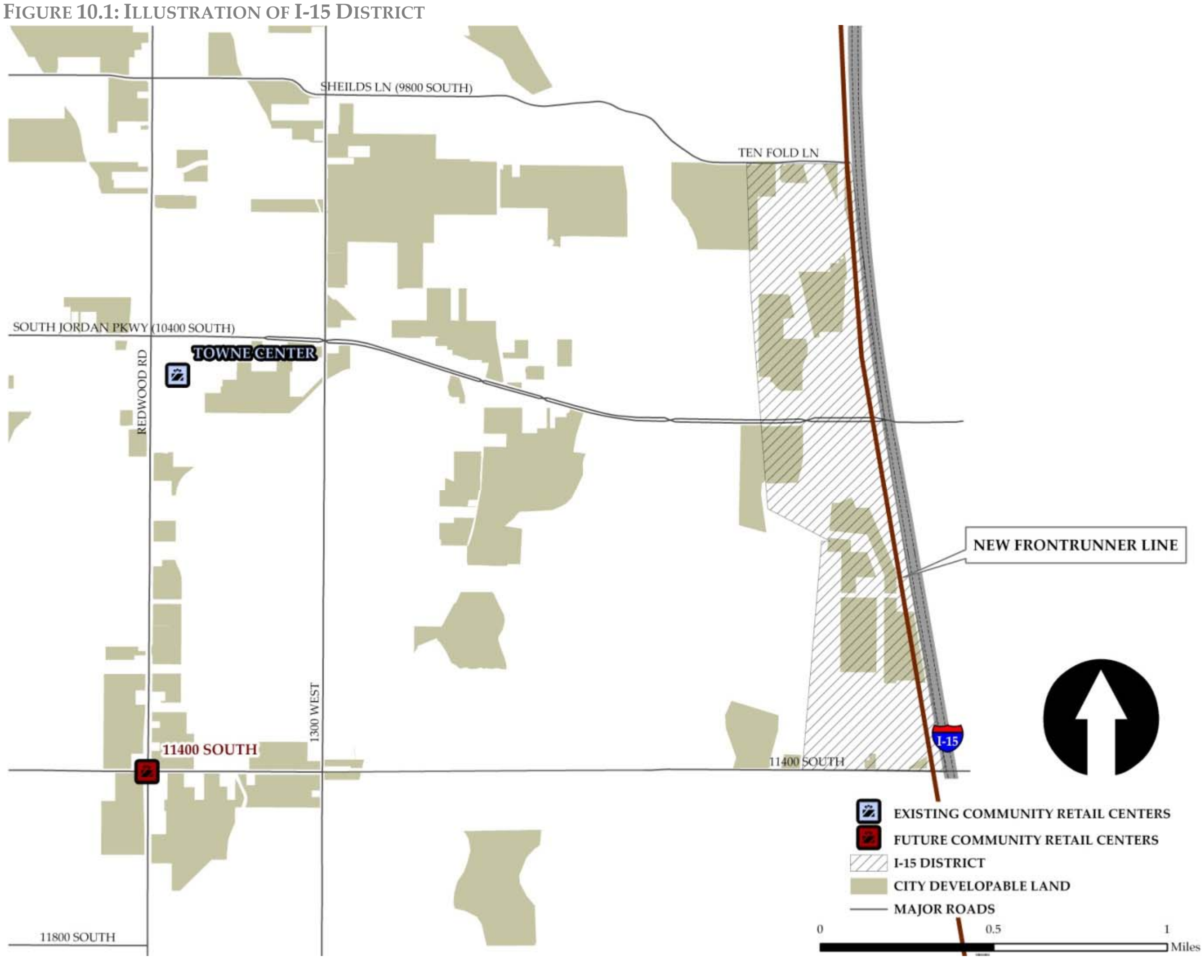
- A majority of the 27 corporate headquarters located in South Jordan are within the RiverPark district. RiverPark was recently awarded "The best suburban office park" in Utah. (BOMA, 2010). With high lease rates ($22.50 to $23.50 per sq. ft.) and low vacancy rates (92% occupied), the RiverPark district serves as a key economic district within the City.
- With population growth in the Southwest Valley estimated at 79,000 persons over the next ten years and 144,000 persons over the next 20 years, the office space needed to support the additional population should conservatively reach between 1.0 – 1.9 million square feet of office space, or an average of 100,000 square feet per year (assumes average of 13 sq. ft. of office space per capita).
- Average office absorption in the Southwest part of the Valley has been 138,000 sq. ft. per year for the past eight years, with future absorption in South Jordan conservatively estimated at 40,000 – 60,000 sq. ft. per year.
- RiverPark is primarily built-out. The office campus absorbed 300,000 sq. ft. in 2010 and is 92% occupied. There is currently one office space pad left undeveloped, which will allow for an additional 60,000 sq. ft. of office development. The two remaining retail pads are slated for restaurant expansion, with Dickies and Brick-Oven filling these sites.
- Retail development in this area is occurring, though it is limited, with a total 2.4 percent of the City's taxable retail sales generated in this area. **Future development surrounding this area should focus on increasing retail opportunities in this area as well as providing for additional residential growth**.

- The RiverPark district not only serves as a Class A office hub, but provides access to dining amenities and recreation. **Marketing strategy for this area is focused on categorizing the area as a restaurant destination, known as the Restaurants at RiverPark**, with 12 restaurants now and more coming. The area will also support a high class Hilton branded hotel with four stories and 123 rooms. This hotel is in the planning process and is being reviewed for approval by the City.
- **The City should help explore ways to increase connectivity to Salt Lake City International Airport and to the TOD development along I-15,** which will increase the viability and attractiveness of this area. Transportation alternatives from the airport to lodging opportunities near RiverPark will help eliminate the need for rental cars and support access to Class A office utilized by corporate and international clientele. Transportation solutions may include shuttle services from the airport and a trolley system within South Jordan City.
- **The City should explore existing developable and agricultural land surrounding RiverPark to identify areas for additional development**. The City should review the Future Land Use Plan to identify any necessary zoning adjustments that may help facilitate the expansion of Class A office and supporting commercial development.
- **The City should maintain a mix of land uses in this area,** which will promote sustainability by placing rooftops and office space near commercial development.

SECTION X: ECONOMIC DISTRICT – I-15

The I-15 Economic District follows I-15 on the east side of South Jordan. This area serves as the gateway to the City and incorporates two freeway interchanges – at 10600 South and the recently completed interchange at 11400 South. These locations provide premier freeway access and visibility, high traffic counts and developable land. Retail development along I-15, especially near the 11400 South Interchange, serves as a major retail center within the City. This location benefits from pass-through traffic along I-15 and demand generated from neighboring communities. Thus, this area will serve more than the South Jordan community.

FIGURE 10.1: ILLUSTRATION OF I-15 DISTRICT



RETAIL DEVELOPMENT

Retail development along I-15 accounts for 44 percent of South Jordan's retail sales and is strongly centered on general merchandising, furniture sales, hotels and lodging, and motor vehicle sales. Large retail establishments in this area include the Sleep Inn, Perry Brothers Honda World, Prestige Imports, Volkswagen Southtowne, Super 8, Wal-Mart, Sam's Club, and Carmax. These large establishments combine to generate 35 percent of sales tax revenues in the City.

TABLE 10.1: 2008 RETAIL SALES SURROUNDING COMMUNITY SCALE RETAIL LOCATIONS

LOCATION	RETAIL CATEGORY	NUMBER OF BUSINESSES	TOTAL TAXABLE SALES	PERCENT OF CATEGORY SALES	PERCENT OF CITY-WIDE RETAIL SALES
11400 South	**Total Retail**	**16**	**$7,541,325**	**1.7%**	**1.7%**
Daybreak	**Total Retail**	**14**	**$477,256**	**0.1%**	**0.1%**
Office	**Total Retail**	**14**	**$10,861,022**	**2.4%**	**2.4%**
Harvest Village	**Total Retail**	**18**	**$4,127,166**	2.0%	**0.9%**
The District	**Total Retail**	**47**	**$111,317,209**	43.7%	**25.0%**
Towne Center	**Total Retail**	**126**	**$74,949,856**	0.7%	**16.8%**
9800 South	**Total Retail**	**31**	**$15,830,213**	100.0%	**3.6%**
I-15	Auto & Miscellaneous Repair		$3,679	0.2%	0.0%
	Business		-$219,594	91.1%	0.0%
	Eating & Drinking		$2,186,402	4.2%	0.5%
	Furniture		$2,860,298	**43.9%**	0.6%
	General Merchandise		$87,913,259	0%	19.7%
	Hotels & Lodging		$4,565,320	1%	1.0%
	Miscellaneous		$55,156	5%	0.0%
	Motor Vehicle Dealers		$97,957,928	0%	22.0%
	Personal		$132,901	1%	0.0%
I-15	**Total Retail**	**26**	**$195,455,349**	**0.9%**	**43.9%**
Grand Total	**Total Retail**	**292**	**$420,559,396**	**94.4%**	**94.4%**

COMMERCIAL DEVELOPMENT ADJACENT TO I-15

This area should continue to focus on large-scale development, including big box and motor vehicles, capitalizing on the area's proximity to I-15. Business services may see some growth in this area, as it serves the needs of growing office development in surrounding areas.

BUSINESS PARK/ INDUSTRIAL DEVELOPMENT

Pheasant Hollow Business Park is located at approximately 10000 South Jordan Gateway, west of the South Towne Mall at approximately 500 West. It features Class A office space with impressive glass and rock store fronts, abundant parking and truck circulation. A portion of the business park is also in Sandy. There are a total of 10 buildings currently in the business park, with the potential for two additional buildings totaling 130,000 square feet. This site includes ground level and dock high loading, 24 foot clear ceiling heights and easy access from two freeway access points, at 90th and 106th South. The business park is slated for 850,000 square feet at buildout. New construction at this site is anticipated to occur within South Jordan. Although additional smaller business park properties dot this area, in general business park and industrial development appears to be limited in South Jordan. According to Commerce Real Estate Solutions there is no leasable industrial space in the City.

PHEASANT HOLLOW BUSINESS PARK

TRANSIT-ORIENTED DEVELOPMENT

A new FrontRunner station is scheduled for completion in 2015. The City should promote transit-oriented development near major transit facilities. The future land use map suggests a mix of commercial, office and industrial, with village mixed use land uses surrounding the commuter rail.

ILLUSTRATION OF SOUTH JORDAN FRONTRUNNER STATION LOCATION

(SOURCE: UTA)

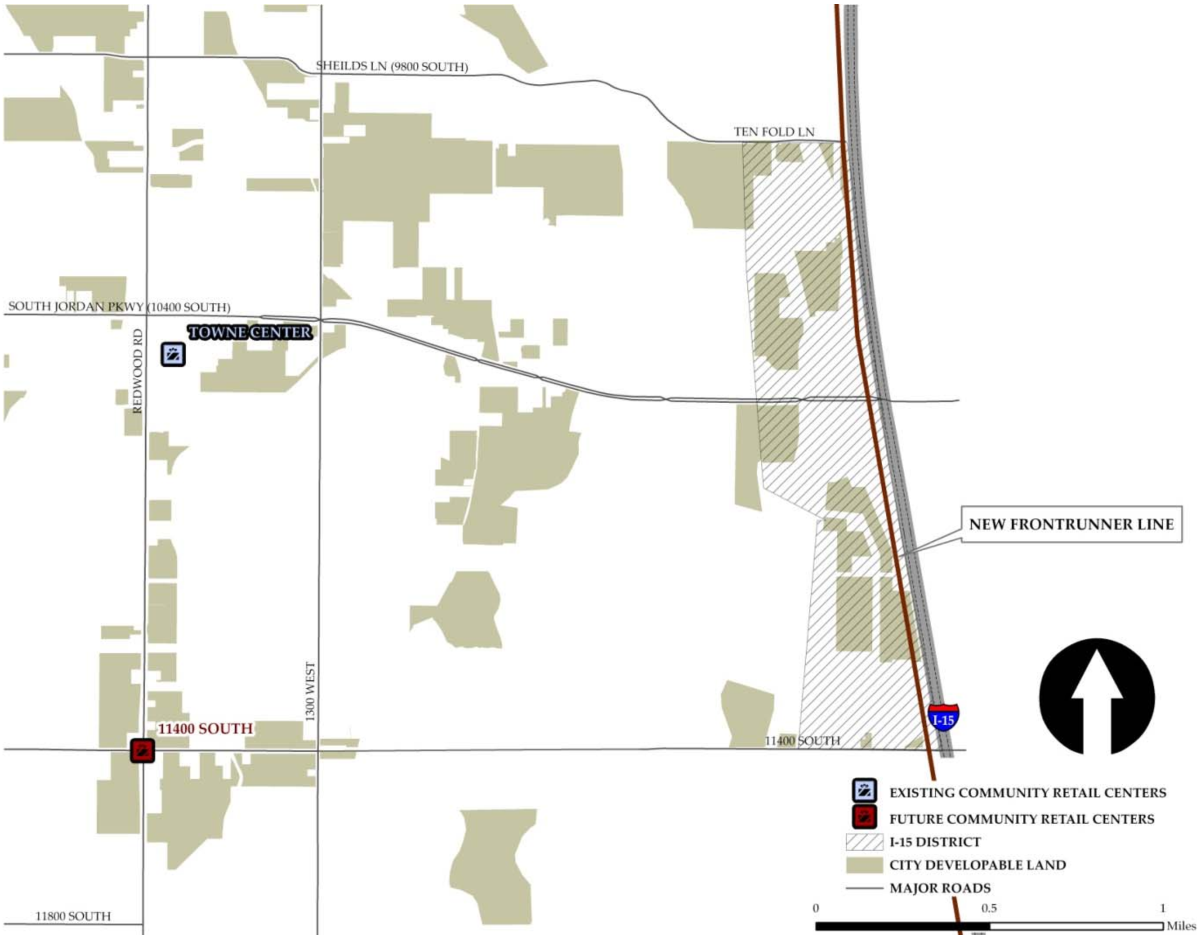
TOD RENDERING

LAND ANALYSIS

DEVELOPABLE LAND

There are a total of 150 acres of developable property within the I-15 District, of which nearly 64 acres are considered vacant property. The developable and vacant property is located north of existing retail, specifically Sam's Club, Wal-Mart and Carmax, as well as near the future FrontRunner station. The completion of the 114th South interchange and the extension of 114th South through 1300 West provide additional access to this area for local and pass-through demand along I-15. Although there are adjacent tracts of developable land outside of the I-15 District, the area is already well established. Thus future development should be focused on developable land and higher densities within the I-15 District.

