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Lewis Young Robertson and Burningham, Inc.  
Cooper Roberts Simonsen & Associates

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# LEHI ECONOMIC DEVELOPMENT STRATEGIC PLAN UTAH COUNTY

SUBMITTED BY:  
Lewis Young Robertson & Burningham, Inc.  
Cooper Roberts Simonsen & Associates

## **ACKNOWLEDGEMENTS**

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## SECTION I: INTRODUCTION

Lehi City (the “City”) contracted with Lewis Young Robertson & Burningham, Inc. (LYRB), and Cooper Roberts Simonsen Associates (CRSA) to develop a Sustainable Economic Plan, including general design guidelines, for the City. This study reflects the input received from City officials and staff; community residents, developers and business owners who attended a public participation workshop; numerous interviews with state/local agencies and business owners; and secondary market research of pertinent economic-related data.

The purpose of the study is to identify and prioritize economic development strategies for the City that are supportable by market forces. The report focuses on increasing the number of quality, good-paying jobs in Lehi, increasing the sales tax base, improving the property tax base, and improving the visual appeal and ambiance of major economic centers in the City.

The study and analysis determined that there are five major economic “districts” in Lehi. The report is therefore organized around these five districts, including a section for Lehi City overall. Goals, strategies and action plans have been defined for each district and for the City, followed by the analysis and research that were the impetus for the stated goals and objectives. The economic districts are: North SR92, Thanksgiving Point Area, Millpond, State Street/Main Street and the West Annexation Area.

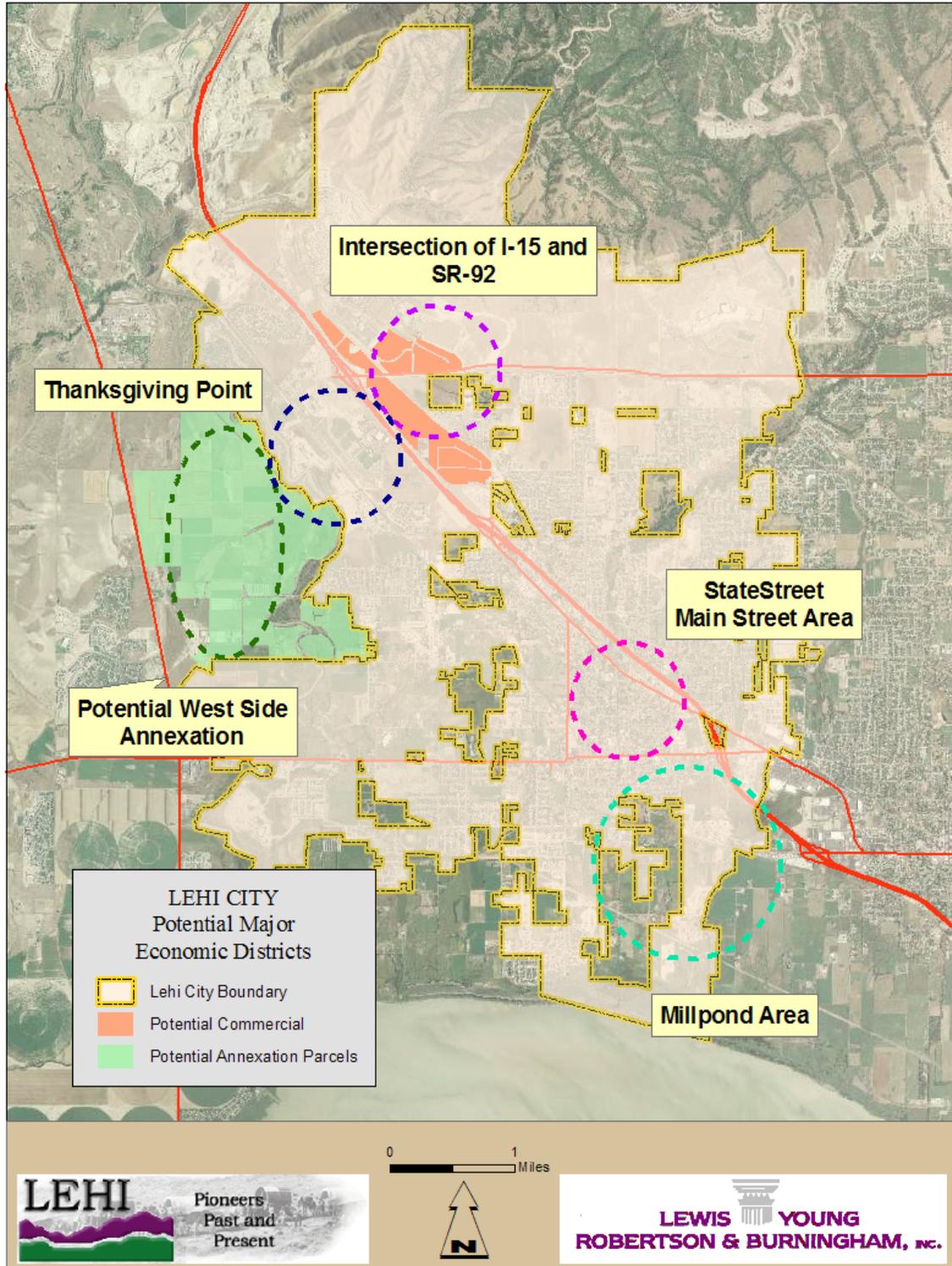
Lehi has the potential to become one of the premiere retail and office park destinations along the Wasatch Front. Strategically located at the northern end of Utah County, bordering Salt Lake County, and bisected by I-15 (the major transportation route through Utah), the City is well-situated to provide increased connectivity between Utah Valley and the Salt Lake Valley and to attract target markets from both valleys, as well as from Eagle Mountain and Saratoga Springs to the west, and communities such as Alpine, Highland and American Fork to the east.

Further, Lehi is located in the center of one of the most rapidly-growing areas in the nation. Lehi has increased its size by over 142 percent since the year 2000, from a population of 19,000 to over 46,000 today. Other neighboring municipalities in northern Utah County and southern Salt Lake County have also been experiencing extremely rapid growth. While Lehi has grown at an average rate of 13 percent *per year*; Eagle Mountain has grown at a rate of 22 percent; Saratoga Springs at 39 percent; Cedar Hills at 14 percent; Highland at 10 percent; Herriman at 38 percent; Riverton at 6 percent; and Draper at 5 percent. This rapid growth, along with Lehi’s location as the gateway to Utah County (from Salt Lake County), exceptional visibility and access, extremely favorable demographics (including high income levels and large household sizes in the regional area) present the City with some of the premiere economic development opportunities in the state.

This report is organized as follows:

- Executive Summary
- Summary of Goals and Objectives
- Design Principles
- Description of Lehi City
- Economic Districts
  - North SR92
  - Thanksgiving Point Area
  - Millpond
  - State Street/Main Street
  - West Annexation Area

MAP 1.1: POTENTIAL MAJOR ECONOMIC DISTRICTS



*The study and analysis determined that there are five major economic “districts” in Lehi. The report is therefore organized around these five districts, including a section for Lehi City overall.*

## SECTION II: EXECUTIVE SUMMARY

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This economic development strategic plan is prepared with the specific purpose of identifying and defining goals and objectives that will increase the economic sustainability of the City's tax base. Specific action items are set forth that are intended to aid with the implementation of this Economic Strategic Plan.

### SUMMARY OF KEY RECOMMENDATIONS

The City needs to establish a well-balanced and sustainable economic base through a threefold approach that expands and strengthens the City's:

Sales tax base;  
Property tax base; and  
Buying power through good-paying jobs.

Priority goals in each category are as follows and were established through not only the consultants' research, but also through a workshop held with community leaders.

#### RETAIL SALES TAX BASE

Actively recruit and establish a regional retail center at SR92 and I15 that will capitalize on the high incomes in the area, that will compete with Sandy South Towne and Orem University Mall, and that will provide a pedestrian-friendly gathering place for retail and entertainment;

Promote specialty retail centers, such as factory outlets, power centers, etc., along the SR 92 corridor;

Preserve and enhance the identity of the State Street/Main Street corridors through encouraging mixed use development and façade renovation;

Identify appropriate incentives for retail development, including assistance with parcel aggregation, sales tax remittance, etc.; and

Promote and facilitate neighborhood and community-scale retail development in the western annexation area.

#### PROPERTY TAX BASE

Build on the strengths of IM Flash by actively recruiting companies in the semiconductor industry and other complementary businesses to locate in Lehi;

Facilitate the creation of a neighborhood-friendly business park in the Millpond area, with easy access from I-15;

Promote transit-oriented development (TOD) near future rail stations; and

Encourage the upkeep, renovation and revitalization of rundown properties.

#### CREATION OF QUALITY JOBS

Become the Class A regional office center of northern Utah County at Thanksgiving Point; and

Define and provide incentives for industrial, office and business park development that will generate high-paying jobs and property tax (including personal property) revenues.

## MAJOR FINDINGS

### **LEHI IS STRATEGICALLY LOCATED ALONG I-15 AND PROVIDES THE CONNECTION BETWEEN SALT LAKE AND UTAH COUNTIES**

Lehi City is strategically located at the northern end of Utah County, with three, and potentially four, interchanges on I-15, the major transportation route in Utah. As such, the City is uniquely positioned to attract retail consumers, commuters and visitors from communities located on all sides and directions. Lehi is the strategic site for the two counties to grow together.

### **LEHI HAS STRENGTHS IN ITS UNIQUE REGIONAL ATTRACTIONS THAT MUST BE EXPANDED UPON**

Beginning in the 1990's, residential development in Lehi was rapid, but commercial development did not keep pace. While there have been a few significant employers that have located in Lehi – such as Thanksgiving Point, IM Flash, and Cabela's – the City has yet to capitalize on these major players through complementary development that builds on these strengths. It is critically important that Lehi build on these strengths through further regional retail/entertainment development at key sites and locations and for the City to make visual "connections" between key locations. Simply, the City must catch and embrace the vision that it is well situated to become one of the major regional centers in the State of Utah for shopping, entertainment and employment.

### **LEHI'S TARGET MARKETS COVER A LARGE AREA, EXTENDING FROM EAGLE MOUNTAIN ON THE WEST TO THE ALPINE/HIGHLAND AREAS ON THE EAST; FROM SOUTHERN SALT LAKE COUNTY ON THE NORTH, TO LINDON ON THE SOUTH.**

While the primary market area for most retail goods and services is northern Utah County,<sup>1</sup> Lehi also has a secondary market area and the ability to draw from the southern part of the Salt Lake Valley for regional goods, services and attractions, as well as statewide (and even out-of-state) for truly unique destinations such as Cabela's and the proposed Anderson/Gehry development. The secondary market area may also include some commuters from the Provo/Orem area to the Salt Lake Valley.

### **LEHI SHOULD ESTABLISH A REGIONAL RETAIL CENTER THAT ALSO SERVES AS A COMMUNITY-GATHERING PLACE**

In order for Lehi City to create a sustainable economic tax base, the creation of regional retail opportunities is critical. Currently, there is a large amount of "leakage" (i.e., purchases by residents that are taking place outside of the City). This analysis concludes that Lehi City needs to promote regional retail development, including a lifestyle center, in the vicinity of SR92 and I-15. Given the exceptional regional draw provided by Cabela's, as well as the high income levels of the Highland and Alpine areas that travel along SR92, there is a significant opportunity for Lehi to become the next regional retail center between Sandy's South Towne and Orem's University Mall.

The development of a regional retail center should focus on a lifestyle center approach, similar to the Gateway in Salt Lake City, with a pedestrian-friendly scale, walkability, and an emphasis on design and outdoor gathering places. In order to attract this type of development, Lehi City needs to be actively involved with approaching major developers and needs to be prepared with the type of assistance (i.e., land assemblage, tax increment funds, expedited entitlement processes, etc.) that will attract private investment capital to the City.

### **CURRENT SALES LEAKAGE IS HIGH; COMMUNITY-SCALE RETAIL SHOULD BE ENCOURAGED TO RECAPTURE LOST SALES LEAKAGE**

Community-scale retail development should also be encouraged in Lehi in order to stop the sales leakage that is presently taking place. In 2006, the City captured only 59 percent of the estimated retail purchases made by its households. Many residents are making a large majority of their shopping purchases outside

<sup>1</sup> Northern Utah County is defined as extending from the Utah County border in the north, to Lindon in the south.

of the City because goods and services are not sufficiently available within City boundaries. Currently, American Fork and Orem are capturing many of these purchases made by Lehi householders.

Community retail development includes power centers, outlet stores, factory stores and off-price centers. Analysis shows that the northern end of Lehi can support a big box store. Big box stores are good generators of tax revenues that contribute to a community's economic base. With growth and the advent of the Mountain View Corridor along 2100 North, Lehi will be able to support additional big box and power centers along that corridor and in the vicinity of Redwood Road.

