Wasatch Front Economic Development District
Economic Development
Comprehensive Economic Development Strategy

Land Use
Transportation and Land Use Connection

Transportation
Regional Transportation Plan

Your Plans and Ordinances
The Wasatch Front’s component of...
WC2050 and the CEDS

• Where we are (almost):
  • Draft Preferred Scenario

• Over the next 6 months:
  • Dig into land use and infrastructure decisions that improve economic development

• After the Vision:
  • Engage in corridor and area planning
Developing the Preferred Scenario

Explore
- Establish Goals
- Develop Scenarios
- Evaluate Scenarios

Choose
- Draft & Evaluate Preferred Scenario
- We Are Here
- Adopt Preferred Scenario

Prioritize
- Assess Financial Considerations
- Phase Projects
- Present Impacts & Benefits

Stakeholder Input

WASATCH CHOICE 2050
Preferred Scenario

Detailed enough to inform:

- Local land use
- Local, regional, and state economic development
- Local, regional, and state transportation
Mixed-use centers

What mixed use centers do you support?

Should NEW centers be explored?

How does transportation support these centers?
What job/industrial areas do you support?

Should NEW areas be explored?

How does transportation support job/industrial areas?
Regional green infrastructure

Ideas for collaboration on parks, open space or agricultural preservation?
Road investments

How might proposed roads affect:

- Congestion?
- Access to destinations?

How do they support land use and economic development goals?
Transit investments

How might proposed transit affect....

Ridership and mode?
Access to destinations?

How do they support land use and economic development goals?
Consider cross-town bicycling backbone with adjacent communities
Achieving Regional Goals:
How does the Preferred Scenario perform relative to existing plans?

- Livable and healthy communities
- Access to economic and educational opportunities
- Manageable and reliable traffic conditions
- Quality transportation choices
- Safe, user-friendly streets
- Housing choices and affordable living expenses
- Clean air
- Ample parks, open spaces, and recreational opportunities
- Sustainable environment, including water, agricultural, and other natural resources
- Fiscally responsible communities and infrastructure
How to get involved

• WFEDD February Input

• Local government group meetings: January through March

• Individual city/county meetings (optional)

• Technical committees

• Online engagement

• Open houses
Presentation Outline

• Where are (almost):
  • Draft Preferred Scenario

• Next 6 months:
  • Dig into land use and infrastructure decisions that improve economic development

• After the Vision:
  • Corridor and Area Planning
What form should “the city” take to...

• Help a targeted cluster grow?
• Attract / retain firms within a targeted cluster?

What is needed, where, and how do they all work together?
Utah’s Targeted Industry Clusters

Utah’s six strategic industry clusters
Total Clusters Jobs: 178,965

- Software / IT: 29%
- Aerospace & Defense: 16%
- Energy: 10%
- Life Sciences: 15%
- Financial Services: 26%
- Outdoor Recreation: 4%

Source: Utah DWS, GEOD Analysis of Utah DWS data
Life Sciences example

1. What is the community ecosystem that attracts it / helps it thrive
   - Labor needs within 30 minutes?
   - Community characteristics to attract skilled labor?
   - Infrastructure requirements and desires?
   - Preferred nearby land uses or destinations?

2. How important are these ingredients?

3. Map the weighted ingredients
   - Where do these ingredients exist versus where the industry clusters exist?
   - How can we strengthen existing clusters?
   - Where are opportunity areas for new clusters?
   - Can/ should new opportunity areas be explored?
EXAMPLE CONSIDERATION:
For Industry clusters with potential to support transit....