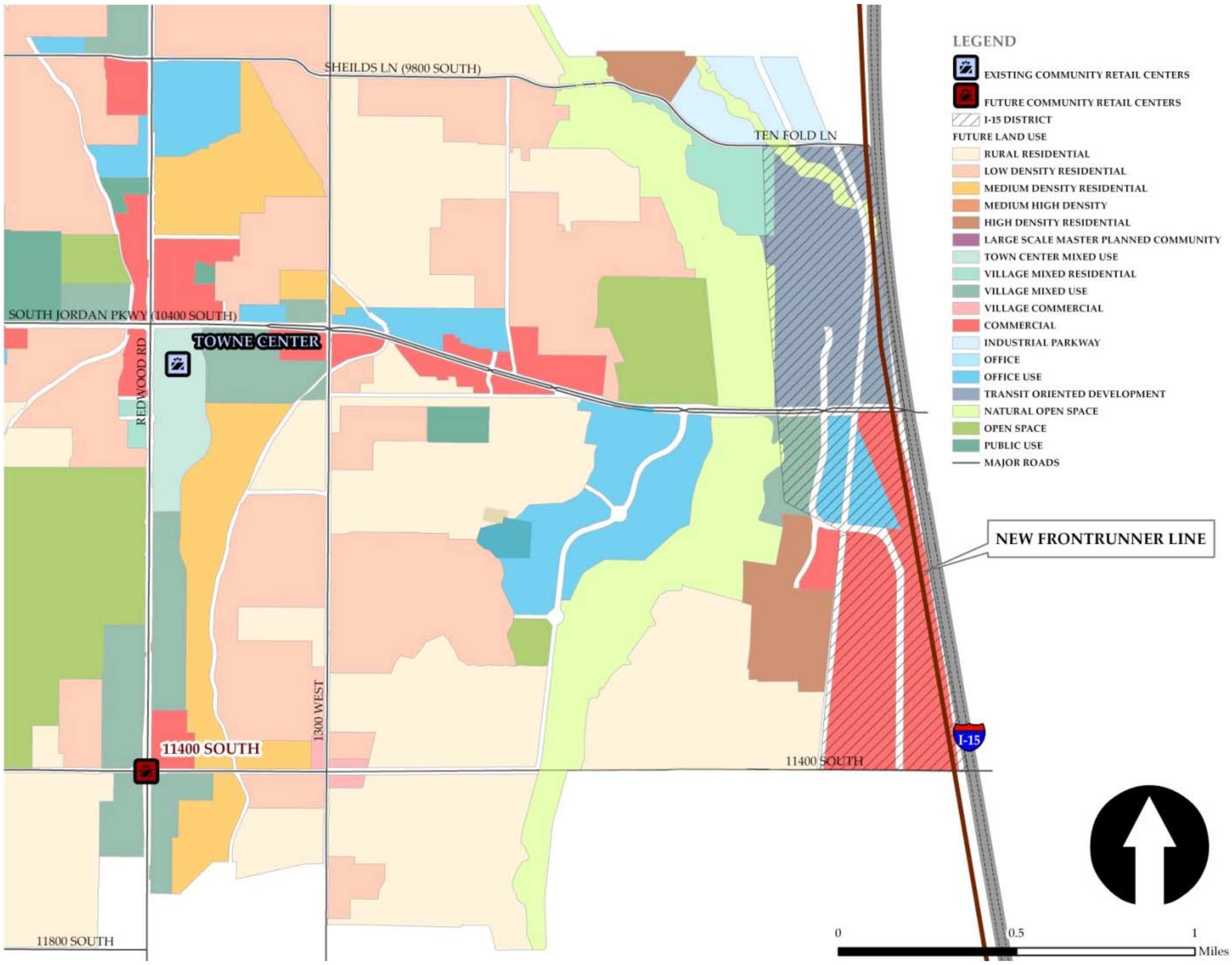
FIGURE 10.2: ILLUSTRATION OF DEVELOPABLE AND VACANT LAND WITHIN THE I-15 DISTRICT



FUTURE LAND USE ANALYSIS

Future land plans support the development of additional commercial opportunities in this area. Land plans suggest land within this district will remain classified as commercial, surrounded by recreation/open space, office uses and residential land uses of varying densities. The mix of land uses will promote sustainability by placing rooftops and office space near commercial development.

FIGURE 10.3: ILLUSTRATION OF FUTURE LAND USES WITHIN THE I-15 DISTRICT



SUMMARY AND RECOMMENDATIONS

- Retail development along South Jordan's southern portion of I-15 is strongly centered on general merchandising, furniture sales, hotels and lodging, and motor vehicle sales.
- Hotels and lodging are also a driving force in this area due to the inclusion of the Country Inn & Suites north of the Parkway Towers.
- I-15 represents the strongest economic district in relation to retail sales, generating 43.9% of the City's taxable retail sales.
- There are a total of 150 acres of developable property within the I-15 District, with 64 acres considered vacant property. The majority of the developable property is located north of the existing retail along 114th South as well as surrounding the future FrontRunner station.
- The completion of the 114th South interchange and the extension of 114th South through 1300 West provides increased access to this area for local and pass-through demand along I-15.
- A new FrontRunner station is scheduled for completion in 2015 with adjacent transit-oriented development, surrounded by industrial, commercial office, recreation/open space, village mixed use and residential land uses of varying densities.
- **The City should help explore ways to increase connectivity to Salt Lake City International Airport and to the TOD development along I-15** which will increase the viability and attractiveness of this area. Transportation alternatives from the airport to lodging opportunities within South Jordan will help eliminate the need for rental cars and support Class A office development. Transportation solutions may include shuttle services from the airport and a trolley system within South Jordan City.

- **Retail development around the transit center should focus on business and personal services as well as eating establishments and small food markets for residents** which will also support the existing hotel and lodging establishments.
- In the I-15 District, the presence of Wal-Mart and Sam's Club, as well as the improvements to 114th South and a new intersection along I-15 at this location will further increase the retail attractiveness of this area. **Developable land north of existing retail should focus on capturing pass-by traffic on I-15 and increase the draw of this area. Future development near the future commuter rail stop should merge office, commercial and residential components into a transit-oriented district.**

COMMERCIAL DEVELOPMENT ADJACENT TO I-15

SECTION XI: INFRASTRUCTURE ANALYSIS

South Jordan City is located between I-15 on the east, 118^{th} South on the South, 9400 South on the North and extends to the west of the Mountain View Corridor. The area has good access and visibility from several major transportation routes including north-south routes of: Redwood Road, Bangerter Highway, Mountain View Corridor and I-15; east-west routes of 10400 South (South Jordan Parkway) and 11400 South.

ROAD PROJECTS

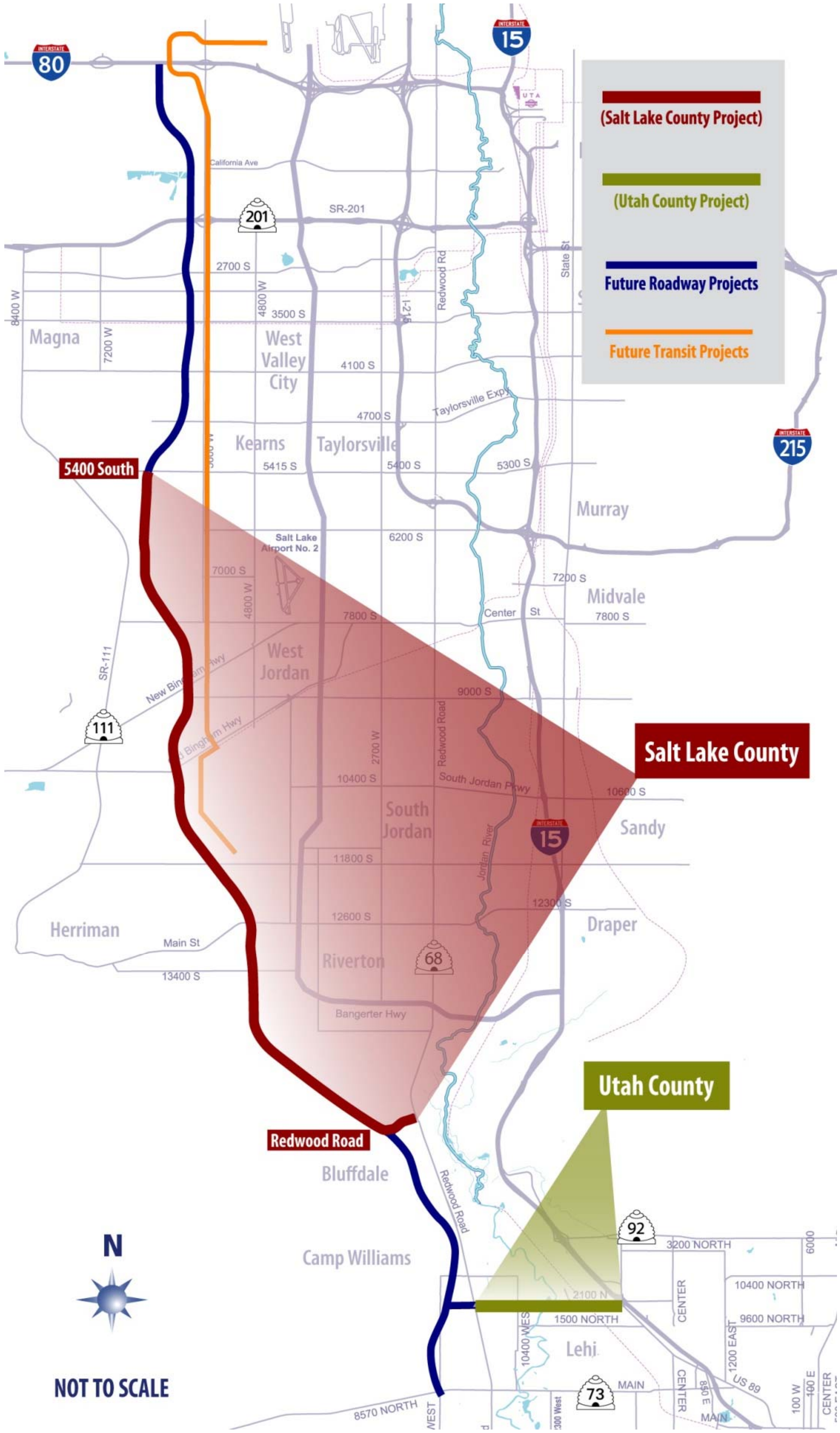
Major road projects within South Jordan include the recently completed 11400 South interchange and expansion, the recently completed Redwood Road expansion and the expansion of South Jordan Parkway. These projects will help development continue by increasing access to the City from I-15 and improving mobility within the City – especially on east-west routes.

The 11400 South construction provides a new I-15 interchange at 11400 South, widening 11400 South to five lanes with shoulders, curb, gutter, and sidewalks, and provides improvements such as dedicated turn lanes or upgraded traffic signals along the roadway. The project will provide traffic and pedestrian structures across the Jordan River, improvements to the Jordan River Parkway Trail and a bridge at the Union Pacific Railroad tracks which will accommodate future UTA FrontRunner and continued rail service. This project will serve as an important economic driver for the community as it will provide an additional I-15 interchange which will provide access to commercial development within South Jordan. The project will also provide a continuous east/west connection alternative within the City.

MOUNTAIN VIEW CORRIDOR

The construction of the Mountain View Corridor has been prioritized to address projected local and regional transportation demand in western Salt Lake County and western Utah County (north of Utah Lake). The Utah Department of Transportation (UDOT) will begin construction of the first phase of Mountain View Corridor (MVC) in Salt Lake County. The first phase involves the construction of a 15-mile segment from Redwood Road (at approximately 16000 South) to 5400 South. The initial construction designs stipulate two lanes in each direction with signalized intersections where future interchanges will be located and a future option to convert the initial at-grade facility to a full freeway. Construction of the Salt Lake County portion of the roadway will be finished in fall 2013.

FIGURE 11.1: ILLUSTRATION OF MOUNTAIN VIEW CORRIDOR

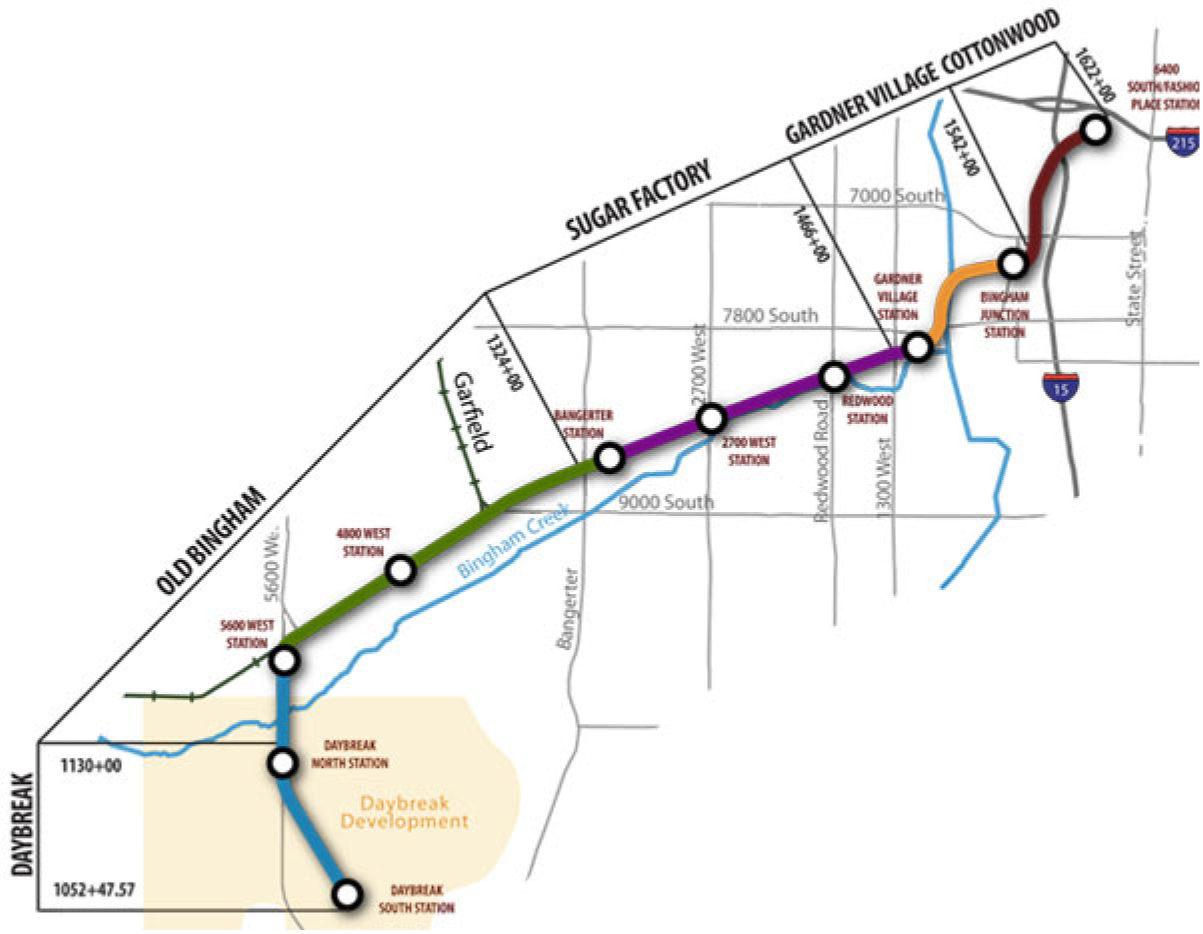


SOURCE: UTAH DEPARTMENT OF TRANSPORTATION (UDOT)

LIGHT RAIL

A light rail (TRAX) line will follow the existing Bingham Branch Railroad corridor, connecting the communities of Murray, Midvale, West Jordan and South Jordan to the existing Sandy/Salt Lake light rail line at the 6400 South (Fashion Place) TRAX station. The line extends southwest to the Daybreak development in South Jordan. The combination of the new light rail connection and the Mountain View Corridor on the west side of South Jordan will create an opportunity for transit-oriented development and future commercial developments. The area will be supported by both regional demand generated by pass-through traffic and improved access, as well as local demand.