The Lehi area may also be attractive to factory outlet stores. General requirements are for a population of 1 million to 2.5 million within 100 miles, traffic counts of at least 30,000 a day or interstate exposure, high tourism levels and a 20-mile distance from existing shopping centers. While tourism levels are not exceptionally high in Utah County, tourism is growing, and both Cabela's and Thanksgiving Point will continue to attract nonresidents to the area. And, while the general rule has been not to locate factory outlet stores and regional retail in close proximity, there have been exceptions to this rule.

#### **RECAPTURE LOST GROCERY STORES LEAKAGE**

Lehi is only capturing 60 percent of grocery store purchases made by its residents, and residents generally prefer to make these types of purchases closer to home. Grocery stores need to be strategically located not only to serve Lehi City residents, but also near city boundaries, where appropriate, in order to encourage shoppers from other communities to shop in Lehi. They should be well designed, as part of neighborhood town centers that blend well with existing and future residential neighborhoods.

#### **IM FLASH IS A MAJOR STRENGTH FOR RECRUITING OTHER HIGH TECHNOLOGY COMPANIES TO THE LEHI AREA**

Lehi currently has two major employment centers – IM Flash and the area surrounding Thanksgiving Point. IM Flash is only at about 50 percent of its operational capacity. Future growth at IM Flash will continue to spur office activity for related companies and vendors. Lehi City should actively recruit, and incentivize, where appropriate and necessary, complementary high technology companies to locate in the City.

#### **THANKSGIVING POINT HAS THE POTENTIAL TO BECOME THE PREMIERE CLASS A OFFICE PARK IN NORTHERN UTAH COUNTY**

The office park surrounding Thanksgiving Point has benefited by the demand created by IM Flash, and has the potential to become the premiere Class A office park in northern Utah County. One competitive advantage is the close proximity to Salt Lake County and immediate access off of I-15. Thanksgiving Point has one of the best golf courses in the State of Utah and ample conference center space to serve business needs. Another competitive advantage is the Utah County workforce, with graduates from both UVU and BYU. The community has exceptional strengths and a competitive advantage in workers who speak foreign languages which are a tremendous asset to global companies.

#### **THANKSGIVING POINT LENDS TO THE IMAGE AND PRESTIGE OF LEHI CITY AS AN EDUCATIONAL AND CULTURAL CENTER**

Thanksgiving Point is well known throughout the State of Utah, adding substantially to the City's reputation, branding and image. The unique nature of Thanksgiving Point, along with its renowned golf course, provides a significant competitive advantage for the development of an office/ business park in that area of the City.

#### **LEHI SHOULD DESIGNATE BUSINESS PARK/INDUSTRIAL AREAS IN THE MILLPOND AREA**

Utah is becoming increasingly attractive to national firms as a place to locate due to Utah's strong workforce, robust economy, relatively low cost-of-living and central location in the intermountain region. Because space is limited near the IM Flash plant, and due to the residential encroachment in that area,

Lehi City should consider the creation of two additional business park/industrial areas within the City – one in the Millpond area and one in the western (potential annexation) area of the City. In comparison to other areas in Utah County, Lehi will always have the competitive advantage of its relative proximity to Salt Lake County, as well as easy access to I-15. The Millpond business park is easily accessible and visible from I-15 and should be well-integrated into the existing neighborhood.

#### **MIXED USE DEVELOPMENT IS APPROPRIATE FOR THE STATE STREET CORRIDOR, CAPITALIZING ON FUTURE LIGHT RAIL DEVELOPMENT**

A future light rail station along the State Street Corridor will encourage revitalization and renovation of currently rundown areas. Light rail will provide the opportunity for transit-oriented development (TOD), including a mix of office and higher-density residential units. The State Street Corridor should be appropriately zoned to encourage TOD development. Perhaps legislation could be proposed that provides incentives for TOD development, as has been discussed in the past.

#### **PROPER DEVELOPMENT OF TRANSPORTATION INFRASTRUCTURE IS CRITICAL TO ECONOMIC SUSTAINABILITY**

Lehi is the most accessible community in Utah County. While many communities have I-15 exposure, Lehi has three, plus a potential fourth, interchanges on I-15, thus giving the City exceptional visibility and access from the Interstate. However, movement within the community is often congested, confusing and fragmented.

It has recently been determined that the Mountain View Corridor, stretching down the western side of the Salt Lake Valley into Utah County, will connect to I-15 via 2100 North in Lehi. While there are legitimate concerns that this major transportation route will further fragment the City, it will also create the opportunity for additional regional retail and employment along 2100 North and will make Lehi even more attractive as a destination for residents of rapidly-growing southwestern Salt Lake County.

A light rail connection is planned for the area near Cabela's. Bus connections between this light rail station and the Thanksgiving Point Frontrunner station are essential.

#### **SUPERIOR TELECOMMUNICATIONS INFRASTRUCTURE IS CRITICAL**

In order to encourage and assist the development of a premiere office park near Thanksgiving Point, the City needs to ensure that the finest economic infrastructure (transportation, telecommunications, other utilities) is available to this area. In order to fund this type of infrastructure, the City may want to consider creating a Special Assessment Area(s) (SAA). However, if an SAA is to be used as a financing vehicle, the infrastructure must be publicly, not privately owned. Ideally, these services would be available citywide, but an SAA provides a cost-effective means of providing services to targeted areas and paying for these improvements over 15-20 years. CDA's and EDA's are somewhat more flexible, in that they can be used to fund infrastructure that is owned by either the public or private sectors. However, there are financing advantages to an SAA where payments are secured by property liens, rather than through the somewhat riskier flow of tax increment associated with CDA's and EDA's.

#### **THE CITY SHOULD DEVELOP A POLICY REGARDING INCENTIVES FOR DEVELOPMENT**

Transportation and other economic infrastructure can be costly to put in place. Therefore, Lehi City must have a clear policy regarding public assistance and incentives for strategic development types that facilitate the City's economic development plan by adding significantly to the economic sustainability of the City. Potential incentives include tax increment financing through community development areas (CDA's), redevelopment areas (RDA's), and economic development areas (EDA's); special assessment areas (SAA's) to fund capital infrastructure in targeted areas; grants; public-private partnerships; revolving loan funds; and potential sharing of sales tax or other revenues for a period of time.

## SECTION III: GOALS AND OBJECTIVES

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A summary of goals and objectives is as follows:

### 1. LEHI CITY

**GOAL: CREATE AN ECONOMICALLY SUSTAINABLE TAX BASE FOR THE CITY, INCLUDING EMPLOYMENT OPPORTUNITIES, INCREASED AND GROWING PROPERTY VALUES AND INCREASED GENERATION OF LOCAL SALES TAX REVENUES.**

**Strategy: Identify key parcels throughout the City that can attract and support regional employment and strong, sustainable retail development.**

- | Action Item: Prepare a site map for each economic district.
- | Action Item: Prepare a marketing piece showing available parcels and ownership.
- | Action Item: Provide overview of infrastructure available and needed.
- | Action Item: Define economic incentive tools and willingness of City to use.

### 2. NORTH SR92

**GOAL: DEVELOP A STRONG AND SUSTAINABLE SALES TAX BASE FOR LEHI CITY.**

**Strategy: Position the SR92 area to become the regional retail/entertainment destination of Northern Utah County.**

| Action Item: Develop incentives for highly-desired uses of key retail property immediately east of SR92. These incentives may include creation of a Community Development Area (“CDA”), Urban Renewal Area (“RDA”), or Economic Development Area (“EDA”) for tax increment funding, remittance of sales tax revenues, assistance with parcel aggregation, reduction or elimination of development impact fees, acceleration of the entitlement process, creation of a Special Assessment Area (SAA) to assist with public infrastructure, or the creation of a Business Improvement District (BID) to provide greater public/private participation.

| Action Item: Approach large master developers with the financial wherewithal to master plan, develop and finance a large area in order to ensure that development occurs in a consistent and sustainable manner. Prepare recruitment materials that show demand for regional retail and specific types of retail, sales tax leakage, infrastructure analysis, traffic counts, demographic factors, site plan analysis, cost of doing business in the local area, and potentially available incentives/public assistance. Also, show available parcels of land that could be developed. Expedite the entitlement process for types of retail desired.

| Action Item: Discourage, by not extending incentives or public assistance, piecemeal development of strip mall type retail, often mixed with small professional offices, on key retail parcels that could be highly-competitive in the regional retail market. Do not provide any streamlining through the entitlement process.

| Action Item: Develop design standards, including streetscape and circulation patterns to ensure that any new regional retail will function effectively and be attractive to both local and regional users. This includes providing convenient access to and from the retail area as well as pedestrian-friendly access and circulation once on site. Create destination opportunities and gathering places. Provide developers with information regarding how this type of infrastructure can be funded.

| Action Item: Lehi City will work with future developers to incorporate appropriate and convenient connections via local streets to/from existing and future residential neighborhoods. These

connections should be well-planned and designed so as to offer easy access by residents but not encourage unwanted through traffic from regional users.

**Strategy:** Develop appropriate community scale retail, including big-box development(s) in order to recapture sales tax leakage to neighboring communities.

Action Item: Work with UDOT to ensure sufficient access along SR92 and at key points along 2100 North that will easily accommodate retail development with high levels of traffic generation. Ensure that frontage and other access roads are designed or will be designed to accommodate retail traffic generation and easy access into and out of major retail developments. These roads could be funded through various incentive tools, including sales tax recapture or community development areas (CDA's).

Action Item: Analyze the competitive retail in other communities to determine what types of retail are missing or what types of retail would be sustainable in Lehi. Currently, based on the sales leakage and competitive market analysis, good opportunities exist in grocery stores, general merchandise, clothing stores (should be clustered together), home furnishings, computer and software stores, fast food eating places, restaurants, drugstores, book stores, stationery stores, jewelry stores, hobby stores, camera stores, sewing stores, dry cleaners, beauty shops, office supplies, and video rental stores.

Action Item: Prepare recruitment materials and present to national-chain big-box retailers or development representatives information demonstrating the demand for products and services.

**GOAL: DEVELOP A POSITIVE “BRAND” OR “IMAGE” OF LEHI CITY AS THE PREMIERE REGIONAL RETAIL, CULTURAL AND ENTERTAINMENT DESTINATION IN NORTHERN UTAH COUNTY. THIS WILL BUILD ON AND COMPLEMENT THE EXISTING STRENGTHS OF THANKSGIVING POINT BY OFFERING A WIDE RANGE OF RECREATIONAL, ENTERTAINMENT, AND RETAIL OPPORTUNITIES AT THE NORTHERN END OF LEHI CITY.**

**Strategy:** Capitalize on the high incomes, large family sizes, and other demographic factors in the northeastern portion of Utah County that will support lifestyle centers, outlet malls, dining out, cultural and entertainment attractions.

Action Item: Continue to work with a public relations firm, as needed, to ensure that the new branding and logos currently being developed by the City are correctly portraying the image desired by the City, and are being used in a cost effective manner. Keep the City's website current and updated.

**Strategy:** Create visual, physical, transportation, marketing and other connections between Thanksgiving Point and SR92 using design elements such as streetscape enhancements and coordinated promotional materials by the different entities.

**Strategy:** Use streetscape elements that are complementary to the design and nature of the two individual areas and that will serve to enhance the connection between the two.

### 3. THANKSGIVING POINT

**GOAL: BECOME THE CLASS A REGIONAL OFFICE CENTER OF NORTHERN UTAH COUNTY.**

**Strategy:** Promote connections between Salt Lake County and Utah County – “two counties growing together.”

Action Item: Work with UDOT to provide bus service between the future light rail connection at Cabela's and the Thanksgiving Point area, including the Frontrunner station.

Action Item: Work with UDOT to improve the I-15 freeway interchange at Lehi 1200 West (Exit 282), reducing confusion and enabling access to the southern portion of the Thanksgiving Point area.

**GOAL: DEVELOP LEHI'S IMAGE AS A PREMIERE EDUCATIONAL AND CULTURAL DESTINATION FOR FAMILIES THAT WILL ATTRACT BUSINESSES TO THE THANKSGIVING POINT AREA.**

**Strategy:** Encourage the development of conference/convention space at Thanksgiving Point that will not only serve the businesses in the local area, but that will also attract visitors from Salt Lake County and other areas of the state.

Action Item: Use of Transient Room Tax (TRT) and Tourism, Recreation, Culture and Convention (TRCC) funds and municipal TRT to provide and incentivize these types of activities.

**Strategy:** Encourage hotel/lodging development in the Thanksgiving Point area.

Action Item: Use of TRT and TRCC funds and municipal TRT to provide and incentivize these types of activities.

#### **4. MILLPOND**

**GOAL: FACILITATE THE CREATION OF A NEIGHBORHOOD-FRIENDLY BUSINESS PARK DISTRICT THAT HAS EASY ACCESS FROM I-15 BUT IS COMPATIBLE WITH THE SURROUNDING AREA.**

**Strategy:** Enable a flexible and creative business park development that will be a neighborhood asset through appropriate zoning regulations.