Are they near transit?
Could transit be provided to them?
In which areas could we find more sites near transit?
Industry clusters with freight needs
Presentation Outline

• Where are (almost):
  • Draft Preferred Scenario

• Next 6 months:
  • Economic development community ecosystem analysis

• After the Vision:
  • Corridor and Area Planning
The transit investment catch 22

- "With 25% more riders, we’d get rapid transit!"
- "So, potential station areas need more development"
- "...but I’ll only add development near transit if the adjacent cities do as well"
- "...and I’ll only add development if I know we’ll get the transit investment"
Corridor/ Area Planning

• Bring infrastructure, community and economic development partners together

• Develop an integrated plan for land use, transportation and economic development

• Identify barriers

• Develop a strategy to overcome barriers through implementation

• Corridor/ area plans can vary in level of detail, participants, products, and formal adoption
Corridor/ Area Next Steps

• WC2050:
  • Scope-out a few mutually agreeable areas
  • Identify key issues, opportunities, and next steps

• Transportation and Land Use Connection
  • Resources currently available for Corridor/ Area Planning
WC2050 and the CEDS

- Draft Preferred Scenario
  - How do regional land uses and infrastructure elements align and work together?

- Economic Development Community Ecosystems
  - Identify the desired community ecosystem for each key industry cluster
  - Map the ecosystems
  - Make recommendations for ecosystem improvements

- Corridor and Area Planning
  - Refine and begin implementing the Preferred Scenario and improve the ED Community Ecosystem
Wasatch Front Economic Development District

November 20, 2017
What is sustainable long term value. Sufficient ongoing revenue to support the ongoing growth of costs to city services and infrastructure.
Do You Know the Value of Your Community?

Do you know what revenue per acre it takes for your community to recover the costs of providing services?

OGDEN’S BREAK EVEN

• Ogden’s BE Example
• Ogden 17,240 acres
• Taxable acreage 10,345
• $60 million dollar general fund budget
• BE $5800 per taxable acre
• OR $1.5 million per acre tax valuation
• EX: Avg home contributes $1610 per acre-on a 7000 square foot lot
## PROPERTY TAX REVENUE to OGDEN CITY (Per Acre)

<table>
<thead>
<tr>
<th></th>
<th>BDO</th>
<th>Business Exchange</th>
<th>Downtown</th>
<th>East of Harrison</th>
<th>Junction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Commercial</strong> Revenue/Acre</td>
<td>$2,265**</td>
<td>$3,624*</td>
<td>$4,132</td>
<td>$6,274*</td>
<td>$25,686</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>BDO</th>
<th>Business Exchange</th>
<th>East of Harrison</th>
<th>Downtown</th>
<th>Junction</th>
<th>Shadow Valley</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Residential</strong> Revenue/Acre</td>
<td>$661</td>
<td>$1,026</td>
<td>$1,051</td>
<td>$1,187</td>
<td>$1,200</td>
<td>$1,602</td>
</tr>
</tbody>
</table>

*Prospective: Projected Inclusive of new construction

**Before profit participation

Are these values sufficient to cover the costs of services?

BE $5800 per Acre

Most of the residence pay less than 20% of the economic cost of providing services.
What is the Value of Your Community

- Current General Fund Budget (rounded)
  - $60,000,000
- Current Tax Rate .00395
  - $60,000,000/.00395
- In order to BE to our GF Ogden needs $15 billion in value from its primary sources of revenue to recover its costs of providing services to the community
- Less than 20% of that cost comes from property tax

- Currently Ogden is 3.5 billion

- What does it need to be in order to sustain the budget?
- Either sales tax and franchise taxes have to grow or the communities value must grow to sustain services
- Can sales tax grow at sufficient level to over come under valuing a community

What Does the Value Need for Communities to be Sustainable?
Sales Taxes Revenue 17 Year Trend

- Actual
- Budget
Revenue Production
Weber County, UT

<table>
<thead>
<tr>
<th>Property Tax</th>
<th>Sales Tax</th>
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<tbody>
<tr>
<td>30%</td>
<td>10%</td>
</tr>
<tr>
<td>27%</td>
<td>14%</td>
</tr>
<tr>
<td>33%</td>
<td>9%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>County Revenue</th>
</tr>
</thead>
</table>
| Property       
| 20%            |
| Retail         
| 31%            |

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<thead>
<tr>
<th>City Revenue</th>
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</thead>
</table>
| Property     
| 20%          |
| Retail       
| 31%          |
Is 20% of GF coming from property tax sufficient portion total revenue to support needed services?