FIGURE 11.2: ILLUSTRATION OF MID JORDAN LIGHT RAIL LINE



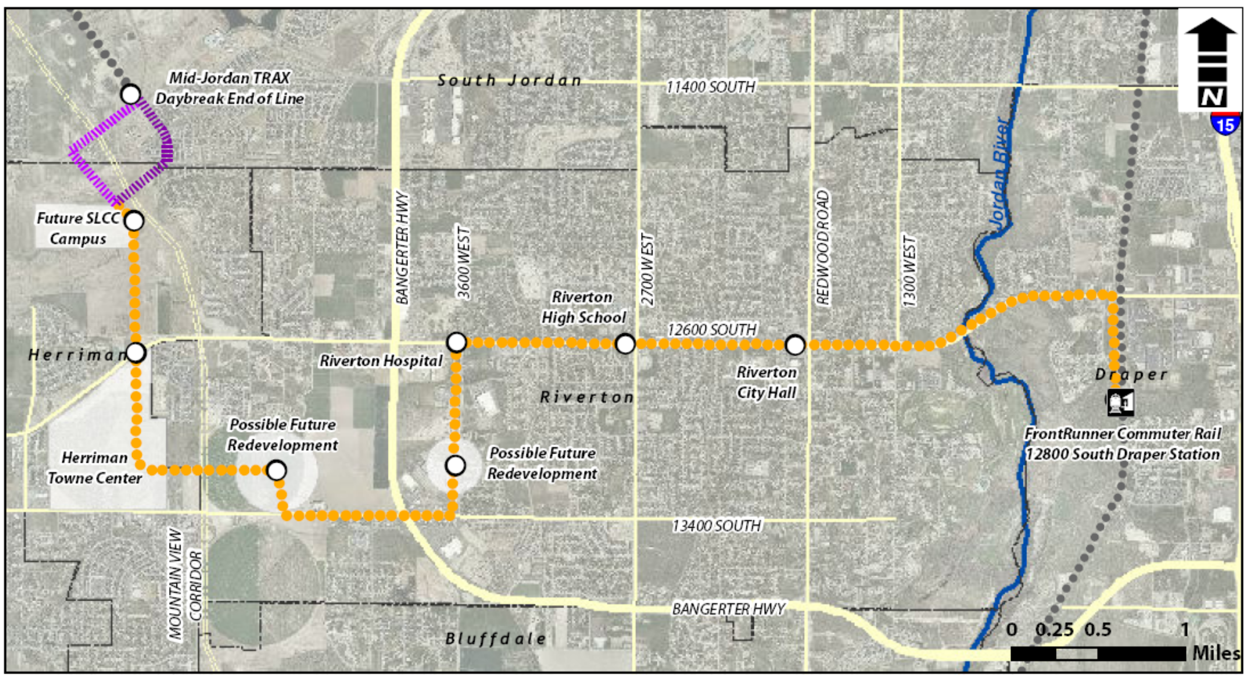
Source: Utah Transit Authority (UTA)

In addition to the development of the Mid Jordan line, a bus rapid transit (BRT) line is proposed for the southwest valley that will serve the communities of South Jordan, Herriman, Riverton, Bluffdale, and Draper, that connects the end of the Mid-Jordan TRAX line at Daybreak and the FrontRunner station in Draper. This project will provide additional access to transit alternatives, accommodate the increases in travel demand due to high growth in this part of the county, and an easier east/west travel route. The perceived benefits to a BRT line in the southwest valley area are defined in table 11.1. Several subsequent studies will be necessary to understand the benefits of the proposed project including an Alternatives Analysis, Financial Feasibility Study, Environmental Study, Preliminary Engineering, and incorporation into Local Plans.

TABLE 11.1: SOUTH VALLEY BRT PREFERRED ALTERNATIVE

SOUTH VALLEY BRT - PREFERRED ALTERNATIVE PERFORMANCE	
Distance in Miles (One Way)	9.8
Travel Time (One Way)	23 Minutes
Frequency	15 Minutes (Peak and Off-Peak Periods)
Daily Ridership Range	2,700 - 3,100
UTA System Ridership Increase	2,800 - 3,200
Conceptual Capital cost (Millions)	$147 - $197
Cost/Benefit (Ridership + Cost)	Medium
Support for TOD Plans	Service to Herriman Towne Center, PRI Parcel, and employment area on 3600 West. Some likelihood development will increase ridership and cost effectiveness will improve
Construction Challenges	Crossing at Mountain View Corridor (2) and Bangerter Highway
Capacity Improvements	Improves Capacity by Approx. 13% in Each Direction
1. Ridership Estimate from 2040 WFRC Travel Model, Summarized by Fehr & Peers	

ILLUSTRATION OF SOUTH VALLEY BRT PREFERRED ALTERNATIVE
(SOURCE: SOUTHWEST SALT LAKE COUNTY TRANSIT FEASIBILITY STUDY)



COMMUTER RAIL

A new FrontRunner station is scheduled for completion in 2015. The City should promote transit-oriented development near major transit facilities. The future land use map suggests a mix of commercial, office and industrial, with village mixed use land uses surrounding the commuter rail.

ILLUSTRATION OF SOUTH JORDAN FRONTRUNNER STATION LOCATION

APPENDIX A: DEMOGRAPHIC DATA

Population growth and demographic characteristics are key factors in assessing economic development opportunities. More detailed information concerning population projections, large household sizes, educational levels, and high income levels are set forth in this section.

POPULATION AND HOUSEHOLD GROWTH

The City of South Jordan has experienced extremely rapid growth over the past decade, with its population nearly doubling in size from 2000 to 2010.

In 2000, South Jordan had a population of 28,246 persons, increasing to a population of 55,619 persons in 2010.[25] Much of this growth is attributable to the new Daybreak community. South Jordan's annual growth rate of 7.82 percent is over three times Salt Lake County's 2.06 percent. [26]

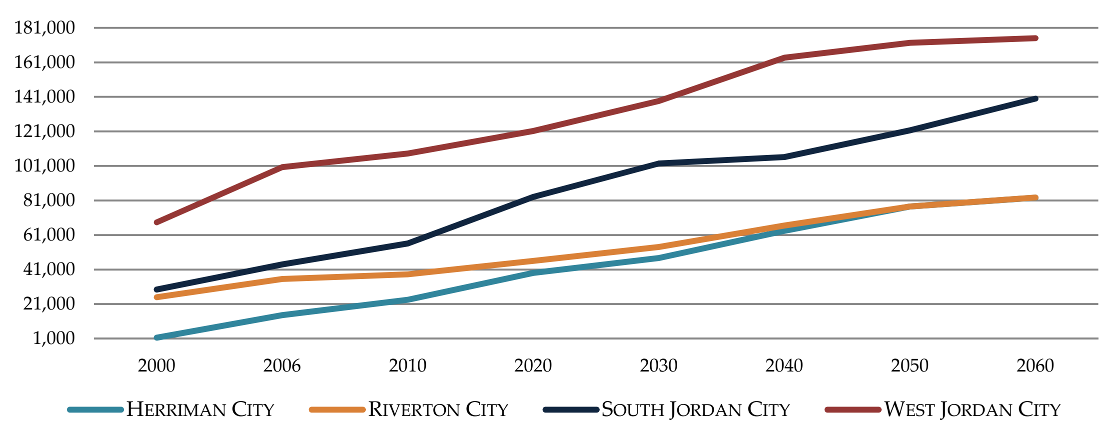
TABLE A.1: POPULATION

COUNTY/CITY	2000	2006	2010	AAGR 2000-2010	ABSOLUTE GROWTH 2000-2010
Salt Lake County	898,387	996,374	1,079,679	2.06%	181,292
South Jordan*	28,246	48,340	55,619	7.82%	27,373
West Jordan	68,336	100,280	108,204	5.24%	39,868
Bluffdale**	4,700	7,088	8,200	6.38%	3,500
Riverton	25,011	35,543	38,253	4.83%	13,242
Herriman	1,523	14,643	23,462	35.51%	21,939

AAGR = Average Annual Growth Rate; Source: GOPB, LYRB
**Source: South Jordan City*
*** Source: GOPB for 2000 and 2006, Bluffdale City for 2010*

Figure A.1 shows the Utah Governor's Office of Planning and Budget (GOPB) population projections through the year 2060. South Jordan is clearly one of the fastest-growing cities on the graph and is projected by GOPB to reach a population of roughly 140,000 in 2060.

FIGURE A.1: POPULATION PROJECTIONS



[25] The City of South Jordan
[26] Other sources researched include University of Utah's Bureau of Economic and Business Research (BEBR) for building permit data, Census data, EDCUtah data, and City data.

GOPB provides population data that divides Salt Lake County into two areas: Incorporated and Unincorporated County ("Balance of County").[27] For planning purposes, the GOPB divides the Incorporated County into three components: East, Northwest and Southwest.

TABLE A.2: SUMMARY OF REGIONAL POPULATION (SALT LAKE COUNTY)

POPULATION	2000	2006	2010	2020	2030	2040	2050	2060
East	428,571	463,234	486,475	554,921	594,507	637,760	672,448	691,203
Northwest	234,671	278,563	288,689	329,284	369,247	412,395	436,548	445,408
Southwest	60,671	101,283	146,014	212,195	259,377	296,122	339,449	368,260
Balance of County	174,474	153,294	158,502	177,530	245,484	325,350	405,446	499,902
Total	898,387	996,374	1,079,679	1,273,929	1,468,615	1,671,627	1,853,891	2,004,773
Source: Governor's Office of Planning and Budget								

Currently, cities on the east side of Salt Lake County (east of I-15) account for 45 percent of the County's population, with the northwest portion of the County accommodating 27 percent and the southwest accounting for 14 percent. By 2020, the split between east and west sides of the County is expected to be fairly similar, with the greatest growth coming in the Southwest sector.

TABLE A.3: SUMMARY OF REGIONAL POPULATION (PERCENT OF TOTAL COUNTY)

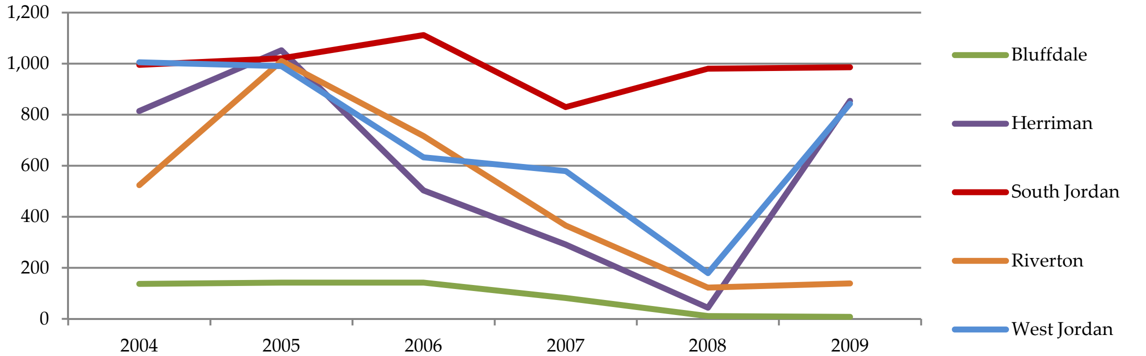
POPULATION AS PERCENT OF COUNTY TOTAL	2000	2006	2010	2020	2030	2040	2050	2060
East	48%	46%	45%	44%	40%	38%	36%	34%
North West	26%	28%	27%	26%	25%	25%	24%	22%
South West	7%	10%	14%	17%	18%	18%	18%	18%
Balance of County	19%	15%	15%	14%	17%	19%	22%	25%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Percent of Total may not add to 100% due to rounding								

BUILDING PERMITS

Building permits and new dwelling units constructed for South Jordan and surrounding cities from 2004 to 2009 are tracked by the Bureau of Economic and Business Research at the University of Utah (BEBR). Figure A.2 compares South Jordan's total dwelling units constructed to total dwelling units constructed in surrounding cities. This comparison shows how the housing market is performing in those communities. While the number of dwelling units constructed decreased significantly between 2006 and 2009 in surrounding cities, South Jordan's number of dwelling units constructed only decreased slightly in 2007. South Jordan was able to keep its housing market relatively stable even while new construction plummeted in surrounding cities.

[27] The balance of the County population is within unincorporated areas and is not attributed to a geographic area.

FIGURE A.2: TOTAL DWELLING UNITS CONSTRUCTED 2004-2009



The permit data reflects the current tightening of the housing market. The market was saturated with single-family units for many years and is now just starting to recover. Housing prices have escalated faster than incomes, causing some residents to look toward more affordable housing options such as multi-family or condo units.

A closer examination of the number of dwelling units constructed in South Jordan from 2004 to 2009 shows the reason for South Jordan's stable housing market. The majority of housing units constructed through 2007 were single-family units. However, in 2008 single-family unit construction decreased significantly, dropping to approximately 19 percent. Other units constructed increased significantly in 2008 and 2009. These other units largely consist of multi-family or condo units which are generally smaller attached units that are more affordable for entry-level home buyers.