Action Item: Ensure that zoning regulations are not contrary to creating an attractive, neighborhood-style business park. Address issues such as the types of uses allowed, setbacks, height limits, parking regulations, and clustered development. Uses should be allowed, within or adjacent to the business park, that are mutually attractive and beneficial to business park users and the surrounding residential neighborhoods.

Action Item: Streamline the entitlement process.

**Strategy:** Provide appropriate incentives to businesses in order to initially attract development with high property values (i.e., personal property as reflected in plant equipment), which will set the tone for future development in the business park.

Action Item: Utilize funding mechanisms provided through EDCUtah, EDA's, TIF Funding, and GOED EDTIF.

Action Item: Evaluate the status of the currently underperforming RDA in the Millpond area and consider replacing with a new RDA if a potential business opportunity is dependent on or significantly enhanced by this.

**Strategy:** Provide appropriate public assistance to developers in order to assist with infrastructure within the business park and to enable developers to retain land for business park development (where absorption may take place over a much longer timeframe than other types of development).

**Strategy:** Provide an overall plan for the area to direct growth of the business park in an orderly, cohesive manner.

Action Item: Plan for a collection of smaller business park campuses to develop incrementally. As the area grows and land is accumulated, these smaller campuses could combine or meld into one or more larger campuses.

Action Item: Use tax increment financing as necessary in order to provide critical infrastructure, provide for orderly growth, and attract top-quality businesses to the area. A Community

Development Area (CDA) can easily control for phased, orderly growth, triggering tax increment as development occurs.

**Strategy: Provide for the highest-quality technology infrastructure.**

Action Item: Create a Special Assessment Area (SAA), Community Development Area (CDA) or Business Improvement District (BID) to support the extension of technology infrastructure in order to attract and retain high level technology and business-related entities.

**Strategy: Work with the Economic Development Corporation of Utah (EDCUtah) to identify business relocation opportunities and to attract top-quality businesses.**

Action Item: Continue to work with EDC Utah to develop marketing information in coordination with EDCUtah to highlight the advantages of locating business in Lehi City.

Action Item: Participate in statewide programs such as the Governor's Office of Economic Development's (GOED) Economic Development Tax Increment Financing (EDTIF) (30 percent of incremental taxes available depending on jobs), Industrial Assistance Fund (IAF), and Custom Fit Job Training through GOED.

**GOAL: PROACTIVELY DESIGN A PLAN FOR THE BUSINESS PARK AREA THAT WILL MAKE IT FUNCTION AS AN INVITING EXTENSION OF DOWNTOWN AND SURROUNDING RESIDENTIAL AREAS (BOTH EXISTING AND FUTURE). WORK TO SUCCESSFULLY INTEGRATE THE BUSINESS PARK WITH THESE AREAS.**

**Strategy: Use a street grid system to provide for easy access to downtown and to facilitate traffic flow from the business park area, and from neighborhoods located south of Main Street.**

Action Item: Identify the infrastructure costs and amenities to ensure the successful design and integration of the area. Items such as streets, trees, and trails should be considered. Define potential financing mechanisms.

**GOAL: ENHANCE THE MILL POND AREA AS AN ATTRACTIVE BUSINESS PARK DESTINATION AS WELL AS A NEIGHBORHOOD AMENITY.**

**Strategy: Design a clustered orientation for the business park to allow for preservation of open space and the natural amenities of the Mill Pond surroundings.**

Action Item: Keep sections of open space available for use as a park/natural space both for users of the business park and the surrounding neighborhood.

Action Item: Provide a trail system that can be used as a jogging/walking path. Connect the trail to the surrounding neighborhoods and to any other existing or planned trail systems in Lehi.

Action Item: Design parking for the business park so that a minimum of land is taken up by surface parking. Ensure that parking regulations are not contrary to this goal.

Action Item: Design the business park to function as a neighborhood with streets. Allow for on-street parking adjacent to buildings for serving the needs of clients and visitors. Create separate shared parking facilities (lots or structures) for employees.

Action Item: If open space and trails become a benefit for the businesses located in Millpond, the City could consider impact fees as a way to defray the expenses related to these amenities.

## 5. STATE STREET/MAIN STREET

**GOAL: STATE STREET AND MAIN STREET ARE THE CENTER OF THE COMMUNITY – THE “HEART OF LEHI” – ATTRACTIVE, DYNAMIC PLACES FOR BUSINESSES, RESIDENTS, CIVIC USES, AND RETAIL CONSUMERS.**

**Strategy: Encourage destination and specialty retail store clusters in a walkable, pedestrian-friendly environment, along State Street and Main Street.**

Action Item: Focus on improving and rehabilitating existing clusters of historic retail buildings, such as those around the State Street and 100 East intersections.

Action Item: Implement appropriate elements of the Downtown Revitalization Plan, completed February 2007.

**Strategy: Encourage and enhance the mixed-use aspect of State Street. Unify the variety of uses through streetscape improvements.**

Action Item: Pursue the use of Olene Walker Housing Funds as appropriate.

**Strategy: Improve the streetscape and ambiance of State Street and Main Street.**

Action Item: Provide city-sponsored revolving loan funds, or matching grant funds for façade renovation for businesses fronting on State Street or Main Street.

Action Item: Encourage code enforcement of rundown properties and those not meeting code standards, including education to existing property owners regarding the level of standards required in order to meet City codes.

Action Item: Improve signage through a signage theme program or guidelines to business owners. Review and rewrite zoning design regulations, as necessary. Consider enacting a signage ordinance to better control signage restrictions throughout the City.

Action Item: Establish RDA Revolving Loan Funds for streetscape improvements, building facades, rear parking projects, etc.

Action Item: Promote rear parking and cross easements in rear of buildings.

Action Item: Provide for city-sponsored activities (i.e., parades, festivals, farmer’s markets, open-air concerts, etc.) to take place in the State Street/Main Street area.

Action Item: Consider the creation of a Business Improvement District (BID) for parks or operations and maintenance costs of downtown, including streetscape, marketing, etc.

**Strategy: Locate important community buildings in the State Street/Main Street area.**

**Strategy: Provide and improve the physical and visual connections between State and Main Streets.**

Action Item: Utilize the Center Street and 100 East corridors as the main connectors between State Street, Main Street, and the Lehi City civic complex. Facilitate the mobility among these areas by addressing the usage and design of these two streets.

Action Item: Streetscape improvements along Center Street and 100 East should continue between Main Street and State Street to enhance the visual connection between the two areas.

## 6. REDWOOD ROAD/WEST ANNEXATION

**GOAL: DEVELOPMENT OF A MIXED USE AREA, WITH RETAIL, BUSINESS PARK, AND RESIDENTIAL USES.**

**Strategy:** Take advantage of West Lehi's growth, as well as that of Saratoga Springs and Eagle Mountain. Neighborhood town centers should be allowed in largely residential areas on the western portion of Lehi in order to provide convenience services to residents and in order to keep resident purchases (with accompanying sales tax revenues) within City boundaries.

| Action Item: Provide developers with population growth, buying power estimates and other pertinent demographic information to encourage retail development.

**GOAL: CAPITALIZE ON MOUNTAIN VIEW CORRIDOR ACCESS ALONG 2100 NORTH AND REDWOOD ROAD THROUGH COMMERCIAL-SCALE RETAIL DEVELOPMENT, INCLUDING BIG BOX AND POWER CENTERS, AS WELL AS THE EXPANSION OF EMPLOYMENT CENTERS.**

**Strategy:** Provide appropriate incentives through the creation of a CDA or EDA for tax increment funds in connection with statewide incentives such as GOED EDTIF. Streamline the entitlement process.

| Action Item: Provide zoning for mixed uses, including business park, residential and retail.

| Action Item: Evaluate the City's competitiveness in terms of property taxes, impact fees, planning and engineering fees, utility rates, etc.

**GOAL: PROVIDE THE TECHNOLOGY, TRANSPORTATION AND UTILITIES INFRASTRUCTURE THAT WILL ATTRACT SUPERIOR-QUALITY BUSINESSES TO THIS AREA.**

**Strategy:** Create an SAA, CDA/EDA, or BID as appropriate in order to adequately fund the necessary infrastructure.

## SECTION IV: DESIGN PRINCIPLES

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Superior design and infrastructure will contribute to an area's chances of success compared to other areas that are not designed well. The economic success of an area is dependent on its level of accessibility. How easy it is to reach a place will in part determine if it will be viable. A related component is how easily people can move to, from, or within an area, which is defined as mobility. Both accessibility and mobility are dependent on a good street network.

Three general design principles are priority items to address as Lehi looks to expand its economic opportunities in the districts identified in this plan. They are:

Street Network Design and Infrastructure  
 Visual Identity  
 Mixture of Uses and Opportunities

### STREET NETWORK DESIGN AND INFRASTRUCTURE

A good street network is an essential component for a successful development. The street network is the foundation for the mobility of an area. How well an area functions and is livable and useable, whether it is commercial, mixed-use, or residential depends on the network of street connections. The network serves to circulate not only users of motorized vehicles, but also non-motorized users such as pedestrians, bicyclists, and others.

A combination of street types should form the street network. Narrow local streets should form the bulk of the network. Short block lengths with frequently spaced intersections will offer many connections and make it easier for people to move around as they will have more than one way to reach a destination. Having more roads that are narrow is preferable than having fewer, wider roads. Connections will be better, resulting in less congestion, making for a safer travel environment. A cul-de-sac street pattern with very long blocks, frequent dead ends, few connections and few intersections makes it difficult to get from one place to another as few route options are available. Travel is forced onto a few arterial roads leading to congested situations. If congestion arises within or around a development area, people will feel trapped and will not have a pleasant experience. Arterial roads are often designed to be very wide with higher speeds, making them unpleasant for motorists, pedestrians, and bicyclists.

A street master plan should be developed that will allow for development to occur in the area over a period of time in a cohesive manner. Whether the area is developed by one entity or many, the street master plan will serve as the basis for the pattern of development in the area.

#### **Street Master Plan Elements:**

1. Pattern of Street Network
2. Land Uses along the Street
3. Number/Frequency/Spacing of Intersections
4. Type and Width of Streets
5. Connections and Nodes

In three of the districts for this plan the street infrastructure is limited and will likely expand as the area develops, or needs to be enhanced to facilitate better circulation and mobility. Street network plans identifying a general layout of new roads have been provided for the North SR92 area, Thanksgiving Point area, and Mill Pond Neighborhood area. Connections within these areas as well as to the surrounding neighborhoods will be critical for the success of these areas not only as a regional draw but also for the people of Lehi.

## VISUAL IDENTITY

As Lehi has grown in population it has also spread out geographically. Some areas where economic growth is likely to occur are not readily identified as being part of the city of Lehi. Establishing some basis of consistency and compatibility for new development will assist in visually linking these areas to the city of Lehi. This can be achieved through streetscape design elements as well as some architectural or form-based standards. Promotional materials should reinforce destination areas such as Cabela's and Thanksgiving Point as being part of Lehi.

## MIXTURE OF USES AND OPPORTUNITIES

A mixture of different land uses and opportunities should be explored to help support expansion of the economic base of Lehi. Opportunities such as future commuter rail and light rail expansions through the city should be capitalized on, especially at station areas where a dense mixture of uses can be easily supported. Appropriate zoning and general plan language should allow for this mixture of uses to occur either through base zones, overlay zones, or utilizing a form-based code that is not focused on separation of uses but rather good architectural form and placement of buildings.

## DESIGN ASSETS, CHALLENGES, AND FOCUS ITEMS

Five districts were identified in the economic plan and each was evaluated for its assets and challenges. These were the basis for the focus items recommended for each district that are outlined below.

### NORTH SR92

#### Assets:

Cabela's is a destination retail store and is often located with additional retail/commercial uses nearby. This type of destination retail will serve as a good basis for additional development in the area.

Although the street network is very limited and not well connected, there are some nicely landscaped medians and street lamps that set the tone. Future street networks should tie into the existing streetscape elements.

Other developments are planned for the area, indicating viability of this location.

#### Challenges:

The circuitous access route from the interstate via the frontage road does not provide a direct or welcoming entrance to the existing retail use on the north side of SR92.

Although there are neighboring residential uses in proximity to the retail development they are not well connected and do not build off of each other. There is currently a lack of pedestrian amenities, and the current setting is not likely to generate much pedestrian traffic. As the area develops care will need to be taken to provide functional pedestrian connections between uses.

This area is not easily identified as being a part of Lehi.

#### Focus Items:

Emphasize the connections between the east and west sides of the interstate to link these areas together visually and physically.

Identify this area more strongly as being part of Lehi through use of promotional materials as well as physically and visually with streetscape standards.

As additional regional retail uses develop in this area they should stand out by having superior street network design and infrastructure.