- The majority of the US states show:
  - 70% of revenues comes from property tax
  - Ogden is 20%

Symptoms of unsustainability:

- Economic decay
- Road/bridge decay
- Growth of dependent societies
- Growth of Poverty
- Environment
- Pollution
- Economic distress
- Increased taxation
Over 50% of Ogden's Revs come from Sales Tax.
So What Level of Value Does the City of Ogden Need to Reach as Sustainable Level?

• If 70% is the average benchmark for property taxes and Ogden’s current $60 million budget then:
  • $42 million should come from property tax – currently $12 million
  • $42/.00395=$10.6 billion dollars of valuation
  • Current valuation $3.5 billion

• Deficient $7.1 billion in targeted valuation to reach theoretical sustainability?

How does a city get to a sustainable revenue?
Does this building have more value to a city than a Walmart?
2.4 acres of C.W. Cross would equal the 15.2 acre downtown Walmart.

Even Walmart with Sales Tax does not contribute enough per acre to be on a per acre basis!
A Lasting Value
Taxable Value Per Acre

Built 1927

Walmart $905k

BEN LOMAND $3.5 million per acre

Walmart $593,200 per acre

Ben Lomond Hotel $3,539,131 per acre
A Lasting Value
Taxable Value Per Acre

Walmart
$593,200 per acre

Gomer+ Building (Shazaam!)
$4,546,176 per acre
$5,317,538 per acre
Weber County, UT
Taxable Value Per Acre

American Can (1920/2011)
$2,301,296 per acre

American Can $2.3 million
w/parking deck $1.75 million

WM $905K w/sales tax

w/parking deck $1.75 million
How Much would these be worth today?, gone, gone.

Boyer Office Building $2.3 million
Weber County, UT

Taxable Value Per Acre

Ziegfield Strip
$1,130,693 per acre

Walmart
$905k per acre
A Lasting Value
Taxable Value Per Acre

Walmart
$593,200 per acre

2400 Block of Washington Boulevard
$2,106,078 per acre
A Lasting Value
Taxable Value Per Acre

Walmart
$593,200 per acre

First Security Bank
$7,123,716 per acre
Weber County, UT
Taxable Value Per Acre

Meadows Riverbend Townhouses
$8,283,122 per acre

Grant & 20th Mixed-Use
$2,236,385 per acre

Junction Tower Mixed-Use
$9,754,226 per acre
Value Per Acre
Weber County, UT

ONLY THE RED AND PURPLE LINES CONTRIBUTE ABOVE BE
A Lasting Value
Taxable Value Per Acre

Walmart
$593,200 per acre

Key Bank
$7,930,585 per acre

Gone: Broom Hotel
Weber County, UT
Taxable Value Per Acre

Courtyard Marriott
$3,338,970 per acre

Market Star
$13,480,575 per acre

Walmart
$13,480,575 per acre
Weber County, UT
Taxable Value Per Acre

- Walmart
  - $593,200 per acre

- Defense Depot
  - $485,196** per acre

* Under TIF, comes online in 2 years *
Weber County, UT

Taxable Value Per Acre

Walmart $593,200 per acre

Big Lots $385,929 per acre

Sam’s Club $509,435 per acre
You can build three Eccles buildings in the same space as a Walmart (15.2 acres) doubling the tax using the same infrastructure.
So how much does that parking stall pay the City?