TABLE A.4: SOUTH JORDAN DWELLING UNITS CONSTRUCTED 2004-2009

YEAR	SINGLE-FAMILY UNITS	OTHER	TOTAL	PERCENT SINGLE-FAMILY UNITS
2004	877	118	995	88.1%
2005	864	157	1,021	84.6%
2006	910	202	1,112	81.8%
2007	642	188	830	77.3%
2008	185	795	980	18.9%
2009	306	680	986	31.0%

Source: City of South Jordan

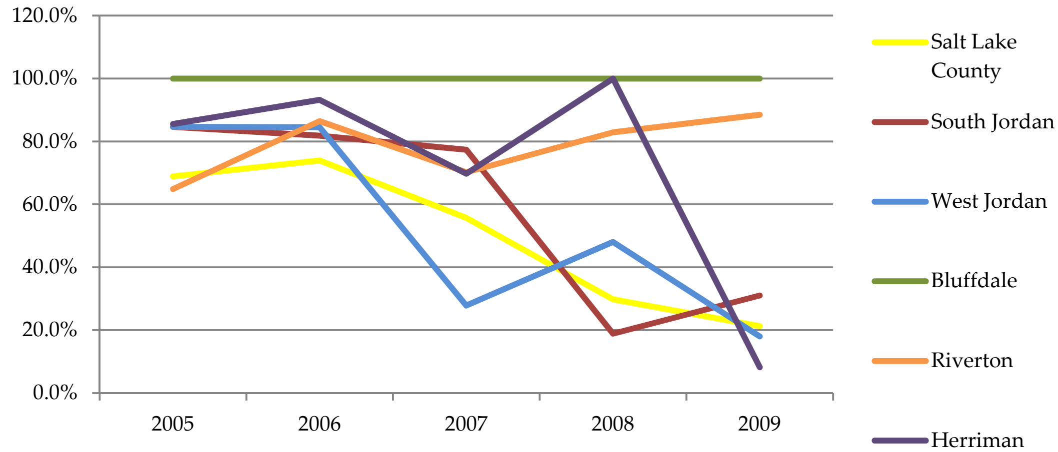
Clearly, South Jordan's housing market success has been due to this change in the dynamics of its housing market, focusing more on multi-family housing and attached housing as opposed to single-family and detached housing.

TABLE A.5: SINGLE-FAMILY UNITS AS A PERCENT OF TOTAL DWELLING UNITS CONSTRUCTED

	2005	2006	2007	2008	2009
Salt Lake County	68.9%	73.9%	55.7%	29.8%	21.3%
South Jordan	84.6%	81.8%	77.3%	18.9%	31.0%
West Jordan	84.6%	84.5%	27.8%	48.0%	18.0%
Bluffdale	100.0%	100.0%	100.0%	100.0%	100.0%
Riverton	64.9%	86.5%	70.2%	82.9%	88.5%
Herriman	85.6%	93.2%	69.8%	100.0%	8.2%

Source: BEBR Utah ,The City of South Jordan, LYRB

FIGURE A.3: DWELLING UNITS: PERCENT SINGLE-FAMILY UNITS



When comparing the percentage of single-family units to total dwelling units, the cities that maintained the healthiest housing markets were those that adjusted the dynamics of their housing to accommodate more multi-family units. Thus, those communities with a lower percentage of single-family units constructed had significantly more dwelling units constructed in general. South Jordan, West Jordan, and Herriman were able to continue to grow by promoting the construction of more multi-family and attached units in 2009. However, both West Jordan and Herriman experienced sharp declines in 2008 (whereas South Jordan did not), partially because it took them longer to make this adjustment.

TABLE A.6: TOTAL DWELLING UNITS CONSTRUCTED

	2005	2006	2007	2008	2009
Salt Lake County	7,746	6,200	4,512	3,555	4,586
South Jordan	1,021	1,112	830	980	986
West Jordan	990	633	579	179	843
Bluffdale	142	142	82	11	8
Riverton	1,010	716	366	123	139
Herriman	1,052	503	291	44	854

Source: BEBR

INCOME

South Jordan clearly has a much higher median household income than Salt Lake County and surrounding cities. According to 2010 Census data, the median household incomes for Salt Lake County and South Jordan were $67,052 and $94,107 respectively.

TABLE A.7: MEDIAN HOUSEHOLD INCOME

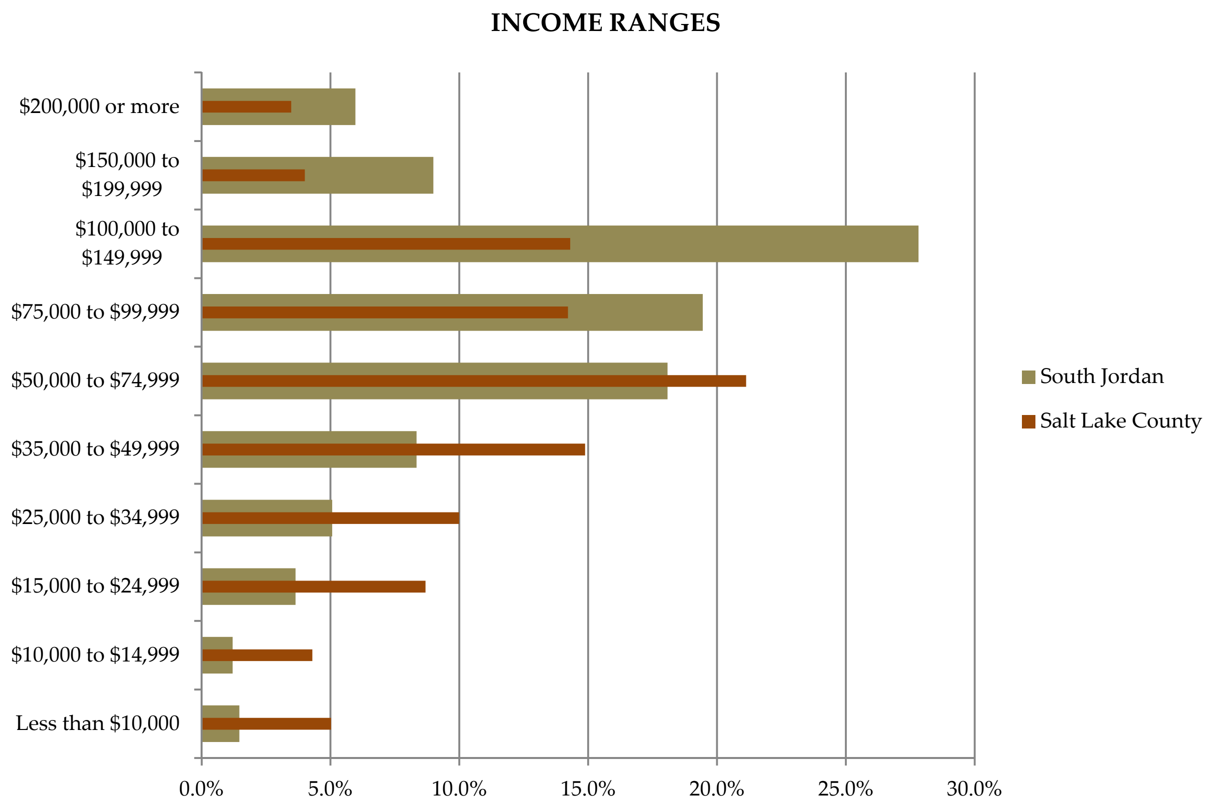
	SALT LAKE COUNTY	BLUFFDALE*	HERRIMAN	SOUTH JORDAN**	RIVERTON	WEST JORDAN
Median Household Income	$67,052	NA	$85,182	$94,107	$82,059	$70,228
Ratio of South Jordan to:	1.00	NA	1.27	1.40	1.22	1.05

Source: 2010 US Census
**2010 Census Data not available.*
***According to The City of South Jordan's website updated May 2008 the median household income is $97,645.*

South Jordan has a significantly higher percentage of households making between $75,000 and $99,000. In fact, roughly 20 percent of South Jordan's workforce earned between $75,000 and $99,000. More specifically, 62 percent of South Jordan's workforce receives an annual income of $75,000 or more while 36 percent of Salt Lake

County residents make more than $75,000 a year. The significantly higher incomes in South Jordan City, along with the rapid growth in the Southwest Valley, position it as a premier regional retail site in the area.

FIGURE A.4: COMPARISON OF INCOME RANGE



AGE

Utah's demographics include the youngest median age in the nation. The national median age is 36.7 years, while Utah's median age is 28.5 years.[28] South Jordan's median age of 28.6 years is very similar to the State's average. The median age in South Jordan is slightly higher than in surrounding communities, yet slightly lower than the Salt Lake County average.

TABLE A.8: MEDIAN AGE

	SALT LAKE COUNTY	BLUFFDALE*	HERRIMAN*	SOUTH JORDAN	RIVERTON	WEST JORDAN
Both Sexes	30.7	23.4	25.1	28.6**	27.3	27.3
Male	29.9	22.7	24.6	27.9	26.4	26.0
Female	31.8	24.2	25.5	29.4	28.1	28.9

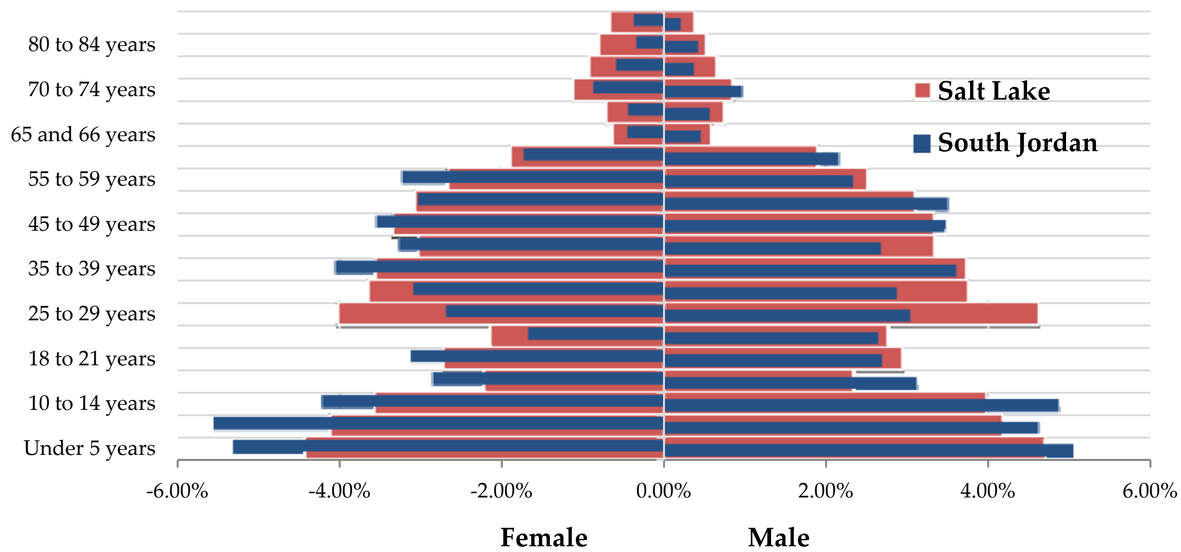
Source: ACS 2006-2008
**Census 2000 data; updated ACS data is not available for Bluffdale and Herriman*
***According to South Jordan City's website updated May 2008 the median age is 27.5 years.*

South Jordan is made up of a significantly higher percentage of individuals less than 21 years of age as compared to the County overall. South Jordan has fewer young families (ages 22 to 34 years), but a higher middle-age

[28] ACS 2006-2008

population and a smaller elderly population. This is reflected in large household sizes in the City and higher-than-average incomes.

FIGURE A.5: SOUTH JORDAN POPULATION



HOUSEHOLD SIZE

Utah is unique because of its young median age and its large household sizes. The national average household size is 2.61 persons while Utah's average household size is 3.14. South Jordan has a household size of 3.83 persons which is significantly greater than Utah and national figures.

TABLE A.9: HOUSEHOLD SIZE

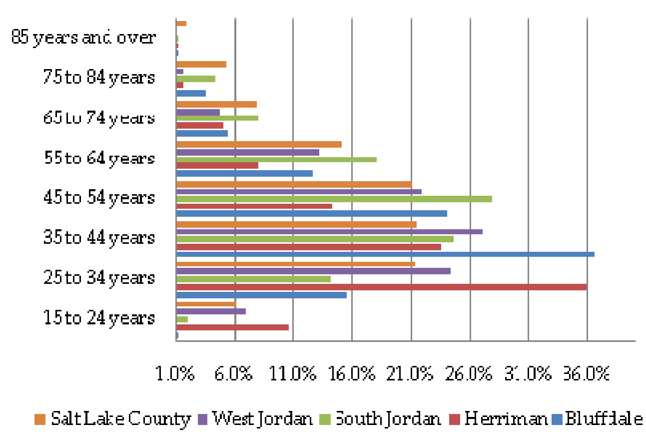
	SALT LAKE COUNTY	BLUFFDALE*	HERRIMAN*	SOUTH JORDAN	RIVERTON	WEST JORDAN	UTAH	U.S.
Household Size	3.00	4.23	3.49	3.83	3.8	3.5	3.14	2.61

*Source: ACS 2006-2008; *Census 2000 data*

MEDIAN HOME VALUES

Home values in South Jordan are generally higher than those of surrounding cities. These higher home values are reflective of the age of the householder and the higher-than-average incomes. South Jordan has a very high percentage of homeowners between the ages of 35 and 54 years old. In fact, homeowners between the ages of 35 and 54 make up roughly half of all homeowners in the City. This statistic, along with South Jordan's home value of $351,500 indicates that the typical South Jordan homeowner is not living in entry-level housing but rather in a move-up product. In both the ACS 2006-2008 data for home values, as well as MLS data, South Jordan's median home value is significantly higher than the median home values in all surrounding cities.

FIGURE A.6: AGE OF HOUSEHOLDER



Source: ACS 2006-2008 and Census 2000

TABLE A.10: MEDIAN HOME VALUES

	SALT LAKE COUNTY	SOUTH JORDAN	RIVERTON	WEST JORDAN
Median value	$234,900	$367,300	$295,400	$227,600
Source: ACS 2006-2008				

TABLE A.11: MLS HOME VALUES

CITIES	2003	2004	2005	2006	2007	2008	% CHANGE 2003-2008
South Jordan	$235,000	$260,000	$282,250	$341,878	$350,000	$351,500	49.57%
West Jordan (84084)	$146,000	$148,706	$165,000	$199,949	$227,500	$220,000	50.68%
West Jordan (84088)	$172,000	$177,088	$195,000	$243,900	$269,675	$252,000	46.51%
Riverton	$185,000	$199,900	$231,950	$290,000	$337,450	$315,000	70.27%
Herriman	$0	$0	$0	$300,000	$297,417	$294,500	NA
Source: Wasatch Front Regional Multiple Listing Service (Salt Lake Tribune) for value of homes sold							

West Jordan, Riverton and Herriman all experienced decreasing MLS home values from 2007 to 2008; however, South Jordan values remained steady with a very slight increase over the same time period.

EDUCATIONAL LEVELS

The City of South Jordan has a high level of educational attainment compared to surrounding cities. Approximately 37 percent of South Jordan City's population has attained a Bachelor degree or higher, substantially higher than surrounding areas. In comparison, the category "some college or associate's degree" represents the highest attainment level for most of the surrounding areas.