Facilitate connections to and from the area to make it an asset to the surrounding neighborhoods.

### THANKSGIVING POINT

#### Assets:

The area serves as a destination cultural/entertainment district and it has nice amenities such as Thanksgiving Gardens and shopping area.

A mixture of uses is developing in the area with office buildings and a proposed hotel.

A proposed future commuter rail station is planned on the western edge of this area.

#### Challenges:

A sense of arrival is missing from the area, due in part to the circuitous access via the frontage road, which leads to a parking lot. The eclectic combination of uses contributes to a lack of understanding regarding what and where the center of the area is.

Obvious connections and access to and within the area are lacking. Tree-lined roads dead-end in parking lots and have no sidewalks so that pedestrian circulation is not supported.

Uses in this area are separated at a large scale and no clear connections and relationship exist between them.

#### Focus Items:

Develop an overall base master plan regarding infrastructure, layout, so that there is a consistency to the area that is not achieved by looking at things one parcel/area/use at a time.

Establish pedestrian connections between all uses – once people arrive they should be able to comfortably walk around to the different uses. Proactively design pedestrian connections as new development components are built.

Establish a mixture of uses that will be an asset to the future commuter rail station area  
Utilize shared or coordinated parking to limit the amount of surface parking needed.

### STATE STREET CORRIDOR

#### Assets:

A mixture of uses exists along the corridor as well as in the areas of Lehi that are adjacent to State Street.

The collection of historic retail buildings around the 100 East intersection at State Street serve as a character basis for the area.

State Street serves as a key historic roadway and traffic corridor. It provides a link between different areas of Lehi and is an alternate route into town from I-15.

The history of Lehi is reflected through the resources of historic buildings along the corridor as well as the original city cemetery.

#### Challenges:

The street has a very wide right of way with little or no amenities. There are few signalized intersections which limits the accessibility between the two sides of the corridor.

No park strip buffer exists between the sidewalks and the street, making it unwelcoming to pedestrians.

### Focus Items:

Establish a mixed-use node around the core of historic retail buildings at the 100 East intersection and the intersection at 300 West. Use these two signalized intersections to facilitate accessibility and mobility between both sides of State Street.

Tie together the various uses along corridor using coordinated streetscape amenities, trees, lighting, benches, trash receptacles, etc.

Preserve and reuse historic structures. These structures can serve as the character basis for new construction along the corridor.

Enhance the link between State and Main Streets by improving pedestrian and bike connections as well as those for the automobile.

### MILL POND

#### Assets:

The area currently has a rural feel with natural assets such as the Mill Pond.  
Great access and visibility from I-15 are assets for this area.

#### Challenges:

Along with Main Street, this area sees a great deal of through traffic from people that live in the communities to the west of Lehi.

The existing residential neighborhoods are disconnected and isolated from the rest of Lehi.

#### Focus Items:

Establish an innovative business park with great visibility that functions well as part of the city.

Develop the future business park as a neighborhood and an extension of the surrounding neighborhoods. The area should include a street network, sidewalks, and a mixture of uses rather than being a one-entry light industrial business park that does not contribute to the surrounding area.

Establish a street network that will physically connect the area with Main Street and follows the general form of the historic grid of Lehi.

Preserve and provide access to the natural open spaces such as the Mill Pond through use of clustered orientation of building.

### WEST SIDE ANNEXATION AREA

#### Assets:

The area is currently largely vacant land with a rural feel.

Great access and visibility from Redwood Road and the planned Mountain View Corridor can be assets for this area.

Easy access to Salt Lake County will be a plus.

#### Challenges:

Achieve the feel of a master-planned community rather than smaller, piecemeal development.  
Maintain a rural feel while providing a mix of uses and capitalizing on the economic potential of the Mountain View Corridor.

Large traffic volumes will pass through this area on Redwood Road and on the Mountain View Corridor.

**Focus Items:**

Establish neighborhood town centers (one center for approximately every 5,000 residents) that will be in keeping with a rural, village concept.

Limit community-scale retail to locations along Redwood Road and the Mountain View Corridor. Promote design principles that discourage parking lots along the street front, with retail set back from the street. Rather, encourage buildings fronting the street, with interior parking lots.



## SECTION V: OVERVIEW OF LEHI CITY

Background information on Lehi City has been provided in order to identify the market conditions that will influence the economic development strategies and plans that can be achieved in the City.

### POPULATION AND HOUSEHOLD GROWTH

Since 1990, the Wasatch Front has experienced rapid population growth. Based on estimates provided by the Governor's Office of Planning and Budget (GOPB), the average annual growth rate for the Wasatch Front was 2.4 percent over the 15-year time period. Utah County was the fastest growing, with its population increasing at a rate of 3.6 percent annually. At present, Utah County accounts for 23 percent of the Wasatch Front's population.

TABLE 1.1: WASATCH FRONT POPULATION GROWTH

	1990	1995	2000	2005	Annual Rate of Growth 1990-2005
Box Elder County	36,500	38,830	42,884	45,142	1.4%
Weber County	159,000	175,150	197,452	212,707	2.0%
Davis County	188,000	214,994	240,306	276,374	2.6%
Salt Lake County	728,000	806,280	900,651	970,748	1.9%
<b>Utah County</b>	<b>266,000</b>	<b>308,607</b>	<b>370,862</b>	<b>453,977</b>	<b>3.6%</b>
TOTAL Wasatch Front	1,377,500	1,543,861	1,752,155	1,958,948	2.4%

Source: Bureau of Census, GOPB

The Governor's Office of Planning and Budget (GOPB) tracks population growth and makes projections at the citywide level throughout the State of Utah. However, in rapidly-growing cities such as Lehi, these estimates are often conservative, and can significantly lag the true growth experienced. For example, based on data provided by the GOPB, Lehi had an estimated population of 31,918 persons in 2006. In comparison, when building permits are analyzed, as shown in the chart in the row entitled, "LYRB Adjusted Lehi Population," the population is estimated to reach over 43,000 individuals in 2006.

TABLE 1.2: LEHI CITY POPULATION PROJECTIONS

	2000	2001	2002	2003	2004	2005	2006	AAGR
LYRB Adjusted Lehi Population	21,146	22,888	24,871	27,965	31,831	36,945	43,046	13%
GOPB Population	21,146	-	-	-	-	30,088	31,918	7%

Source: Governor's Office of Planning and Budget; University of Utah Bureau of Economic and Business Research (BEER)

Building permit growth, by year for Lehi, is summarized in the following table. In order to make population adjustments, new residential building permits from 2000 to 2006 (5,919 permits) were multiplied by the average household size (3.7 persons) from the 2000 US Census. Using this approach, Lehi's estimated 2006 population is 43,046, reflecting an average annual growth rate ("AAGR") of 13 percent over the six-year time period and nearly double the growth measured by the GOPB.

TABLE 1.3: NEW BUILDING PERMITS (LEHI)

2000 Households*	2001		2002		2003		2004	
	Single	Multi	Single	Multi	Single	Multi	Single	Multi
5,560	418	53	475	61	685	151	783	262
2005		2006			Total			
Single	Multi	Single	Multi	1,034		348	1,519	130

Source: United States Census 2000; University of Utah Bureau of Economic and Business Research (BEER); LYRB. \*Includes building permits issued in 2000 for new construction only; does not include renovations or expansions to existing facilities.

Population projections for Lehi have been made by adjusting the year 2006 population of 43,046, and then using the average annual growth rates suggested by the GOPB of eight percent from 2006 to 2011; six percent from 2011 to 2017; and four percent from 2017 to buildout.

TABLE 1.4: LEHI CITY POPULATION PROJECTIONS

Year	Population Projections
2006	43,046
2007	46,489
2008	50,209
2009	54,225
2010	58,563
2011	63,248
2012	67,043
2013	71,066
2014	75,330
2015	79,850
2016	84,641
2017	88,026
2018	91,547
2019	95,209
2020	99,018
2021	102,978
2022	107,097
2023	111,381
2024	115,837
2025	120,470
2026	125,289
<b>Buildout</b>	<b>129,735</b>

Source: GOPB; LYRB

An analysis of building permits has also been used in order to update the number of households and population for other cities in northern Utah County. Although Lehi doesn't have the highest growth rate from 2000 to 2006, it did have the largest absolute growth in the area (5,919 new dwelling units). Higher growth rates were seen in Saratoga Springs, Eagle Mountain and Cedar Hills – largely due to the extremely small size of these cities in 2000.

Of the communities located in Northern Utah County, Lehi City is projected to have the largest buildout population. Not only will Lehi become the largest city, but it will be followed in size by Eagle Mountain and Saratoga Springs. Residents from both of these communities frequently travel through Lehi in order to reach I-15 and can be considered part of Lehi's primary and/or secondary market area depending on the type of goods and services.

TABLE 1.5: RESIDENTIAL UNITS/NEW BUILDING PERMITS

	2000 Households	Building Permits 2000-2006	Estimated Households 2006	% Change	AAGR
Alpine	1,803	515	2,318	29%	4%
American Fork	6,278	1,046	7,324	17%	3%
Cedar Hills	934	1,157	2,091	124%	14%
Eagle Mountain	1,182	2,697	3,879	228%	22%
Highland	1,983	1,504	3,487	76%	10%
<b>Lehi</b>	<b>5,715</b>	<b>5,919</b>	<b>11,634</b>	<b>104%</b>	<b>13%</b>
Lindon	2,026	313	2,339	15%	2%
Orem	24,544	2,087	26,631	9%	1%
Pleasant Grove	6,424	2,145	8,569	33%	5%
Saratoga Springs	470	2,985	3,455	635%	39%

Source: BEBR Utah; LYRB

TABLE 1.6: UTAH COUNTY POPULATION PROJECTIONS

	2006	2007	2008	2009	2010	2020	2030
Alpine	9,658	10,338	10,696	11,067	11,450	13,880	16,206
American Fork	26,026	27,106	27,662	28,230	28,810	34,698	39,366
Cedar Hills	9,169	10,224	10,796	11,401	12,039	13,446	14,356
Eagle Mountain	15,443	17,564	18,732	19,977	21,305	43,184	76,579
Highland	15,524	17,541	18,646	19,821	21,069	26,436	28,619
<b>Lehi</b>	<b>43,046</b>	<b>46,489</b>	<b>50,209</b>	<b>54,225</b>	<b>58,563</b>	<b>99,018</b>	<b>129,735</b>
Lindon	9,867	10,388	10,658	10,936	11,221	13,680	16,780
Orem	92,274	95,044	96,460	97,897	99,356	103,438	109,046
Pleasant Grove	31,958	33,493	34,289	35,103	35,937	42,973	48,325
Provo	108,183	111,000	112,437	113,892	115,365	121,029	129,365
Saratoga Springs	12,673	14,690	15,816	17,029	18,334	37,849	57,198
Utah County	467,813	482,070	496,762	511,901	527,502	661,319	804,112

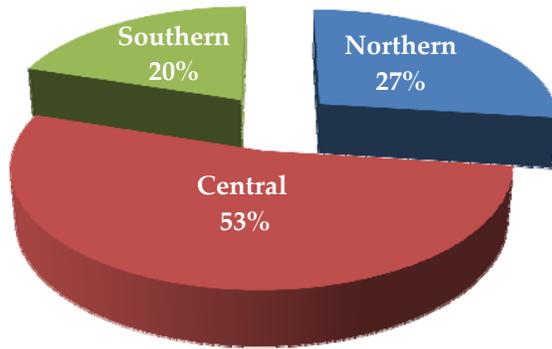
Source: GOPB; LYRB

Currently, Northern Utah County accounts for 33 percent of Utah County’s population, with Central Utah County accommodating 46 percent of the population and Southern Utah County housing 21 percent. Northern Utah County is projected to increase to 40 percent of the County’s total population in 2020 and 49 percent by 2050. Central Utah County’s population is expected to decline, as a percent of total population, in subsequent years as the north end of the County continues to increase in population. By 2020, Central Utah County is projected to decrease to 35 percent of the County’s total population, accounting for only 23 percent by 2050.

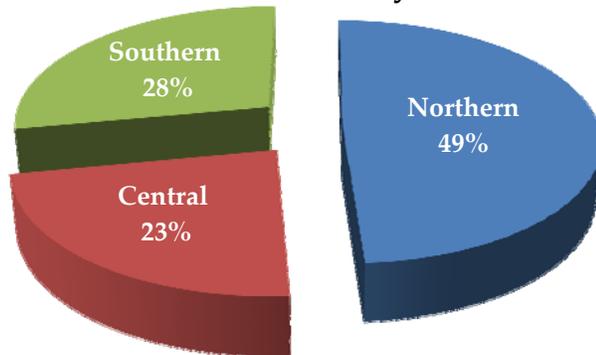
Due to the population shift to northern Utah County, many opportunities for regional retail and entertainment will be available.