<table>
<thead>
<tr>
<th>mi²</th>
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<tbody>
<tr>
<td>total area</td>
<td>27.20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>no tax value</td>
</tr>
<tr>
<td>&lt; 25,000</td>
</tr>
<tr>
<td>25,000 - 100,000</td>
</tr>
<tr>
<td>100,000 - 200,000</td>
</tr>
<tr>
<td>200,000 - 300,000</td>
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<td>300,000 - 400,000</td>
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<td>800,000 - 1,000,000</td>
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<td>1,000,000 - 2,000,000</td>
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<tr>
<td>2,000,000 - 5,000,000</td>
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<tr>
<td>&gt; 5,000,000</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Parking Sq.ft.</td>
</tr>
<tr>
<td>Building Sq.ft.</td>
</tr>
<tr>
<td>Parking/Building Sq.ft.</td>
</tr>
<tr>
<td>Taxable Value</td>
</tr>
<tr>
<td>Value/Acre</td>
</tr>
<tr>
<td>Peak Value/Acre</td>
</tr>
</tbody>
</table>

Train Impact: Weber County, UT

New Station - Old Station
Weber Area Value Profile: 2017 County Property Value per Acre

- Residential
- Commercial
- Mixed-Use

*Average values per Weber County Assessor File
~Estimated from insufficient data
In God we trust; everyone else, bring data.

Mayor Michael Bloomberg
Utah’s Mega Sites Program
What is a “Mega Site?”

A large acreage, extensively researched, heavily infrastructured* piece of dirt in a community that is looking for a “landmark” project.

*Existing, or potential
<table>
<thead>
<tr>
<th>Size, Scale &amp; Scope</th>
<th>Preparation</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large acreage</td>
<td>Advanced due diligence</td>
<td>Heavy industry</td>
</tr>
<tr>
<td>Heavy infrastructure*</td>
<td>No “I don’t knows”</td>
<td>Advanced site requirements</td>
</tr>
<tr>
<td>Multimodal transportation*</td>
<td>Prepackaged incentives</td>
<td>Infrequent</td>
</tr>
<tr>
<td>Pro-manufacturing communities</td>
<td>Strategic focus</td>
<td>$1B+ capex</td>
</tr>
<tr>
<td>Zoning/Permitting fit</td>
<td>Significant upfront $$$ investment</td>
<td>1k+ jobs</td>
</tr>
<tr>
<td></td>
<td>Extensive engineering, utility, cost and timing info</td>
<td></td>
</tr>
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</table>

*Existing, or potential
Why Create a Mega Sites Program?

1. Minimize risk for the client
   No “I don’t knows” means no surprises.

2. Identify opportunities
   The better we know ourselves, the better we can identify opportunities.

3. Exposure
   “Utah is not being seen by these projects.”
Utah MegaSite Process To-Date

1/1/16 - 3/30/16 – EDCUtah begins national Mega Sites research project
April 2016 – Natalie Gochnour referral to UofU MRED program
July 2016 – CRS Engineers benchmarks national Mega Sites programs
8/1/16 - 12/8/16 – MRED feasibility study on possible Utah program
December 2016 – MRED students deliver feasibility report
February 2017 – Elbera, UT site identified as “Beta Site 1.1”
March 2017 – EDCUtah forms Mega Sites steering committee
August 2017 – EDCUtah shows Elbera site to national SSC
4/1/17– 10/19/17 – CRS Engineers certifies Elbera Beta Site 1.1
Utah MegaSite 1.1 COMPLETED
1. Collecting Data vs Creating Data

The majority of the data we needed to certify Mega Site 1.0 in Elberta already existed. Very little new data had to be created. Engineering time was spent identifying data gaps and compiling existing information.

2. Difficult Financial Questions

Land costs and incentive possibilities are more difficult to nail down than anticipated. There are more “moving parts” to these questions than initially contemplated.

3. Marketing Game Plan

Explaining large volumes of technical data to people of varying levels of expertise will require a unique marketing plan. More investment than anticipated may be needed.

4. Full-time Management Required

A fully functioning Mega Sites program will require full-time staffing and additional financial support.
MegaSite Next Steps

› Develop best practices marketing protocol for Utah Mega Sites
› Identify next “near term” potential Mega Sites
› Leverage EDCUtah Match Grant fund to support Mega Sites certification work
› Request state appropriation for ongoing program support (staffing, marketing and certification costs)
› Begin work on Mega Site(s) 2.1, 2.2 and 2.3