TABLE A.12: EDUCATION ATTAINMENT FOR POPULATION AGE 25-64 YEARS

	SALT LAKE COUNTY	BLUFFDALE*	HERRIMAN*	SOUTH JORDAN	RIVERTON	WEST JORDAN
Less than high school graduate	10.72%	6.57%	4.36%	2.58%	3.71%	9.68%
High school graduate	24.09%	36.51%	27.06%	23.99%	20.52%	28.27%
Some college or associate's degree	34.81%	35.38%	39.45%	36.00%	44.40%	39.59%
Bachelor's degree or higher	30.39%	21.54%	29.13%	37.44%	31.37%	22.46%
Source: ACS 2006-2008						
**Census 2000 data*						

COMMUTING TO WORK

Commute to work data shows South Jordan has a high percentage of residents who work outside the City, with an estimated 85 percent working away from their place of residence. Similarly, other communities on the west side of the County have a high percentage of the workforce commuting to destinations outside their place of residence. Communities on the west side tend to be bedroom communities and currently include fewer opportunities for employment.

TABLE A.13: PLACE OF WORK DATA

	BLUFFDALE*	HERRIMAN*	SOUTH JORDAN	RIVERTON	WEST JORDAN	SANDY
Total:	2,162	774	20,988	17,958	50,914	46,272
Living in a place:	2,162	774	20,988	17,958	50,914	46,272
Worked in place of residence	180	75	3,201	2,606	9,863	12,358
Worked outside place of residence	1,982	699	17,787	15,352	41,051	33,914

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	BLUFFDALE*	HERRIMAN*	SOUTH JORDAN	RIVERTON	WEST JORDAN	SANDY
% Working outside place of residence	92%	90%	85%	85%	81%	73%
Not living in a place	0	0	0	0	0	0

Source: ACS 2006-2008
**Source: Census 2000*

EMPLOYMENT

TABLE A.14: JOBS PER HOUSEHOLD

	JOBS
Salt Lake County	1.70
Riverton	0.67
South Jordan	1.01
West Jordan	0.95
Salt Lake City	3.35
Sandy	1.41

Source: Department of Workforce Services, ACS 2006-2008, GOPB, LYRB

Jobs per household are a standard measurement of economic activity in a community. South Jordan has one job per household compared to Salt Lake County's 1.7 jobs. Salt Lake City and Sandy have more jobs per household as they are regional employment centers for the County and State. Communities on the west side tend to be bedroom communities and currently include fewer opportunities for employment.

A few of the largest employers in South Jordan include Merit Medical Systems Inc., Rio Tinto Services Inc., and Ultradent Products Inc.

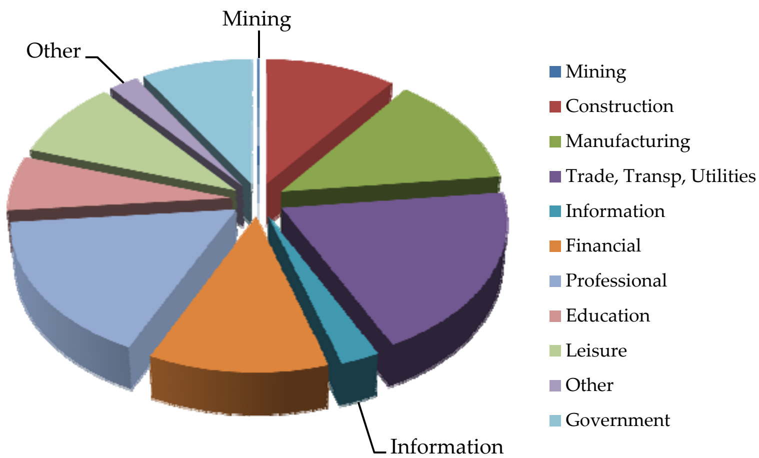
TABLE A.15: MAJOR EMPLOYERS IN SOUTH JORDAN

EMPLOYEE RANGE	COMPANY NAME
100-249	After Hours Medical Company
	Altius Health Plans Inc
	Arkona Inc
	Carmax Auto Superstores WC Inc
	Consultnet LLC
	Envision Lending Group Inc
	Harmon City Inc
	Ikon Office Solutions Inc
	Medam International Inc
	Mediconnect Net Inc
	Megaplex 20
	Merrick Bank Corp
	Sams Club
	Slashsupport, Inc
	State Farm Mutual Auto Ins Co
	Target Corporation
250-499	Landesk Software Inc
	LTF Club Management Company LLC
	Mona Vie LLC
	South Jordan City
	Wal Mart Supercenter
500-999	Merit Medical Systems Inc
	Rio Tinto Services Inc
	Jordan School District
	Ultradent Products Inc

Source: Department of Workforce Services Firm Find

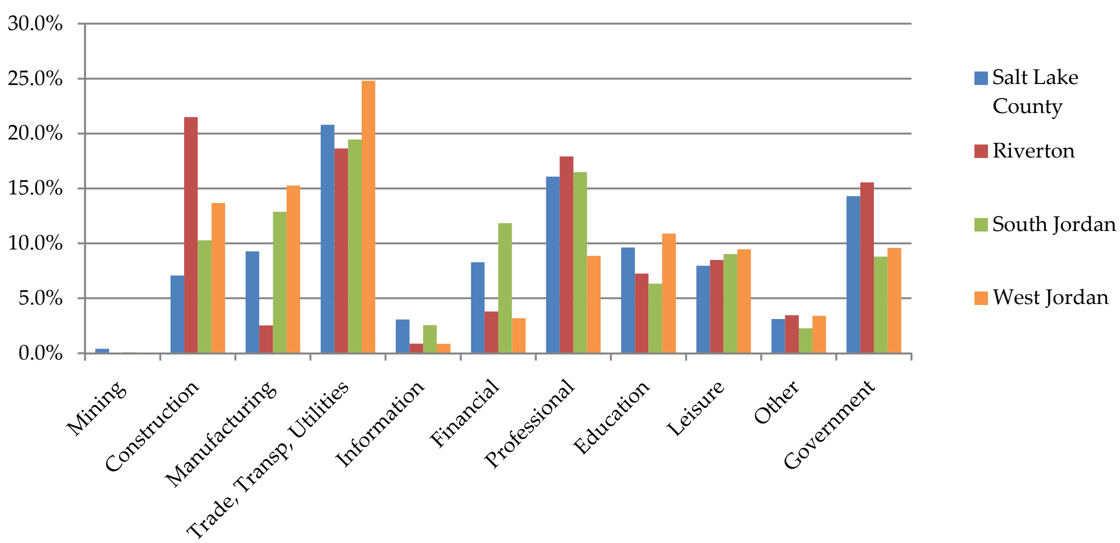
The largest industries in South Jordan include: 1) trade, transportation and utilities; and 2) professional services. Compared to surrounding communities, the financial services industry is stronger in South Jordan, while West Jordan has the highest percentage of employees working in trade, transportation and utilities, and Riverton has a greater concentration of construction employees.

FIGURE A.7: INDUSTRIES OF SOUTH JORDAN



Source: Department of Workforce Services 2007 Annual Report of Labor Market Information

FIGURE A.8: INDUSTRY COMPARISON



Source: Department of Workforce Services 2007 Annual Report of Labor Market Information

APPENDIX B: DETAILED HISTORIC MARKET SHARE ANALYSIS

This analysis compares the retail sales history in South Jordan and surrounding communities for the years 2003-2009. For each year, the sales from all communities, added together, should total 100 percent. The tables allow us to track the relative gains and losses of each community over the respective time period.

BUILDING AND GARDEN

In the Building and Garden category, Draper and Riverton experienced a net gain in market share from 2003 to 2009 while South Jordan, Sandy and West Jordan lost market share or remained constant over the seven-year period. South Jordan's capture of the market is relatively small despite its population.

FIGURE B1: BUILDING & GARDEN (MARKET AREA)

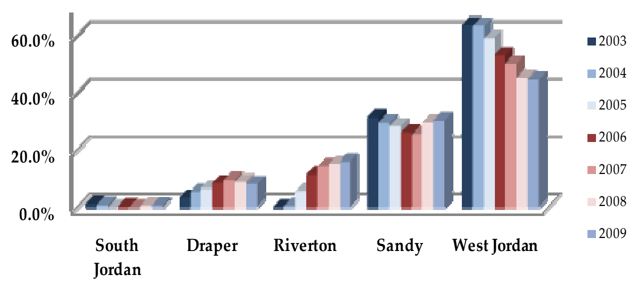


TABLE B.1: HISTORIC GROWTH IN BUILDING & GARDEN SALES (PERCENT OF MARKET)

RETAIL-BUILDING & GARDEN	2003	2009
South Jordan	1.3%	0.7%
Draper	3.5%	8.2%
Riverton	0.0%	16.0%
Sandy	31.6%	30.4%
West Jordan	63.6%	44.7%

Representing roughly 15 percent of the total population of the five comparative cities, South Jordan is capturing less than one percent of sales. Further, South Jordan has experienced tremendous growth, which should be reflected in large purchases in the building & garden category. Clearly, there is a lack of availability of these types of goods in South Jordan, and consumers are forced to make these purchases outside of the City boundaries.

GENERAL MERCHANDISE

South Jordan has experienced a substantial increase in this category, capturing 16.7 percent of the market in 2009 versus an insignificant amount in 2003. Purchases within the general merchandise category are influenced by both regional and local demand. Thus, South Jordan's strong housing market and population growth will help expand this category, augmented by demand from surrounding communities.

FIGURE B.2: GENERAL MERCH. (MARKET AREA)

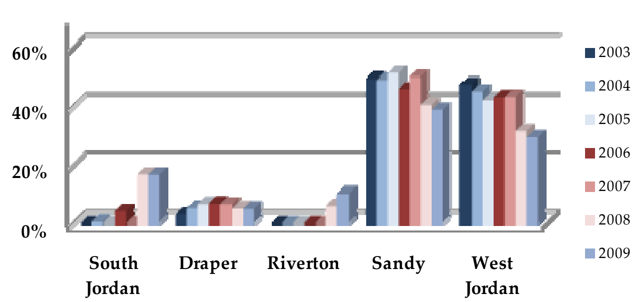


TABLE B.2: HISTORIC GROWTH IN GEN. MERCHANDISE SALES (PERCENT OF MARKET)

RETAIL-GEN. MERCHANDISE	2003	2009
South Jordan	0.0%	16.7%
Draper	3.2%	5.0%
Riverton	0.0%	10.3%
Sandy	49.4%	38.6%
West Jordan	47.4%	29.4%

FOOD STORES

South Jordan has increased its market share of grocery sales and general merchandise sales over the past five years. Purchases within the food stores category are generally "convenience" purchases – made close to home. Therefore, as South Jordan continues to experience population growth, it should witness a corresponding increase in these types of sales.

FIGURE B.3: FOOD STORES (MARKET AREA)

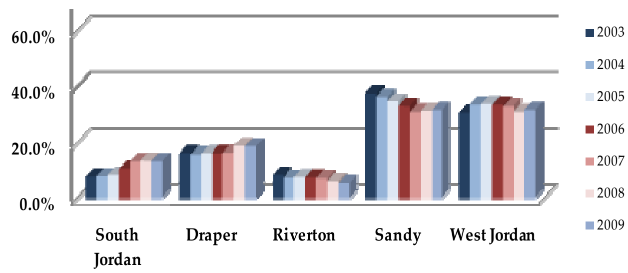


TABLE B.3: HISTORIC GROWTH IN FOOD STORES SALES (PERCENT OF MARKET)

RETAIL-FOOD STORES	2003	2009
South Jordan	7.7%	13.3%
Draper	16.3%	18.7%
Riverton	8.4%	5.5%
Sandy	37.3%	31.2%
West Jordan	30.3%	31.3%

MOTOR VEHICLES

Sandy has the largest share of the motor vehicle market (54 percent in 2009), although this has gradually decreased over time. Motor vehicle dealerships are generally found in clustered locations where consumers have a larger selection of merchandise and can easily make price comparisons. South Jordan has historically followed Sandy in retail sales in this category (at 17.6 percent); however, recent 2008 and 2009 sales data shows Draper has edged above South Jordan, capturing above 20 percent within this area. Given the City's exposure along Bangerter Highway, the South Station TRAX line and Mountain View Corridor, South Jordan could conceivably make a play for auto-mall type development.

FIGURE B.4: MOTOR VEHICLES (MARKET AREA)

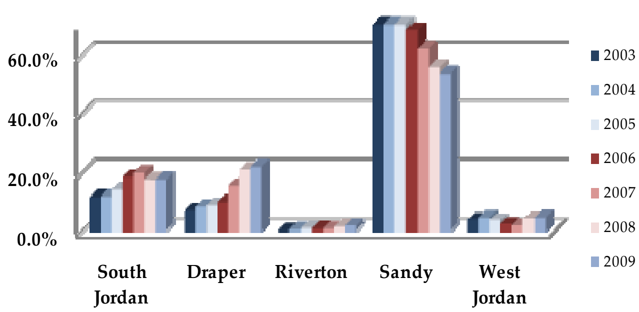


TABLE B.4: HISTORIC GROWTH IN MOTOR VEHICLE SALES (PERCENT OF MARKET)

RETAIL-MOTOR VEHICLES	2003	2009
South Jordan	11.8%	17.6%
Draper	7.3%	21.8%
Riverton	0.2%	1.8%
Sandy	76.7%	53.9%
West Jordan	4.0%	4.9%

APPAREL AND ACCESSORIES

South Jordan has experienced a substantial increase in market share in this category, shifting from approximately one percent in 2003 to 28 percent in 2007. However, the capture rate declined from 28 percent to 16.2 percent from 2007 to 2009. Major stores within this category include Payless Shoesource, JC Penney, Ross Dress for Less, and Aeropostale West.

FIGURE B.5: RETAIL SALES IN APPAREL & ACCESS. (MARKET AREA)

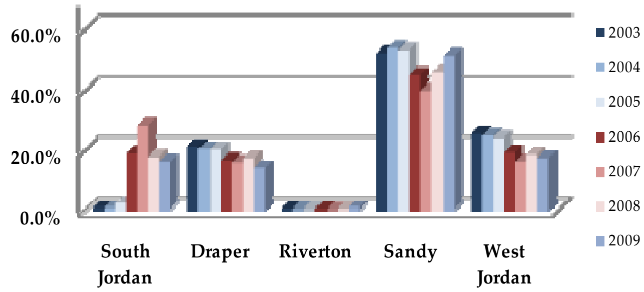


TABLE B.5: HISTORIC GROWTH IN APPAREL & ACCESSORIES SALES (PERCENT OF MARKET)

RETAIL-APPAREL & ACC.	2003	2009
South Jordan	0.9%	16.2%
Draper	21.1%	14.1%
Riverton	0.6%	1.0%
Sandy	52.1%	51.3%
West Jordan	25.3%	17.4%

Apparel and accessory development generally needs to occur with a cluster of stores (i.e., a critical mass) in order to attract shoppers. This is clearly shown in Sandy and West Jordan which command a large percentage of the market due to retail malls in both of those cities. Smaller apparel development often takes place around discount retailers, such as T. J. Maxx and Ross Stores.