Currently, Lehi City has nearly 22 percent of the total population in Northern Utah County, with Pleasant Grove at 19 percent and American Fork at 17 percent. By 2020, it is anticipated that Lehi will increase to 25 percent of the total northern Utah County population, while Pleasant Grove and American Fork will decrease to 15 and 14 percent respectively. Both geographically and demographically, Lehi has significant opportunities to become the regional employment and retail leader in northern Utah County.

**Population Comparison as Percent of Total, Utah County (2000)**



**Population Comparison as Percent of Total, Utah County (2050)**



GRAPH 1.1 & 1.2

TABLE 1.7: POPULATION PROJECTIONS, SOUTHERN SALT LAKE

	2005	2020	Growth
Bluffdale	6,120	24,144	18,024
Draper	34,457	45,556	11,099
Herriman	11,609	28,963	17,354
Riverton	33,845	49,346	15,501
<b>TOTAL</b>	<b>86,031</b>	<b>148,009</b>	<b>61,978</b>

Source: GOPB

In discussing population projections for Lehi City and its neighboring communities, it is important to include Southern Salt Lake County, as it is a potential secondary market area. By the year 2020, it is projected that communities in southern Salt Lake County (Bluffdale, Draper, Herriman and Riverton) will increase in population by 61,978 residents, creating a total population of approximately 148,000.

This population growth, centered in and around Lehi, will create significant demand for increased goods and services. Growth in northern Utah County alone will create demand for an additional 1.1 million square feet of retail space by 2010. This analysis assumes average annual per capita retail purchases of \$11,524 per capita in Utah, as calculated from information provided by the Utah State Tax Commission. The buying power analysis also assumes average retail sales of \$300 per square foot, based on averages provided by the Urban Land Institute (ULI). Average sales per square foot vary greatly depending on the type of retail development.

TABLE 1.8: NORTHERN UTAH COUNTY BUYING POWER

Year	2007	2010	2020	2030
Population	237,584	275,057	403,830	516,462
<b>INCREASE FROM PREVIOUS PERIOD:</b>				
Population Growth (from previous period)		37,474	128,773	112,632
Growth in Buying Power (\$2006)*		432 M	1,484 M	1,298 M
Retail Square Footage Growth**		1.4 M	4.9 M	4.3 M

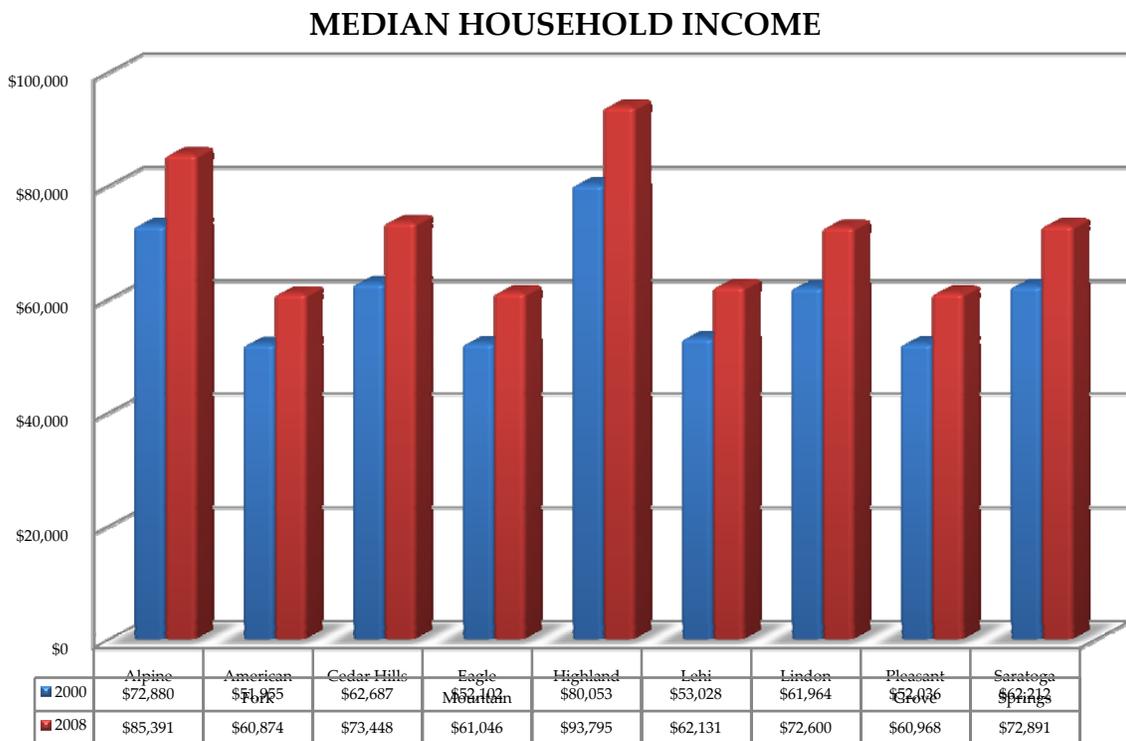
\*Assumes average retail sales of \$11,524 per capita  
 \*\*Assumes average retail sales of \$300 per sf

### HOUSEHOLD CHARACTERISTICS - INCOME

Based on the 2000 Census, median household incomes in Lehi (\$53,028) were considerably higher than median incomes in Utah County and the State of Utah, both of which were just under \$46,000 per year. By 2008, Lehi had an estimated 2008 median household income of over \$62,000. This compares extremely favorably to other areas of the State. The estimated 2008 median household income is as follows for the listed cities and counties: Salt Lake City, \$43,400; St. George, \$46,100; Ogden, \$37,300; Salt Lake County, \$54,472; and Utah County, \$55,739.<sup>2</sup>

Many of the cities surrounding Lehi also have significantly higher-than-average incomes, thereby creating additional discretionary income and retail buying power.

Graph 1.3: Median Household Income



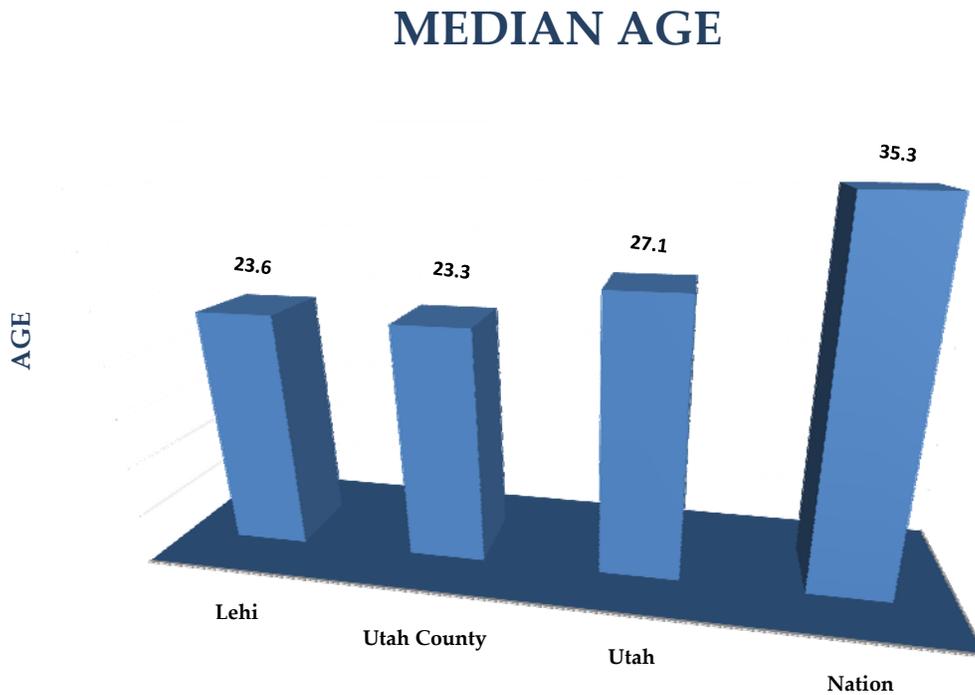
<sup>2</sup> Based on the American Community Survey 2006, the median household income in Salt Lake County increased from \$48,373 in 2000 to \$52,879. The median household income in Utah County increased from \$45,833 to \$50,544 in 2006. Using the growth rates from 2000 to 2006 results in the projected 2008 median household incomes for each respective area.

### HOUSEHOLD CHARACTERISTICS - AGE

The population of Lehi is relatively young (median age of 23.6 years), compared to the State of Utah (27.1 years), but is similar to that of Utah County (23.3 years). Utah has the youngest median age (27.1 years) in the nation; the U.S. median age is 35.3 years.<sup>3</sup>

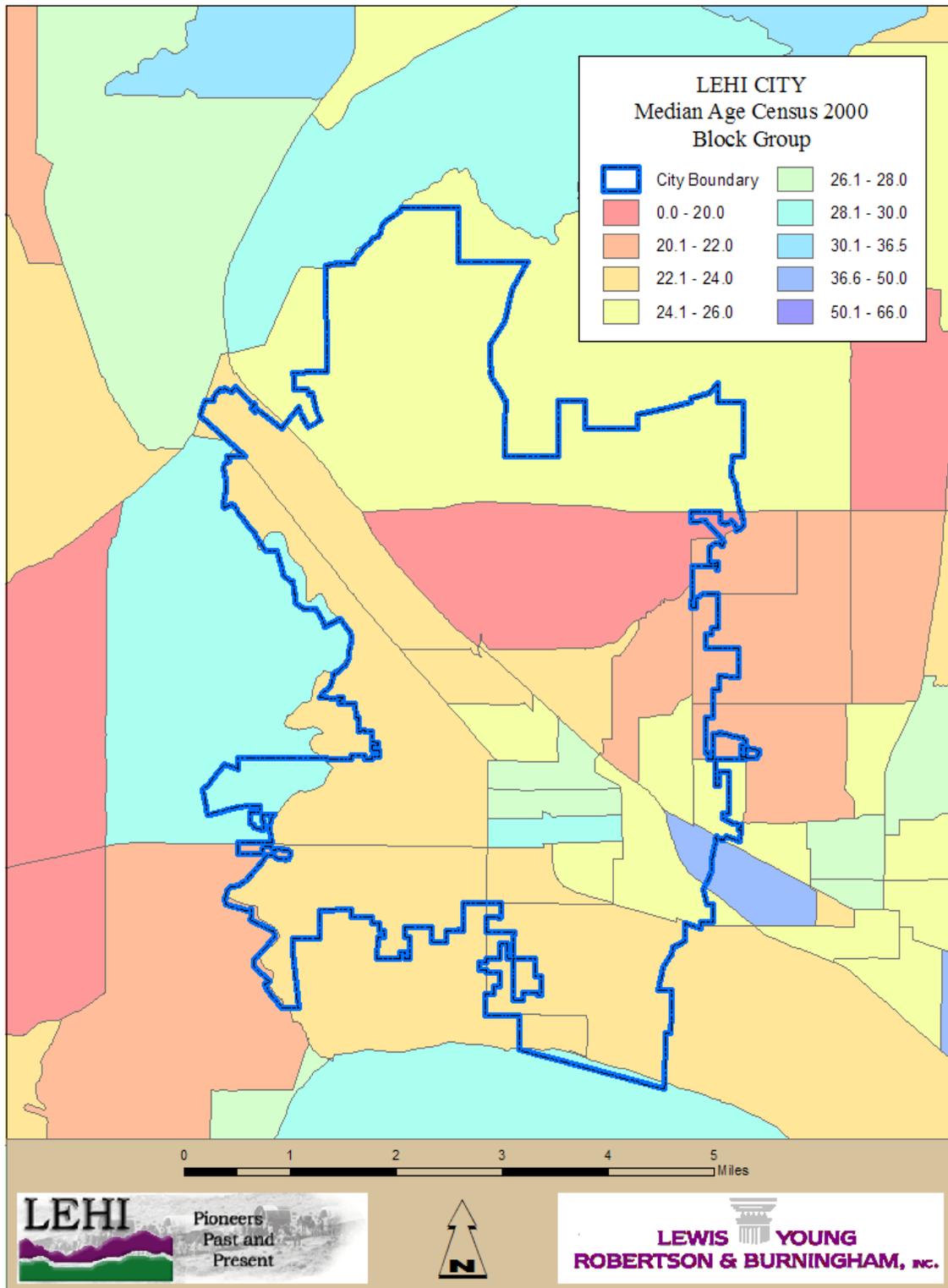
While the City generally has a young population, the youngest age groups within the City, as of the 2000 Census, were represented by the relatively newer areas of the City. The area around downtown, with its older homes, also has a higher median age.

GRAPH 1.4: MEDIAN AGE



<sup>3</sup> United States Census 2000.

MAP 1.2: MEDIAN AGE BY US CENSUS 2000 BLOCK GROUP



*The population of Lehi is relatively young (median age of 23.6 years), compared to the State of Utah (27.1 years), but is similar to that of Utah County.*

## HOUSEHOLD CHARACTERISTICS – HOUSEHOLD SIZE

The average household size in Lehi is 3.7 persons, slightly larger than the 3.59 countywide. Utah is not only younger than average, but household sizes are larger than average, indicating a strong family dynamic that is an essential component of the economic development plan. In comparison, the average household size in Utah is 3.13 persons per household, compared to 2.59 persons on average nationwide.

TABLE 1.9: COMPARATIVE HOUSEHOLD CHARACTERISTICS  
(NORTHERN UTAH COUNTY)

	Household Size	Median Age	Median Household Income
Lehi	3.7	23.6	\$53,028
Alpine	4.3	21.0	\$72,880
American Fork	3.6	24.9	\$51,955
Eagle Mountain	4.1	21.1	\$52,102
Highland	4.5	20.9	\$80,053
Saratoga Springs	3.7	26.0	\$62,212
Utah County	3.6	23.3	\$45,833
State of Utah	3.1	27.1	\$45,726

Source: United States Census 2000

TABLE 1.10: MEDIAN HOME PRICES

	Units Sold	Median Price	% Change from 2006
Alpine	62	\$605,935	-4.2%
American Fork	376	\$314,700	7.3%
Lehi	764	\$264,000	14.8%
Lindon	56	\$355,000	4.6%
Orem	535	\$230,598	15.9%
Pleasant Grove	328	\$284,000	7.4%
Provo	593	\$214,225	10.4%

Source: <http://extras.sltrib.com/homeprices/Index.asp?County=Utah>

The eastern side of Lehi, with a higher proportion of newer homes, has larger household sizes than does the western portion of Lehi that is already developed. However, new development in Saratoga Springs is fueled by larger-than-average family sizes, suggesting that development in the potential west annexation area for Lehi will likely attract this same demographic of larger households.

## HOUSING STOCK

The median home price sold in Lehi was \$264,000 in 2007 (see table 1.11), higher than median prices in Orem and Provo, but lower than the surrounding cities of Alpine and American Fork. In fact, the highest-price median home values along the Wasatch Front are found in Alpine.<sup>4</sup> Since the major route to Alpine passes through Lehi City, from I-15, Lehi is well-situated to capitalize on the high incomes of Alpine and other surrounding cities.

## HOUSEHOLD CHARACTERISTICS – EDUCATIONAL LEVELS

Educational levels in Lehi are somewhat lower than in surrounding areas, with 26.1 percent of the population age 25 and over possessing college degrees, compared to 31.5 percent in Utah County and 27.4 percent in Salt Lake County. The average statewide is 26.2 percent – nearly identical to the percentage in Lehi. In comparison, 29.6 percent of residents in American Fork, 45.7 percent in Highland and 44.5 percent in Saratoga Springs have obtained a bachelor's degree or higher. The table below gives a more detailed look at educational levels in Lehi as compared to the County.

TABLE 1.11: EDUCATIONAL ATTAINMENT

	Lehi City	American Fork	Highland	Saratoga Springs	Utah County
Total (Population 25 years and older)	9,124	10,960	3,573	463	166,240
Less than 9th Grade	1.0%	3.2%	0.2%	NA	2.5%
9th to 12th grade, no diploma	7.6%	7.5%	1.8%	NA	6.6%
High school graduate (includes equivalency)	26.0%	21.3%	14.0%	19.0%	19.2%
Some college, no degree	30.2%	29.3%	26.9%	27.6%	30.6%
Associate degree	9.1%	9.0%	11.4%	8.9%	9.7%

<sup>4</sup> <http://deseretnews.com/dn/view/0,1249,640196432,00.html>

	Lehi City	American Fork	Highland	Saratoga Springs	Utah County
Bachelor's degree	19.0%	19.6%	30.4%	29.6%	21.6%
Graduate or professional degree	7.1%	10.0%	15.3%	14.9%	9.9%
Percent high school graduate or higher	91.5%	89.2%	98.0%	100.0%	90.9%
Percent bachelor's degree or higher	26.1%	29.6%	45.7%	44.5%	31.5%

Source: Census Data 2000

\*Population 25 years of age and over

## HOUSEHOLD CHARACTERISTICS – COMMUTING TO WORK

According to the US Census 2000, 8,211 Lehi residents age 16 years and over are commuting to work. The mean travel time to work for all individuals was 23.7 minutes. This is higher than the mean travel time for both the County (18.8 minutes) and the State (23.3 minutes). 76.2 percent of commuters from Lehi travel to work alone, while 14.6 percent carpool. Only 1.9 percent use some form of public transportation. Six percent work at home and one percent use other means of transportation.

Approximately one-third of Lehi residents work outside of Utah County, with the majority likely commuting north to Salt Lake County. Only 21 percent of Lehi residents are employed within Lehi City boundaries. Eagle Mountain and Saratoga Springs have even lower percentages of residents that work within their city boundaries – eight percent in Eagle Mountain and five percent in Saratoga Springs. Traffic studies indicate that a large percentage of Eagle Mountain and Saratoga Springs residents commute through Lehi each day on their journey to and from work. Existing transportation options and corridors create this situation. With the construction of Mountain View Corridor, some of the traffic passing through Lehi should be alleviated.

This data, along with other factors discussed in this report, suggests a need and opportunity for more employment, office and business park/light industrial space in Lehi.

TABLE 1.12: COMMUTING TO WORK PATTERNS

	Eagle Mountain	Lehi City	Saratoga Springs
Work in Utah Co.	478	5,373	173
Work outside of Utah Co.	361	2,780	218
Work in City of Residence	64	1,725	20
Work outside of City of Residence	779	6,486	371

Source: American Factfinder, United States Census 2000.

## EMPLOYMENT

Major employers in Lehi are shown in the table below. Economic strengths that can be built upon include regional retail attractions (Cabela's and Thanksgiving Point) and semiconductor manufacturing.

TABLE 1.13: MAJOR EMPLOYERS IN LEHI

	Number of Employees
Micron Technology, Inc. (IM Flash)	1,500-1,600
Xango	500-600
Cabelas Retail, Inc.	250-499
Thanksgiving Point	250-499
Alpine School District	100-249
Hadco Construction	100-249
Lehi City Public Works	100-249
Perry Olsen Drywall	100-249
Trees Acquisition, Inc.	100-249
Young Living Essential Oils	100-249

Source: <http://jobs.utah.gov/firmfind/pgMain.asp?theSessionID=360060237>

Many of the major employers in Utah County are institutional in nature, such as Brigham Young University, Utah Valley University, Utah Valley Regional Medical Center, numerous school districts and cities. Other employers, such as Convergys (call center) take advantage of the large student population willing to work for relatively low wages while attending school.

TABLE 1.14: MAJOR EMPLOYERS IN UTAH COUNTY

Company Name	Number of Employees
Brigham Young University	15,000 to 19,999
Alpine School District	5,000 to 6,999
Utah Valley Regional Medical Center	3,000 to 3,999
Nebo School District	2,000 to 2,999
Provo City School District	2,000 to 2,999
State of Utah	2,000 to 2,999
Utah Valley University	2,000 to 2,999
Wal-Mart	2,000 to 2,999
Micron Technology, Inc.	1,500 to 1,600
Convergys	1,000 to 1,999
LB Bartlow Insurance, Inc.	1,000 to 1,999
Nestles USA	1,000 to 1,999
Novell	1,000 to 1,999
Provo City	1,000 to 1,999
3 <sup>rd</sup> Class	500 to 999
Albertson's, Inc.	500 to 999
Fred Meyer	500 to 999
Macey's, Inc.	500 to 999
MyFamily.com, Inc.	500 to 999
Nu Skin International, Inc.	500 to 999
Orem City	500 to 999
Provo Craft & Novelty, Inc.	500 to 999
Sento Technical Innovations	500 to 999
SOS Temporary Services	500 to 999
Utah County	500 to 999

Source: EDC/UTAH

Employment by industry is shown in the following two tables for the cities in Utah County where data is available from the Department of Workforce Services.

TABLE 1.15: EMPLOYMENT INDUSTRY (PART 1)

County and City	Total	Mining	Construction	Manufacturing	Trade, Transp. & Utilities	Information
<b>UTAH COUNTY</b>						
Avg. No. of Firms	11,433	13	2,001	631	2,058	387
Avg. Employment	167,938	92	13,129	17,272	26,840	8,343
Total Wages (\$)	4,882,658,459	3,572,130	382,191,656	625,742,408	701,161,149	449,697,323
Avg. Monthly Wage (\$)	2,423	3,236	2,426	3,019	2,177	4,492
<b>AMERICAN FORK</b>						
Avg. No. of Firms	21	0	11	D	9	0
Avg. Employment	89	0	34	D	55	0
Total Wages (\$)	2,203,917	0	818,197	D	1,385,720	0
Avg. Monthly Wage (\$)	2,061	0	1,994	D	2,102	0
<b>LEHI &amp; CEDAR FORT</b>						
Avg. No. of Firms	428	3	180	82	151	12
Avg. Employment	7,112	47	1,511	3,258	1,777	520
Total Wages (\$)	245,861,277	2,391,401	50,744,993	132,671,465	38,859,148	21,194,270
Avg. Monthly Wage (\$)	2,881	4,205	2,799	3,394	1,822	3,399
<b>LINDON</b>						
Avg. No. of Firms	168	0	23	16	19	9
Avg. Employment	2,134	0	221	340	148	49
Total Wages (\$)	63,100,214	0	6,376,894	11,887,199	4,371,323	1,610,883
Avg. Monthly Wage (\$)	2,464	0	2,402	2,910	2,458	2,734
<b>HIGHLAND</b>						
Avg. No. of Firms	108	3	23	14	9	5
Avg. Employment	1,157	8	99	589	110	45
Total Wages (\$)	29,794,916	348,743	2,199,751	18,991,748	1,430,137	415,363
Avg. Monthly Wage (\$)	2,146	3,475	1,860	2,689	1,085	769

D-Not shown to avoid disclosure of individual firm data, therefore, will not add to City or County total.

Source: Department of Workforce Services, 2005

TABLE 1.16: EMPLOYMENT BY INDUSTRY (PART 2)

County and City	Financial Activities	Professional & Business Svcs	Education & Health Svcs	Leisure & Hospitality	Other Services	Government
<b>UTAH COUNTY</b>						
Avg. No. of Firms	1,351	2,126	1,113	713	627	413
Avg. Employment	6,055	20,708	34,872	12,945	3,991	23,691
Total Wages (\$)	212,193,050	658,396,814	949,357,132	142,607,393	82,650,355	675,089,049
Avg. Monthly Wage (\$)	2,920	2,650	2,269	918	1,726	2,375
<b>AMERICAN FORK</b>						
Avg. No. of Firms	D	10	7	D	D	3
Avg. Employment	D	32	427	D	D	157
Total Wages (\$)	D	845,678	7,007,482	D	D	3,886,083
Avg. Monthly Wage (\$)	D	2,187	1,367	D	D	2,067
<b>LEHI &amp; CEDAR FORT</b>						
Avg. No. of Firms	67	116	55	49	58	62
Avg. Employment	226	1,409	1,069	680	306	1,959
Total Wages (\$)	5,005,521	48,793,447	20,414,799	6,830,798	6,370,636	64,515,711
Avg. Monthly Wage (\$)	1,848	2,886	1,591	837	1,737	2,744
<b>LINDON</b>						
Avg. No. of Firms	25	32	18	3	9	12
Avg. Employment	77	144	304	11	39	800
Total Wages (\$)	2,081,994	3,643,994	5,479,186	128,021	937,960	26,582,759
Avg. Monthly Wage (\$)	2,264	2,116	1,501	948	1,980	2,768
<b>HIGHLAND</b>						
Avg. No. of Firms	4	32	6	12	D	D
Avg. Employment	40	72	22	173	D	D
Total Wages (\$)	1,088,833	2,423,650	1,218,000	1,678,691	D	D
Avg. Monthly Wage (\$)	2,283	2,815	4,672	808	D	D

D/ Not shown to avoid disclosure of individual firm data, therefore, will not add to City or County total.

Source: Department of Workforce Services, 2005

Reflective of its rapid growth, Lehi is heavily reliant on construction activities for a large portion (one-fourth) of its total employment. Lehi is relatively low in the percentage of employment devoted to professional and business services – generally higher-paying jobs. With the growth of Class A office space at Thanksgiving Point, this percentage should improve.