FURNITURE

Surprisingly, furniture sales in South Jordan have decreased over the past six years. The market share in 2003 within this category was five percent, decreasing to 2.8 percent by 2009. As mentioned for other categories, population growth and continued residential development should help the City capture a larger market share in this area. However, a lack of furniture retailers within the City results in residents leaving the City to make these purchases.

FIGURE B.6: FURNITURE (MARKET AREA)

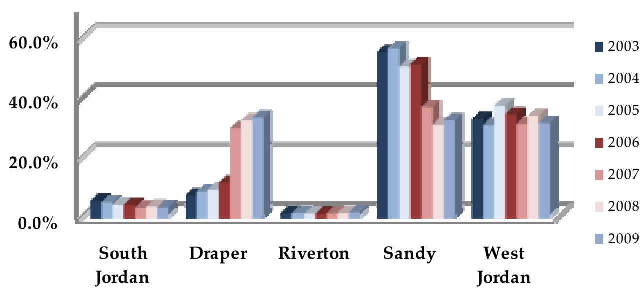


TABLE B.6: HISTORIC GROWTH IN FURNITURE SALES (PERCENT OF MARKET)

RETAIL-FURNITURE	2003	2009
South Jordan	5.0%	2.8%
Draper	6.8%	32.9%
Riverton	0.9%	1.2%
Sandy	54.8%	32.0%
West Jordan	32.4%	31.1%

EATING AND DRINKING

Sandy and West Jordan are the major restaurant destinations in the south part of the County. This is not surprising given the larger population and the regional attractions like the REAL Salt Lake Stadium, South Towne Mall and Jordan Landing. These types of attractions often generate demand for fast food and restaurant establishments beyond just locally-generated demand. South Jordan has increased its share of the market in this category from 4.6 percent in 2003 to 11.3 percent in 2009. The continued expansion of regional retail and office space will help increase South Jordan's market share in this area.

As South Jordan expands its retail shopping base, restaurant development will likely follow and should be sought after. Retail and entertainment (including restaurants) development is a high priority for South Jordan, due to its strategic location along I-15, Redwood Road, Bangerter Highway and future transportation routes including the Mountain View Corridor and TRAX lines.

FIGURE B.7: EATING & DRINKING (MARKET AREA)

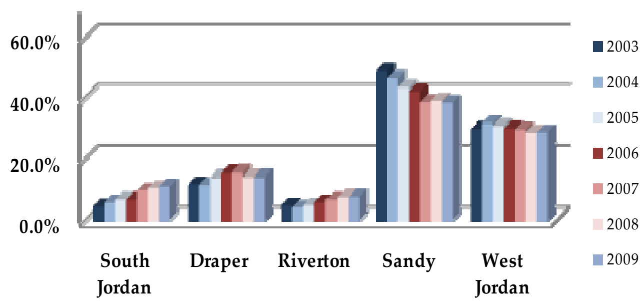


TABLE B.7: HISTORIC GROWTH IN EATING AND DRINKING SALES (PERCENT OF MARKET)

RETAIL-EATING & DRINKING	2003	2009
South Jordan	4.6%	11.3%
Draper	11.9%	14.1%
Riverton	5.0%	7.8%
Sandy	48.8%	38.2%
West Jordan	29.6%	28.5%

MISCELLANEOUS RETAIL

Miscellaneous retail includes sporting goods, jewelry, books, stationery, hobbies, toys, games, sewing, florists, etc. South Jordan has a relatively small percentage, although it has increased over time from 2.2 percent of market share to 10.3 percent.

FIGURE B.8: MISC. RETAIL (MARKET AREA)

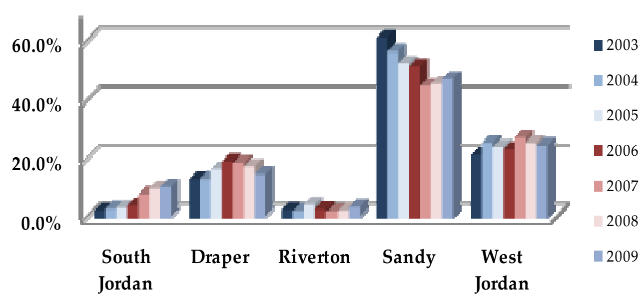


TABLE B.8: HISTORIC GROWTH IN MISC. RETAIL SALES (PERCENT OF MARKET)

RETAIL-MISC.	2003	2009
South Jordan	2.2%	10.3%
Draper	12.9%	14.6%
Riverton	2.6%	3.5%
Sandy	61.2%	47.1%
West Jordan	21.1%	24.4%

HOTELS AND LODGING

Sandy is clearly the leader in hotels and lodging development in southern Salt Lake County, although South Jordan has grown in this area as well.

FIGURE B.9: HOTEL & LODGING (MARKET AREA)

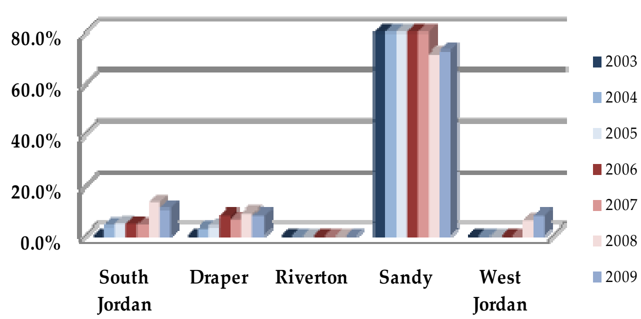


TABLE B.9: HISTORIC GROWTH IN HOTEL & LODGING (PERCENT OF MARKET)

HOTEL & LODGING	2003	2009
South Jordan	0.0%	10.9%
Draper	0.0%	8.2%
Riverton	0.0%	0.0%
Sandy	100.0%	72.7%
West Jordan	0.0%	8.2%

PERSONAL SERVICES

Personal services include beauty and barber shops, laundry, dry cleaning, and funeral homes. South Jordan's market share in this category has increased from 3.2 percent to ten percent. Generally, residents prefer to make these purchases closer to home or office, if opportunity allows. The high population growth in South Jordan compared to the low market share suggests room for expansion in this sector. The lack of office development in South Jordan may be somewhat influencing the slow growth in this category.

FIGURE B.10: PERSONAL SERVICES (MARKET AREA)

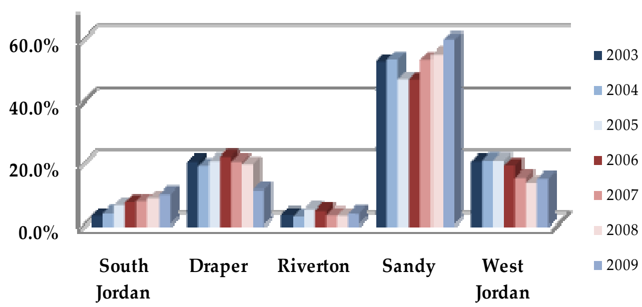


TABLE B.10: HISTORIC GROWTH IN PERSONAL SERVICES (PERCENT OF MARKET)

PERSONAL SERVICES	2003	2009
South Jordan	3.2%	10.0%
Draper	20.4%	11.4%
Riverton	3.4%	3.9%
Sandy	52.5%	59.6%
West Jordan	20.5%	15.0%

BUSINESS SERVICES

Generally, business services are correlated with the amount of office space in a given city. South Jordan saw its highest share of business related services in 2003, with a decrease in subsequent years.

FIGURE B.11: BUSINESS SERVICES (MARKET AREA)

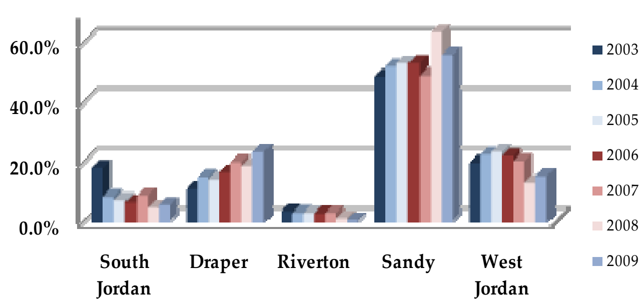


TABLE B.11: HISTORIC GROWTH IN BUSINESS SERVICES (PERCENT OF MARKET)

BUSINESS SERVICES	2003	2009
South Jordan	17.8%	5.5%
Draper	10.8%	23.2%
Riverton	3.4%	0.5%
Sandy	48.4%	55.7%
West Jordan	19.5%	15.1%

AUTO REPAIR SERVICES

Retail sales related to auto repair have increased slightly relative to the surrounding municipalities, capturing 7.2 percent in 2003, reaching a high of 10.9 percent in 2006, and settling at 9.2 percent by 2009.

FIGURE B.12: AUTO REPAIR SERVICES (MARKET AREA)

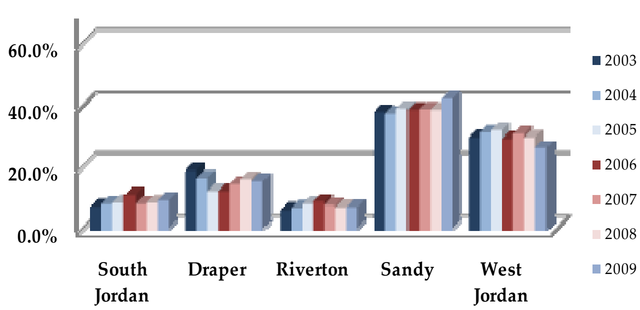


TABLE B.12: HISTORIC GROWTH IN AUTO REPAIR SERVICES (PERCENT OF MARKET)

AUTO REPAIR SERVICES	2003	2009
South Jordan	7.2%	9.2%
Draper	18.9%	15.4%
Riverton	6.0%	7.1%
Sandy	37.9%	42.3%
West Jordan	29.9%	26.1%

ENTERTAINMENT

South Jordan has shown growth in recent years in the entertainment category. This sector includes movie theaters, bowling alleys, video arcades, video rentals, dance studios, and other professional entertainment.

FIGURE B.13: AMUSEMENT & REC. SERVICES (MARKET AREA)

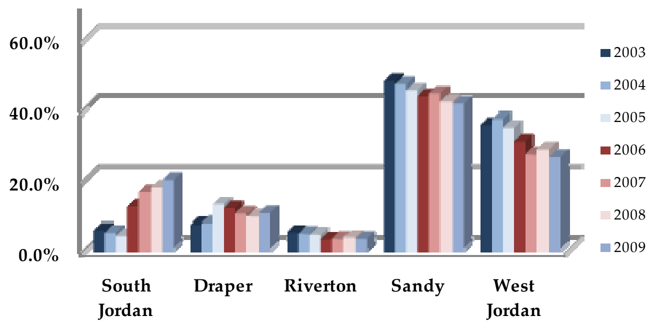


TABLE B.13: HISTORIC GROWTH IN AMUSEMENT & REC. SERVICES (PERCENT OF MARKET)

AMUSEMENT & REC. SERVICES	2003	2008
South Jordan	5.4%	19.6%
Draper	6.9%	10.1%
Riverton	4.8%	3.1%
Sandy	47.6%	41.2%
West Jordan	35.3%	26.1%

APPENDIX C: DETAILED SALES LEAKAGE BY RETAIL CATEGORY

Detailed sales leakage analysis, by retail category for the year 2009, is outlined below. Negative numbers estimate the approximate amount being spent per person (on average) and by all residents outside of South Jordan boundaries. Positive numbers indicate that South Jordan is attracting more than its fair share of purchases (in other words, shoppers from outside the City are attracted to the area for certain types of purchases).

BUILDING AND GARDEN

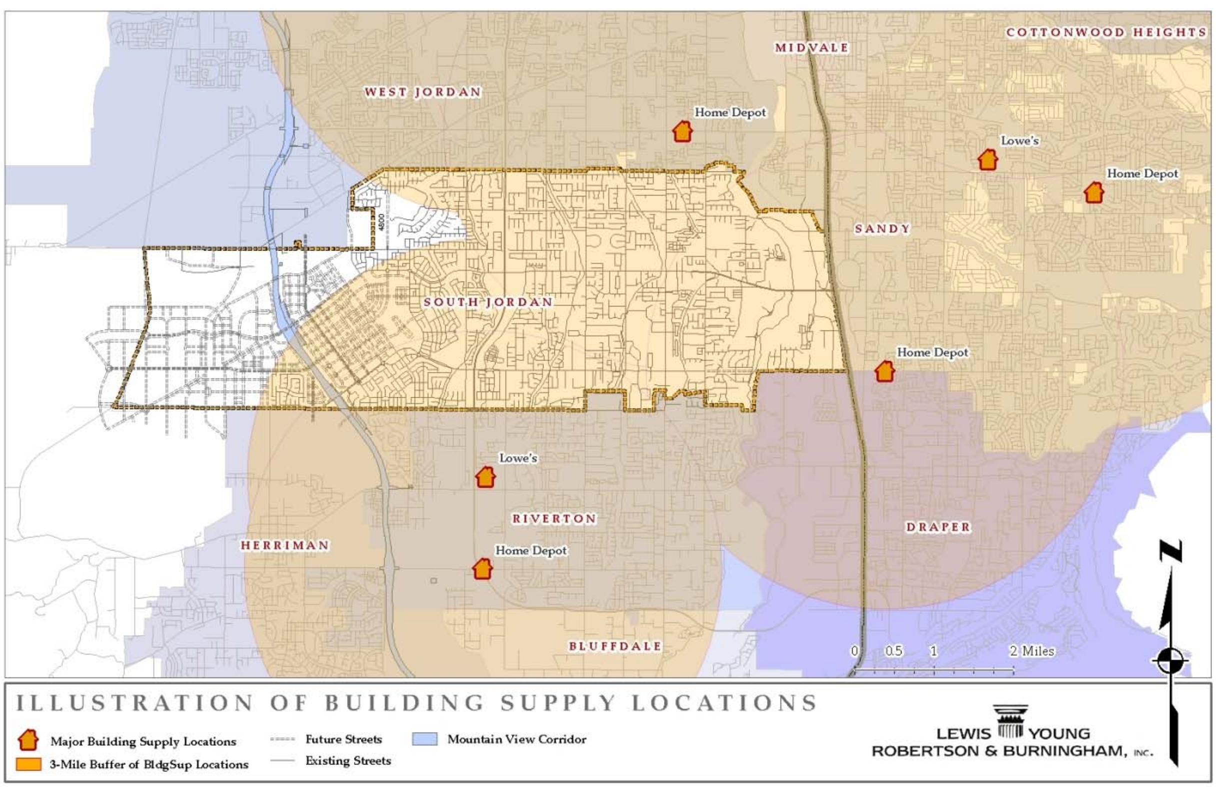
In the Building and Garden category, South Jordan is only capturing four percent of estimated purchases by residents. Many sales are likely leaking to The Home Depot and Lowes stores located nearby in surrounding communities. The map below illustrates a three-mile buffer of surrounding home improvement stores, with much of South Jordan within this area.

TABLE C.1: BUILDING AND GARDEN

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Lumber & Other Bldg (5211)	-$443.54	-$24,195,492	0%
Paint Glass & Wallpaper (5231)	-$18.29	-$997,872	55%
Hardware Stores (5251)	-$142.16	-$7,755,085	5%
Retail-Nurseries & Garden (5261)	-$22.31	-$1,217,299	0%
Retail-Mobile Home Dealers (5271)	-$7.07	-$385,886	0%
Total Building & Garden	**-$633.38**	**-$34,551,635**	**5%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

FIGURE C.1: ILLUSTRATION OF HOME IMPROVEMENT STORE LOCATIONS



The map suggests that South Jordan should actively pursue a building and garden store, most likely located in the western portion of the City.

GENERAL MERCHANDISE

Purchases within the general merchandise category can be influenced by both regional and local demand. In 2006, South Jordan was capturing only 28 percent in the general merchandise category. As the population has increased, additional general merchandise locations have become available in South Jordan. As a result, the capture rate increased to 112 percent in 2009. Major retailers include two Wal-Mart locations, Sam's Club and Target.

TABLE C.2: GENERAL MERCHANDISE

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Department Stores (5311)	$405.33	$22,110,960	121%
Variety Stores (5331)	-$59.89	-$3,267,143	47%
Misc. General Merchandise (5399)	-$79.81	-$4,353,753	0%
Total General Merchandise	**$265.62**	**$14,490,064**	**112%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

FOOD STORES

At 83 percent, South Jordan is capturing the major share of the retail sales for this category, especially since many grocery purchases are made at stores such as Wal-Mart that are classified as general merchandise.[29] Purchases within the food stores category are generally "convenience" purchases – made close to home. Therefore, as South Jordan continues to experience population growth, it should witness a corresponding increase in sales in this category.

TABLE C.3: FOOD STORES

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Grocery Stores (5411)	-$95.08	-$5,186,890	91%
Other Food Stores (5421-5499)	-$23.74	-$1,294,888	71%
Convenience Stores (5471)	-$102.60	-$5,596,941	41%
Total Food Stores	**-$221.42**	**-$12,078,719**	**83%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

MOTOR VEHICLES

South Jordan is capturing a high percentage of taxable sales in this category due to the concentration of new and used vehicle dealerships located along I-15 that are strategically located to capture regional demand traveling along the interstate. In addition, South Jordan supports several automotive supply stores and gasoline service stations that add to the higher capture rate. In 2008, Sandy and Draper also captured above 100 percent of retail sales per capita, with Riverton and West Jordan substantially low in this area.

TABLE C.4: MOTOR VEHICLES

	PER CAPITA	TOTAL	CAPTURE RATE
New & Used Car Dealers (5511)	$13.64	$744,003	102%
Used (Only) Car Dealers (5521)	$409.05	$22,313,964	369%
Auto & Home Supply (5531)	-$28.50	-$1,554,915	84%

[29] Many grocery purchases are likely made at general merchandise superstores, such as Wal-Mart, Target and Sam's Club; therefore, the grocery store capture rate likely understates the true amount of purchases of this type made within City boundaries.

	PER CAPITA	TOTAL	CAPTURE RATE
Gasoline Service Stations (5541)	-$118.55	-$6,466,848	16%
Boat Dealers (5551)	$67.25	$3,668,384	562%
Recreation & Utility Trailer (5561)	-$25.58	-$1,395,392	0%
Motorcycle Dealer (5571)	-$1.50	-$81,938	97%
Automotive Dealers, NEC (5599)	-$11.55	-$630,229	0%
Total Motor Vehicle Dealers	**$304.25**	**$16,597,029**	**123%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

TABLE C.5: COMPARISON OF 2008 MOTOR VEHICLE SALES BY COMMUNITY

SIC MAJOR	SOUTH JORDAN	DRAPER	RIVERTON	SANDY	WEST JORDAN
Retail-Motor Vehicles (5511-5599)	119%	178%	12%	209%	16%

APPAREL AND ACCESSORIES

Similarly, South Jordan is capturing a fairly high percentage of apparel and accessory sales. Generally, clothing stores cluster together in order to attract shoppers to a broader and wider variety of goods. The development surrounding The District has attracted large apparel retailers like JC Penny, Aeropostale, The Buckle, Zumiez and Down East Outfitters. There is significant opportunity for South Jordan in this category as development continues in the Daybreak area and throughout the City. Development of a regional retail mall with a strong apparel base is discussed elsewhere in this report.

TABLE C.6: APPAREL AND ACCESSORIES

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Men's & Boys Clothing (5611)	-$18.36	-$1,001,312	0%
Women's Clothing (5621)	-$53.85	-$2,937,366	1%
Retail-Women's Accessory (5632)	-$11.45	-$624,803	56%
Retail-Children & Infantwear (5641)	-$17.02	-$928,608	23%
Retail-Family Clothing (5651)	$185.81	$10,136,389	173%
Retail-Shoe Stores (5661)	-$17.43	-$950,715	58%
Retail-Misc. Apparel & Accessory (5699)	-$36.81	-$2,007,954	4%
Total Apparel & Accessory	**$30.90**	**$1,685,631**	**107%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

FURNITURE AND ELECTRONICS

The furniture and electronics category covers a wide variety of goods, including not only furniture, but also home furnishings, appliances, electronics, computers and software, and musical instruments. This category is showing significant leakage, with the potential for retail development to serve the needs of a rapidly-growing population.

TABLE C.7: FURNITURE AND ELECTRONICS

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Furniture & Home (5712-5719)	-$235.13	-$12,826,627	13%
Household Appliance (5722)	-$92.36	-$5,038,098	0%
Radio, TV & Electronics (5731)	-$42.71	-$2,329,620	2%
Computer & Software (5734)	-$33.24	-$1,813,505	35%
Record & Tapes (5735)	-$14.25	-$777,599	0%
Musical Instruments (5736)	$29.73	$1,621,553	277%

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Total Furniture	**-$387.97**	**-$21,163,896**	**21%**
Based on Minor and Major SIC Codes, CY 2009 Taxable Sale *Source: Utah State Tax Commission, LYRB*			

EATING PLACES

As South Jordan City focuses on expanding its regional retail mix, restaurants are a natural complement to retail development. Lifestyle centers, as discussed in this report, include a mix of retail and entertainment in a setting that places a premium on design, street furniture and ambiance. The District and South Jordan Towne Center developments are moving toward this type of development. In addition, new zoning regulations related to village commercial and village mixed use will also help promote development focused on a mix of residential and commercial uses.

TABLE C.8: EATING PLACES

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Fast Food Eating Places (5811)	-$5.20	-$283,828	0%
1977 Code-Eating Places (5812)	-$281.39	-$15,350,237	72%
1977 Code-Drinking Places (5813)	-$25.13	-$1,370,971	0%
Family Restaurant w/out Liquor License (5814)	-$4.26	-$232,481	0%
All Other Eating w/out License (5819)	-$0.51	-$27,572	0%
Theme Restaurant with Liquor License (5823)	-$2.13	-$116,446	0%
White Tablecloth with Liquor License (5824)	-$3.55	-$193,766	0%
Private Clubs (5825)	-$2.81	-$153,520	0%
Beer Retailer/Tavern (5826)	-$0.81	-$44,206	0%
Total Eating Places	**-$325.81**	**-$17,773,026**	**69%**
Based on Minor and Major SIC Codes, CY 2009 Taxable Sale *Source: Utah State Tax Commission, LYRB*			

MISCELLANEOUS RETAIL

Miscellaneous retail includes drug stores, sporting goods, book stores, stationery stores, jewelry stores, gift stores, florists, sewing and needlework, etc. In short, this category includes specialty retail stores that often thrive and do well in older, historic downtowns because these stores provide unique goods in comparison to national chain and mass merchandisers. The one-of-a-kind stores often found in this category can serve as destination shops that draw people into a neighborhood or shopping center. Often, these stores also provide a higher level of services in comparison to shopping at larger stores and at big box outlets.

South Jordan is again showing a large amount of leakage in all miscellaneous retail categories, with an exception for the gift, novelty and souvenir category that is carried by Hobby Lobby at The District. Many of the miscellaneous retail categories would do well in a typical downtown district that is of a smaller scale, similar to the Towne Center economic district and in Soda Row, which are discussed in more detail later in this report.

TABLE C.9: MISCELLANEOUS RETAIL

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Drug & Proprietary (5912)	-$15.97	-$871,418	0%
Liquor Stores (5921)	-$64.05	-$3,494,080	0%
Used Merchandise (5932)	-$14.48	-$789,803	4%
Sporting & Bicycles (5941)	-$46.31	-$2,526,417	64%
Book Stores (5942)	-$20.00	-$1,090,788	34%
Stationary Stores (5943)	$2.15	$117,186	105%

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Jewelry Stores (5944)	-$44.60	-$2,432,829	1%
Hobby, Toy & Game-shops (5945)	-$19.00	-$1,036,282	56%
Camera & Photographic (5946)	-$9.31	-$507,601	0%
Gift, Novelty& Souvenir (5947)	$101.93	$5,560,431	316%
Luggage &Leatherwork (5948)	-$1.28	-$70,009	0%
Sewing & Needlework (5949)	-$49.32	-$2,690,215	0%
Non-store Retailers (5961-5963)	-$74.25	-$4,050,215	21%
Fuel Dealers (5983-5989)	-$105.74	-$5,767,964	0%
Florists (5992)	-$20.73	-$1,130,584	3%
Tobacco Stores (5993)	-$13.33	-$727,112	0%
News Dealers &Stand (5994)	-$3.82	-$208,401	0%
Optical Goods Store (5995)	-$12.64	-$689,436	12%
Miscellaneous Retail Store (5999)	-$85.54	-$4,666,508	72%
Total Miscellaneous Retail	**-$496.27**	**-$27,072,046**	**53%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

HOTELS AND LODGING

Hotel and lodging capture rates are highly dependent on the tourism levels of a community, as well as its business traveler needs, rather than its resident needs (as evidenced in the other retail categories). Therefore, the capture rate below simply demonstrates that South Jordan has considerably lower tourism levels than the average statewide.

TABLE C.10: HOTELS AND LODGING

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Services - Hotels & Lodging (7011-7041)	**-$193.90**	**-$10,577,324**	**24%**

Based on Minor and Major SIC Codes
Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

PERSONAL SERVICES

Personal services are generally purchased near home or, in some cases, near the workplace during the lunch hour or after work. Personal services do not generate significant tax revenues for a city as most services are not subject to sales tax. For example, sales tax on beauty shops is calculated solely on any goods purchased (i.e., shampoo, conditioner) rather than on services (i.e., haircuts).

TABLE C.11: PERSONAL SERVICES

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Laundry Cleaning (7211-7219)	-$11.38	-$620,528	60%
Photographic Studios (7221)	$4.61	$251,283	141%
Beauty Shops (7231)	-$7.24	-$394,875	49%
Barber Shops (7241)	-$4.96	-$270,720	0%
Shoe Repair &Shine Parlors (7251)	-$1.60	-$87,252	0%
Funeral Service &Crematory (7261)	-$9.94	-$542,460	41%
Misc. Personal Services (7291-7299)	-$3.14	-$171,064	65%
Total Personal Services	**-$33.65**	**-$1,835,616**	**61%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

BUSINESS SERVICES

Business services are related to office development. While South Jordan is low in this category, the continued development of office space at the RiverPark Corporate Center and surrounding office centers should serve to increase the demand for business services. However, the development of Class A office space on the east side of the freeway (Sandy) provides a competitive alternative (see map below). Historically, almost all Class A office space development has occurred east of I-15. However, as the west side of the valley grows, and as more decision makers in large companies choose to live on the west side of I-15, there will be more demand for Class A office development in the west part of the valley.

TABLE C.12: BUSINESS SERVICES

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Advertising (7311-7319)	-$48.40	-$2,640,188	0%
Credit Reporting (7322-7323)	-$6.12	-$333,793	0%
Mailing, Reproduction & Steno (7331-7338)	-$46.73	-$2,549,179	15%
Service To Buildings (7342-7349)	-$55.08	-$3,004,681	1%
Misc. Equipment Rental & Lease (7352-7359)	-$102.48	-$5,590,234	13%
Personnel Supply Services (7361-7363)	-$2.38	-$129,906	0%
Computer & Data Processing (7371-7379)	-$76.93	-$4,196,720	38%
Misc. Business Serv. (7381-7389)	-$121.60	-$6,633,646	12%
Total Business Services	**-$459.72**	**-$25,078,347**	**16%**

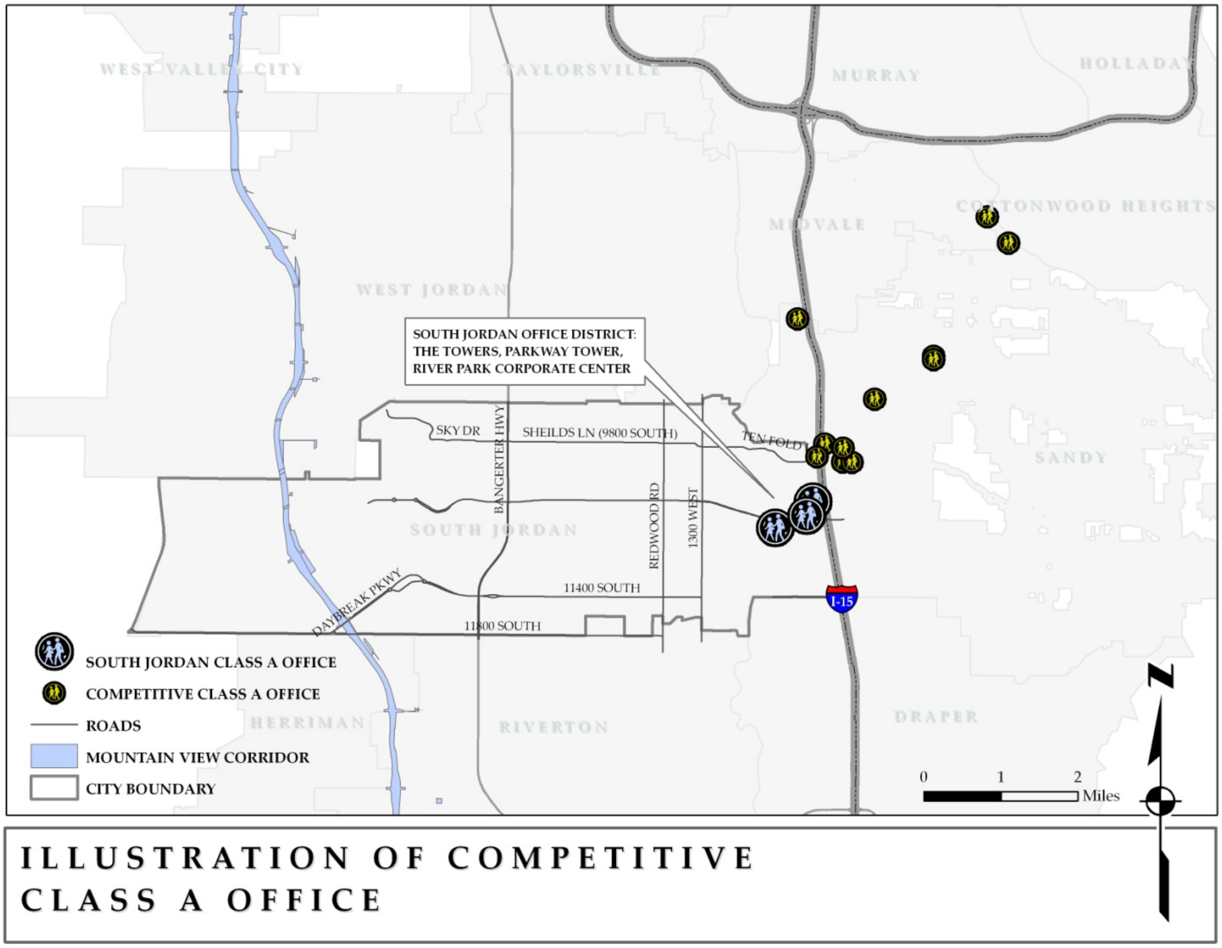
Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

TABLE C.13: HISTORIC RETAIL SALES RELATED TO BUSINESS SERVICES

SIC MAJOR	2008	2007	2006	2005
Services-Business (7311-7389)	13%	19%	13%	17%

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

FIGURE C.2: ILLUSTRATION OF EXISTING AND COMPETITIVE CLASS A OFFICE



AUTOMOTIVE AND MISCELLANEOUS REPAIR

Auto and miscellaneous repair services also shows some sales leakage. This category is often closely related to motor vehicle sales which are relatively high in South Jordan (where customers often return for services to the dealership where they bought the vehicle), and therefore many of the repair sales may actually be recorded in the motor vehicle category. In addition, limited office development may be contributing to a lower capture rate in this category as customers often leave the vehicle for service/repairs while they are at work.