TABLE 1.17: EMPLOYMENT BY TRADE

	Utah County	American Fork	Lehi & Cedar Fort	Lindon	Highland
Total Employment	0%	0%	0%	0%	1%
Mining	8%	5%	12%	10%	9%
Construction	10%	0%	26%	16%	51%
Manufacturing	16%	8%	14%	7%	9%
Trade, Transportation & Utilities	5%	0%	4%	2%	4%
Information	4%	0%	2%	4%	3%
Financial Activities	12%	5%	11%	7%	6%
Prof & Bus Services	21%	61%	8%	14%	2%
Education & Health Services	8%	0%	5%	1%	15%
Leisure & Hospitality	2%	0%	2%	2%	0%
Other Services	14%	22%	15%	37%	0%
Government	0%	0%	0%	0%	0%

\* Percent of total employment, Source: Department of Workforce Services, 2005

According to Commerce CRG, employment growth in Utah County has been exceptionally strong in recent years. The county experienced an increase of 3.6 percent from 2004 to 2005; 4.5 percent during 2006; and 6.3 percent increase during 2007. The 2007 increase was considerably higher than the Utah State average of 4.3 percent during the same time period, indicating that the County continues to be a leader in the economic stability of the State.

## SECTION VI: GENERAL ECONOMIC ANALYSIS

A stable and diverse economy supporting family-wage jobs plays a significant role in maintaining the vitality and quality of life within a community. A healthy tax base provides for schools, parks, infrastructure, public safety, and other public facilities and services. In addition, economic development activities help to build strong, sustainable communities. This section will address the economic characteristics that define Lehi City and the region including an analysis of sales leakage, buying power and commercial development opportunities that will diversify the local economy and ensure a sustainable economic tax base.

### UTAH'S ECONOMY

Utah's economy remained strong during 2007. Based on data from the 2008 Economic Report to the Governor, Utah's job growth was the highest in the nation at 4.5%, compared to 1.3% nationally. Utah's home price appreciation was the highest in the nation, one of only two states to experience double digit appreciation when home prices have stagnated or declined across the nation. Utah added 55,000 jobs in 2007, the equivalent of over 150 jobs per day.

In 2008, Utah's economy is expected to continue to outperform the national economy. Employment growth is projected at a rate of 3.2 percent in 2008, four times the national growth rate. Population growth is estimated at 3.1 percent, with net in-migration of 41,000 persons. The unemployment rate should remain below 3.0 percent due to a tight labor market. It is expected that wages will increase faster than inflation during 2008, thus improving Utah's standard of living. Construction employment growth is expected to moderate due to a slowdown in single-family residential construction, but nonresidential construction will remain at record highs due to continued business, religious, and government projects.<sup>5</sup>

The Kaufman Foundation released its 2007 State New Economy Index report comparing all 50 states in 26 different aspects for economic development. Overall, Utah ranked 12<sup>th</sup> in the nation. Below are a selected few of the factors where Utah showed strongest:<sup>6</sup>

TABLE 1.18: UTAH'S RANKINGS IN INDIVIDUAL FACTORS OF THE STATE NEW ECONOMY INDEX

Factors	Ranking
Economic Dynamism	1 <sup>st</sup>
Inventor Patents & E-Government	2 <sup>nd</sup>
Fastest Growing Firms	4 <sup>th</sup>
Venture Capital	5 <sup>th</sup>
<b>Overall Ranking</b>	<b>12<sup>th</sup></b>

In August 2006, Forbes Magazine placed Utah 4<sup>th</sup> in the nation for the best states for business. Moreover, according to Keeping Jobs in America: Polling Corporate Top 10 Pro-Business States, Utah is ranked 5<sup>th</sup> in a list of the top 10 pro-business states.

### UTAH COUNTY'S ECONOMY

In 2007 the Utah County commercial real estate market was strong in all areas. Utah County's strong housing market of 2006 carried into the commercial market in 2007 as evidenced in part by the strong employment growth numbers for the County. Job growth increased at a rate 6.3 percent, well above the County's 4.5 percent growth rate in 2006 and significantly higher than the Utah State average of 4.5 percent in 2007, indicating that "the County continues to be a leader in the economic stability of the state."<sup>7</sup>

In 2006 (last year for which building permit data is available statewide), for the first time, Utah County issued more building permits than Salt Lake County. This population growth has spurred the demand for more retail, industrial and office space. Vacancy rates are at or near all-time lows in every market segment.

<sup>5</sup> [http://www.utah.gov/governor/news/2008/news\\_01\\_09\\_08.html](http://www.utah.gov/governor/news/2008/news_01_09_08.html)

<sup>6</sup> EDC Utah

<sup>7</sup> Commerce CRG Year-End Report 2007.

Utah County’s unemployment rate of 2.4 percent in 2007 was slightly less than the statewide average of 2.6 percent. The historical trend analysis indicates that Utah County generally has a slightly lower unemployment rate than the State.

TABLE 1.19: UNEMPLOYMENT RATE COMPARISON

	2003	2004	2005	2006	2007
Utah County	5.2%	4.8%	4.0%	2.8%	2.4%
State of Utah	5.6%	5.0%	4.1%	2.9%	2.6%

Source: <http://jobs.utah.gov/jsp/wi/utalmis/countyareas.do>

The County’s economy is heavily influenced by the major educational institutions located in Utah County. Computer technology companies are also an integral part of the Utah County economy.

There are three major student populations (post high school) in Utah County: 1) Brigham Young University (BYU); 2) Utah Valley University (UVU); and 3) Mountainland Applied Technology College (MATC). Approximately 60 percent of MATC students are in high school. They use release time to take classes, and it is considered elective credit.

Established in 1875, Brigham Young University provides an education in an atmosphere consistent with the ideals and principles of its sponsor, The Church of Jesus Christ of Latter-day Saints (LDS). BYU is known for its academically minded and internationally experienced student body, world-class teaching, and beautiful mountain location. BYU is also recognized for its extensive language programs, performing arts ensembles, sports programs, and devotion to combining solid scholarship with the principles of the LDS church.<sup>8</sup>

Utah Valley University rests between the Wasatch Front, Utah Lake and is adjacent to I-15. It offers short-term training programs, training for high-tech careers, transfer degrees and bachelor’s degrees. Starting in 1941 as a vocational learning center for locals looking to gain better technical skills, UVU has since grown to become a four-year accredited university.<sup>9</sup> In conjunction with its transition from Utah Valley State College to Utah Valley University, graduate programs will be offered. The first program to be offered will be the Master of Education program (M.Ed.), available beginning Fall 2008. Two other graduate programs are planned, based on market demand: a Master of Science in Nursing (Fall 2009) and a Master of Business Administration (M.B.A.).

Mountainland Applied Technology College (MATC) was originally established in November 1989. MATC has established numerous programs granting certificates and two programs granting Associate of Applied Technology (AAT) degrees. MATC awards certificates of skill competency, proficiency, and completion and in January 2004 awarded its first AAT degree.<sup>10</sup> MATC is under the direction of the statewide Utah College of Applied Technology (UCAT) established by the Legislature in 2001.

BYU has a current enrollment of 30,000 students. With an enrollment ceiling in place, it is not likely that this number will increase in the near term. UVU had a 2006 enrollment of 25,950 and is expected to increase to 29,780 students by 2014 – an average annual increase of 1.7 percent per year.<sup>11</sup> MATC had a 2006 student enrollment of roughly 10,165 students at its Orem and American Fork campus locations. This is a significant increase from its 1993 enrollment of only 2,000 students.<sup>12</sup> Not included in the above estimates, but also representing a significant portion of the student population, are the various medical, dental, massage therapy schools, Provo College, and Stevens-Henager College.

<sup>8</sup> <http://www.byu.edu>

<sup>9</sup> <http://www.uvsc.edu>

<sup>10</sup> <http://www.mlatc.edu>

<sup>11</sup> Source: [http://www.uvsc.edu/ir/factbooks/factbook0506/fall\\_headcount\\_projections\\_gra\\_ph.html](http://www.uvsc.edu/ir/factbooks/factbook0506/fall_headcount_projections_gra_ph.html)

<sup>12</sup> Source: MATC

Student growth in Utah County assumes that BYU's enrollment will remain flat, with the other three major student components increasing at an average annual rate of 1.7 percent per year through 2014 (similar to UVU projections). After that point in time, projections have been decreased to 1.0 percent per year.

TABLE 1.20: ENROLLMENT AND DEGREES AWARDED IN UTAH COUNTY SCHOOLS

INSTITUTION	LOCATION	2006 ENROLLMENT	2005-2006 DEGREES AWARDED
Brigham Young University	Provo	28,773	8,334
Utah Valley State College	Provo	25,950	3,153
Mountainland Applied Technology College	Orem/American Fork	10,165	1,633
<b>TOTAL</b>	<b>UTAH</b>	<b>64,888</b>	<b>13,120</b>

Source: EDCUTAH

TABLE 1.21: PERCENT OF POPULATION IN SECONDARY AND HIGHER EDUCATION

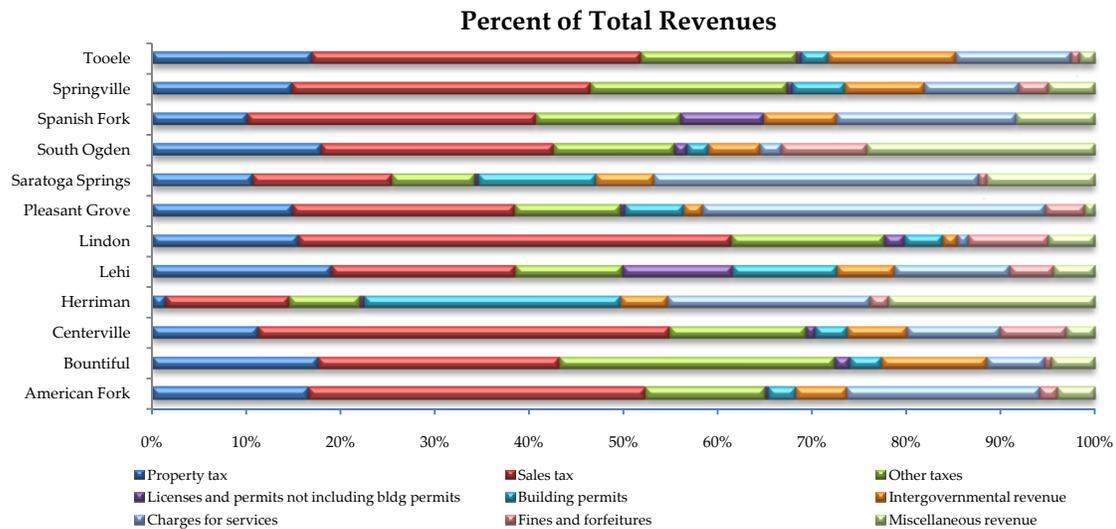
HIGH SCHOOL GRADUATES	ASSOCIATE'S DEGREE	BACHELOR'S DEGREE	GRADUATE DEGREE
State of Utah	9.3	20.1	8.7
Utah County	10.8	25.8	10.2

Source: EDCUTAH

### LEHI CITY ECONOMIC SUSTAINABILITY

The purpose of the revenue analysis is to assess the economic sustainability of Lehi City, and to evaluate the opportunities and constraints related to economic growth. As part of the analysis, we have made comparisons with other similarly-sized cities. Major revenue sources for all 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.).

GRAPH 1.5



In order to make an evaluation of economic sustainability, we have compared revenues between cities as a percentage of total revenues for each city. Based on this analysis, Lehi City receives a significantly lower percentage of its revenues from sales taxes than do most other cities. In fact, Lehi receives only 20 percent of all of its revenues from sales taxes, compared to a high of 40 percent in Centerville (highest among the cities chosen in the comparative analysis). The average for all cities in the sample, not including Lehi, is 29 percent. The only city in the sample group with a lower dependence on sales tax revenues is Herriman

and Saratoga Springs at 13 and 15 percent respectively. This analysis, along with the sales leakage analysis conducted later in this study, suggests that it is imperative that Lehi City expand its retail sales. Income levels are high, and disposable income is available, but goods and services to purchase are not accessible in Lehi.

TABLE 1.22: REVENUES AS PERCENT OF TOTAL REVENUES (GENERAL FUND BUDGETS 2007, PART 1)

	American Fork	Bountiful	Centerville	Herriman	Lehi	Lindon
Property tax	17%	18%	11%	1%*	19%	15%
Sales tax	36%	26%	44%	13%	20%	46%
Other taxes	13%	29%	14%	7%	11%	16%
Licenses and permits not including bldg permits	0%	2%	1%	0%	12%	2%
Building permits	3%	3%	3%	27%	11%	4%
Intergovernmental revenue	5%	11%	6%	5%	6%	2%
Charges for services	20%	6%	10%	21%	12%	1%
Fines and forfeitures	2%	1%	7%	2%	5%	8%
Miscellaneous revenue	4%	5%	3%	22%	4%	5%
TOTAL	100%	100%	100%	100%	100%	100%

Source: State Auditor's Office; LYRB

\*The relatively low percent of property tax revenue is due to Herriman's contribution of revenue to the Unified Fire Authority.