TABLE C.14: AUTOMOTIVE AND MISCELLANEOUS REPAIR

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Automotive Rentals (7513-7519)	-$164.54	-$8,976,063	2%
Automotive Parking (7521)	-$41.31	-$2,253,713	0%
Auto. Repair Shops (7532-7539)	-$51.05	-$2,785,073	71%
Auto. Services Exc. Repair (7542-7549)	-$7.35	-$401,096	72%
Electrical Repair Shop (7622-7629)	-$67.02	-$3,655,762	8%
Watch, Clock & Jewelry Repair (7631)	-$3.01	-$164,387	0%
Reupholstery & Furniture Repair (7641)	-$0.47	-$25,713	77%
Misc. Repair Shops (7692-7699)	-$82.51	-$4,500,822	4%
Total Auto & Misc Repair	**-$417.27**	**-$22,762,630**	**27%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

ENTERTAINMENT AND AMUSEMENT SERVICES

South Jordan is doing relatively well in the motion picture category, likely drawing customers from outside of South Jordan to the theaters at the District. The analysis indicates opportunity for other types of entertainment development, including video tape rental.

TABLE C.15: ENTERTAINMENT AND AMUSEMENT SERVICES

CATEGORY	PER CAPITA	TOTAL	CAPTURE RATE
Motion Picture Production (7812-7829)	-$17.25	-$940,770	16%
Motion Picture Theatres (7832-7833)	$206.77	$11,279,548	575%
Video Tape Rental (7841)	-$15.40	-$840,204	43%
Dance Studios, Schools & Hall (7911)	-$25.47	-$1,389,280	3%
Producers, Orchestra, Entertainers (7922)	-$19.90	-$1,085,547	0%
Bowling Centers (7933)	-$13.78	-$751,744	0%
Commercial Sports (7941)	-$16.13	-$879,892	31%
Ski Resorts (7995)	-$14.04	-$766,112	0%
Misc. Amusement & Recreation (7991-7999)	-$69.07	-$3,767,828	38%
Total Entertainment & Amusement	**$15.73**	**$858,172**	**105%**

Based on Minor and Major SIC Codes, CY 2009 Taxable Sale
Source: Utah State Tax Commission, LYRB

APPENDIX D: DETAILED MARKET TRENDS

SALT LAKE COUNTY INDUSTRIAL MARKET TRENDS

Historical absorption in Salt Lake County dipped significantly in 2007 and 2009, with average absorption of 2.6 million square feet per year. With Daybreak Commerce Park anticipating absorption of 230,000 square feet per year, it would represent approximately nine percent of all business park absorption annually in Salt Lake County.

TABLE D.1: SALT LAKE COUNTY INDUSTRIAL CONSTRUCTION – FIVE-YEAR HISTORY

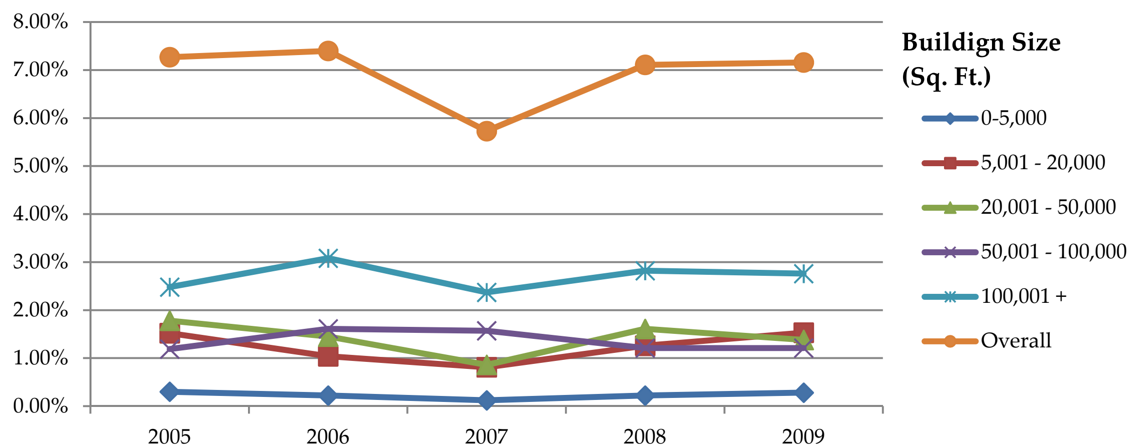
BUILDING SIZE (SF)	2005	2006	2007	2008	2009
0-5,000	4,352	8,550	21,479	-	7,800
5,001 - 20,000	149,518	209,346	120,888	161,294	51,260
20,001 - 50,000	183,391	469,800	212,889	308,639	195,182
50,001 - 100,000	311,306	325,770	601,594	273,058	252,300
100,001 +	2,591,442	2,695,701	955,539	2,665,410	355,966
Overall	3,240,009	3,709,167	1,912,389	3,408,401	862,508

Source: Commerce Real Estate Solutions

The following are highlights on industrial development trends in Salt Lake County from Commerce Real Estate Solutions 2009 Year End Report:

- Industrial vacancy increased slightly in 2009 and is currently at 7.16 percent. The lack of new construction has helped to moderate vacancy levels; however, vacancy is likely to grow slightly in 2010 before stabilizing near the end of the year. Larger-size buildings have higher vacancy rates than do smaller-size buildings.

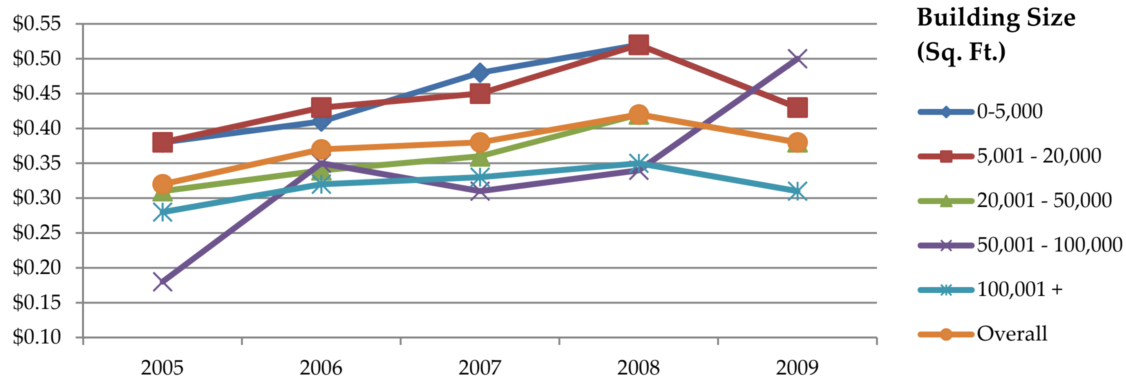
FIGURE D.1: SALT LAKE COUNTY INDUSTRIAL MARKET VACANCY



- The industrial market experienced a significant 25 percent decline in lease activity over the past 12 months. However, lease activity is anticipated to show improvement in the coming year, with little new product slated for the market.
- Rental rates dropped approximately ten percent over the course of 2009 with the average market lease currently at $0.38 per square foot. The decline in lease rates is expected to continue in the coming months. Landlords are currently more willing to negotiate lower rates and offer concessions.
- Many tenants are wary of making long-term commitments because of current economic uncertainty. Most landlords are willing to make short-term deals to avoid potential vacancy. It is expected that in the near future tenants will continue to pursue more short-term lease renewals and negotiate with landlords for lower rents.

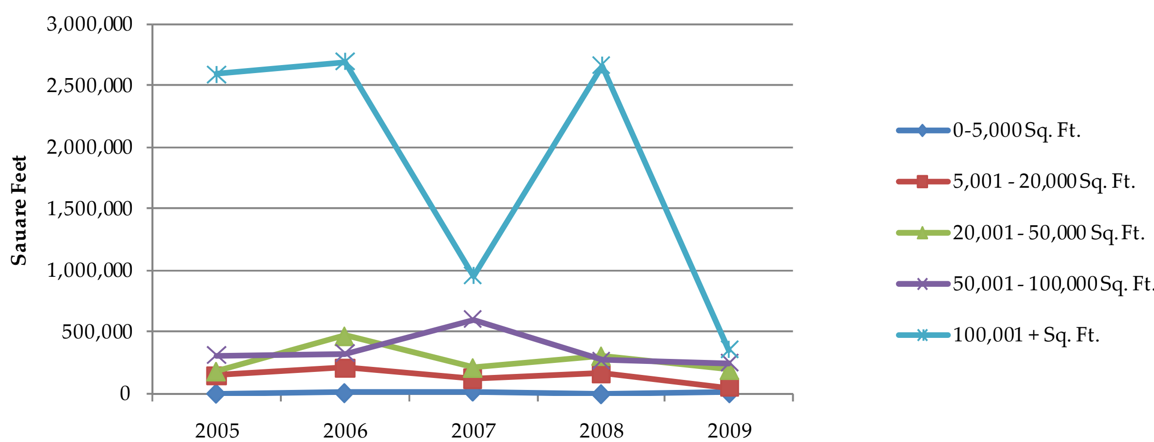
- Sublease space has become increasingly prominent in 2009. The availability of sublease space is helping to offset the lack of new industrial product.

Figure D.2: Salt Lake County Industrial Market Lease Rates (Per Square Foot)



- There is little to no industrial construction in Salt Lake County because of the lack of available credit and commercial lending opportunities. The market has experienced little new growth in inventory outside the big box category for several years. The absence of new industrial construction is expected to extend through 2010 and may not pick up again until 2012.

Figure D.3: Salt Lake County Industrial Construction



Salt Lake County Office Market Trends

Highlights of recent office development in the Salt Lake County office market are summarized as follows:[30]

- In 2009, the Salt Lake office market saw direct vacancy rates climb to 15.72 percent, up from 12.95 percent at the end of 2008.
- The development of office space at 222 South Main in downtown Salt Lake City set a new record for lease rates -- $32 to $34 per square foot.
- Salt Lake County absorbed 88,000 square feet in 2009. While positive, this is decidedly lower than the five-year average of 913,000 square feet annually. Absorption levels were higher in the suburban market (304,522 sf), but were offset by negative absorption in the Central Business District (CBD) and Periphery (area surrounding Salt Lake City downtown).

[30] Commerce Real Estate Solutions 2009 Year-End Annual Report.

- A total of four buildings, or 315,000 square feet of office space, are slated to be completed during 2010, with over 75 percent of the space currently leased.
- Based on recent trends, the market is becoming more tenant-driven. With increasing vacancy rates, landlords are being forced to compete with concessions which may lead to a reduction in lease rates.

The following table shows the office market vacancy rates for the southwest portion of the Salt Lake Valley compared to suburban areas in Salt Lake County. On average, absorption in the Southwest Valley represents roughly 25 percent of all suburban office market absorption in the County. Average absorption in the Southwest Valley over the past eight years is 138,382 square feet per year.

TABLE D.2: OFFICE MARKET HISTORY (2002-2009) – SOUTHWEST VALLEY AND SUBURBAN AREAS

	SOUTHWEST VALLEY		SUBURBAN TOTAL	
YEAR	VACANCY	ABSORPTION SF	VACANCY	ABSORPTION SF
2002	29.51%	105,800	17.89%	237,492
2003	13.99%	43,876	14.97%	538,595
2004	17.21%	73,682	13.77%	635,134
2005	7.04%	147,625	9.32%	949,735
2006	23.13%	159,182	11.55%	617,955
2007	6.36%	242,060	11.53%	938,900
2008	15.16%	268,783	14.83%	204,884
2009	13.36%	66,048	16.11%	304,522
TOTAL	NA	1,107,056	NA	4,427,217

Source: Commerce Real Estate Solutions

Lease rates in the southwest part of Salt Lake County are approximately $23.02 psf. This is slightly higher than the northwest area. Vacancy rates declined from 15.16 percent in 2008 to 13.36 percent in 2009. Based on the total absorption in the southwest area (only 66,048 sf), the reduced vacancy rate is likely a result of the lack of new office space added to the market base.

TABLE D.3: OFFICE MARKET LEASE RATES (2009)

	NORTHEAST	NORTHWEST	CENTRAL EAST	CENTRAL WEST	SOUTHEAST	SOUTHWEST	TOTALS
Vacancy	5.95%	21.39%	17.83%	24.39%	15.88%	13.36%	16.11%
Absorption SF	197,934	-94,154	6,334	-7,400	135,760	66,048	304,522
Rents PSF**							
Class A	$24.87	$19.54	$24.99	NA	$22.18	$23.03	$23.22
Class B	$20.31	$17.25	$19.35	$20.01	$19.46	$19.85	$19.33
Class C	$14.46	$15.48	$14.92	$13.83	$16.51	NA	$15.02
Overall	$19.46	$17.31	$20.37	$19.57	$20.46	$22.70	$19.91

* Sublease space is not included in these figures. ** Weighted full service asking lease rates.

Source: Commerce Real Estate Solutions 2009 Year End Report