TABLE 1.23: REVENUES AS PERCENT OF TOTAL REVENUES (GENERAL FUND BUDGETS 2007, PART 2)

	Lehi	Pleasant Grove	Saratoga Springs	South Ogden	Spanish Fork	Springville	Tooele
Property tax	19%	15%	11%	18%	10%	15%	17%
Sales tax	20%	24%	15%	25%	31%	32%	35%
Other taxes	11%	11%	9%	13%	15%	21%	16%
Licenses and permits not including bldg permits	12%	0%	0%	1%	9%	1%	1%
Building permits	11%	6%	12%	2%	0%	6%	3%
Intergovernmental revenue	6%	2%	6%	5%	8%	8%	13%
Charges for services	12%	36%	34%	2%	19%	10%	12%
Fines and forfeitures	5%	4%	1%	9%	0%	3%	1%
Miscellaneous revenue	4%	1%	12%	24%	8%	5%	2%
TOTAL	100%	100%	100%	100%	100%	100%	100%

Source: State Auditor's Office; LYRB

TABLE 1.24: COMPARATIVE PROPERTY TAX RATES

City	Rate	As Percent of Lehi's Rate
Alpine	0.001051	57%
Eagle Mountain	0.001163	63%
Lindon	0.001390	76%
Highland	0.001420	77%
Pleasant Grove	0.001608	88%
Orem	0.001670	91%
Lehi	0.001834	100%
American Fork	0.002213	121%
Provo	0.002236	122%
Cedar Hills	0.002616	143%

Source: <http://propertytax.utah.gov/taxrates/taxarearates2007.pdf>

\* 2007 Certified Municipal Services Rates

The relatively low percentage of sales tax revenues in Lehi City's budget is explained by the sales leakage analysis that is discussed later in this report. Lehi City is showing significant sales leakage, especially in comparison to neighboring and similarly-sized cities, such as American Fork.

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.

Lehi City's Municipal Services property tax rate is between that of Orem and American Fork, but is significantly higher than the property tax rates in Alpine, Eagle Mountain, Lindon and Highland.

## RETAIL SALES ANALYSIS

Retail sales in Lehi have grown at an average annual rate of 24 percent per year over the past four years. This growth has largely occurred in 2005 and 2006, and has been fueled by the opening of Cabela's and Costco.

However, Lehi's total sales represent only 59 percent of the total sales of American Fork, although Lehi's population is approximately 159 percent the size of American Fork's population. Lehi's population is nearly five times the population in Lindon, yet Lehi's sales are only 84 percent of the retail sales generated in Lindon.

TABLE 1.25: DIRECT RETAIL SALES

	2002	2003	2004	2005	2006	AAGR 2002-2006
American Fork	\$313,095,337	\$366,115,948	\$444,946,407	\$522,522,596	\$615,714,312	18.4%
Lehi	152,790,171	175,218,788	167,087,359	251,783,912	361,896,812	24.1%
Lindon	163,332,713	188,545,035	241,094,202	348,623,015	428,563,958	27.3%
Orem	1,392,852,462	1,445,548,785	1,571,989,866	1,712,285,910	1,963,019,149	8.9%
Pleasant Grove	100,884,439	122,357,728	136,401,549	148,326,292	176,837,456	15.1%
Provo	957,531,474	979,382,417	1,013,559,220	1,089,256,641	1,192,250,575	5.6%

Source: Utah State Tax Commission

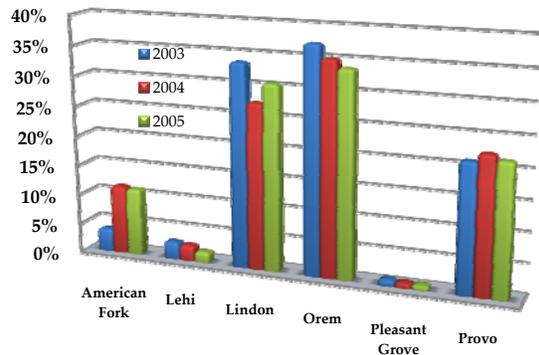
The following charts compare the retail sales history in Lehi and surrounding communities for the years 2003-2006.<sup>13</sup> For each year, the sales from all communities, added together, should total 100 percent. The tables allow us to track the relative gains and losses of each community over the respective time period. For example, in the Building and Garden chart below, American Fork, Lehi and Orem gained market share while Lindon and Provo lost market share. Although Lehi gained market share, it is still a relatively small player in the building and garden market. Representing roughly 13 percent of the total population of the six comparative cities, Lehi is capturing less than five percent of sales. Further, Lehi 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 Lehi, and purchasers are forced to make these purchases outside of the city boundaries.

Lehi is also capturing less than its fair share of grocery sales, and has seen market share decline slightly in this category over the past two years. Grocery store purchases are generally “convenience” purchases – made close to home. Therefore, as Lehi picks up a larger share of the population, it should gain a greater proportion of grocery store sales.

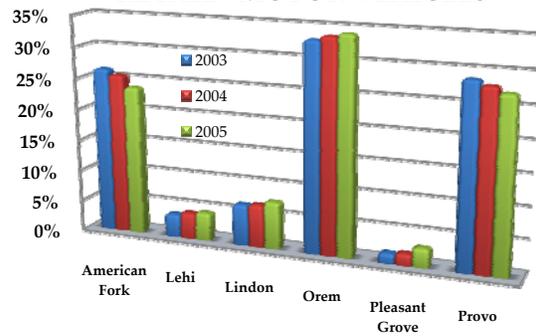
In northern Utah County (not including Orem and Provo), American Fork has the largest share of the motor vehicle market. Motor vehicle dealerships are generally found in clustered locations where consumers have a larger selection of merchandise and can easily make price comparisons.

Because Lehi does not currently have a critical mass of motor vehicle dealerships, expansion of this market would be somewhat difficult. However, given the City’s exposure along I-15 and SR 92, Lehi could conceivably make a play for automall type development.

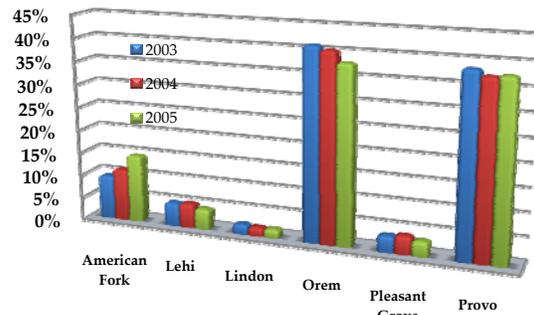
**RETAIL: BUILDING AND GARDEN**



**RETAIL - MOTOR VEHICLES**



**RETAIL - EATING & DRINKING**



<sup>13</sup> The analysis only includes those neighboring cities for which detailed sales tax information is available – American Fork, Lindon, Orem, Pleasant Grove and Provo.

Provo and Orem are the major restaurant destinations in Utah County. This is not surprising given the large student populations of Brigham Young University (BYU) and Utah Valley University (UVU) and the relatively high demand that students create for fast food eating establishments, which also fall into this category.

In northern Utah County, American Fork is the leader in eating-away-from-home establishments. As Lehi 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 Lehi, due to its strategic and unique location joining Utah and Salt Lake counties.

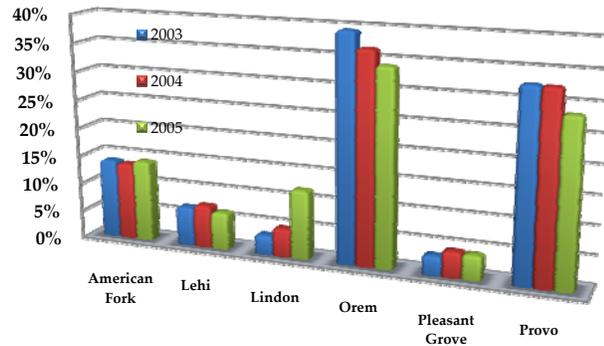
Miscellaneous retail includes sporting goods, jewelry, books, stationery, hobbies, toys, games, sewing, florists, etc. Lehi has a relatively strong showing in this category beginning in 2005 – the year that Cabela’s opened. However, other than the sporting goods category, Lehi is not performing well in other specialty retail categories.

As expected, American Fork is relatively strong in the auto repair category. There is often a strong correlation between motor vehicle dealerships (shown above) and auto repair shops.

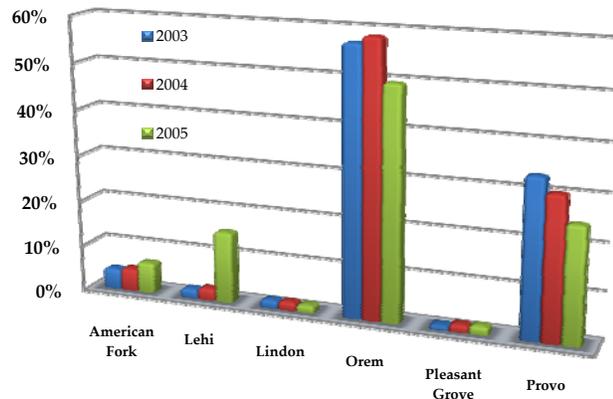
Generally, business services are correlated with the amount of office space in a given city. Lehi City has been adding significant amounts of office space and should see some increased interest from providers of business services and office supplies.

Lehi is the leader in hotels and lodging development in northern Utah County. With the presence of Thanksgiving Point and Cabela’s, as well as excellent access from I-15, this is to be expected and should be expanded upon.

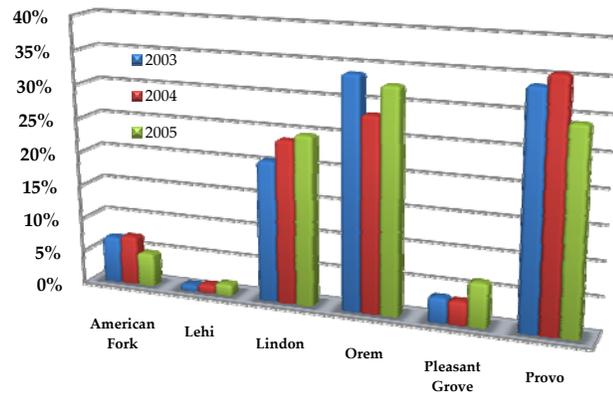
**SERVICES - AUTO & REPAIR**



**RETAIL - MISCELLANEOUS**



**SERVICES - BUSINESS**



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 below where Orem and Provo command the market due to the large retail malls in both of those cities. Smaller apparel development often takes place around discount retailers, such as T. J. Maxx and Ross Stores.

Lehi City is also lacking somewhat in the entertainment category, especially in comparison with neighboring American Fork. This sector includes movie theaters, bowling alleys, video arcades, video rentals, dance studios, and other professional entertainment.

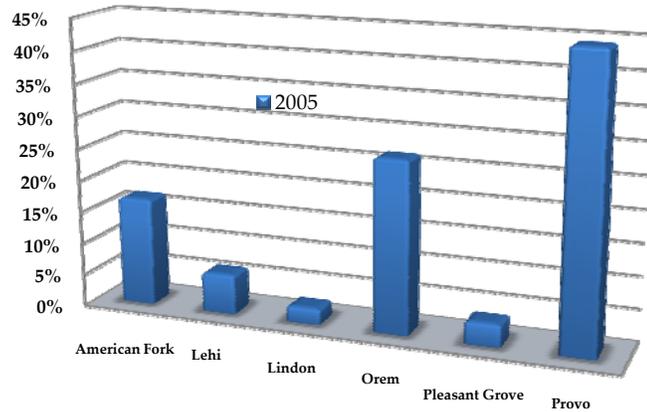
Personal services include beauty and barber shops, laundry and dry cleaning and funeral homes. It is somewhat surprising that Lehi is lacking in this category as generally residents prefer to make these purchases closer to home, if opportunity allows.

Lehi is the leader in the hotels and lodging industry in northern Utah County, with Provo and Orem the leaders for the County overall. As more office space develops at Thanksgiving Point, and as other employment centers develop in the northern part of the County, Lehi should see more hotel development.

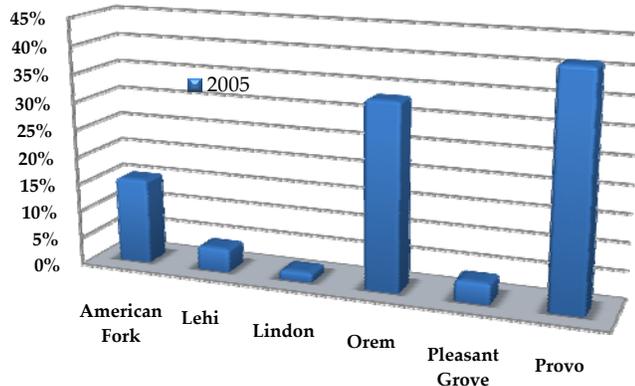
**RETAIL SALES LEAKAGE ANALYSIS**

A sales gap (aka “leakage”) analysis is conducted in order to identify economic development opportunities for a community. 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. Sales in Lehi have then been compared to average sales statewide in order to estimate what proportion of resident purchases are being

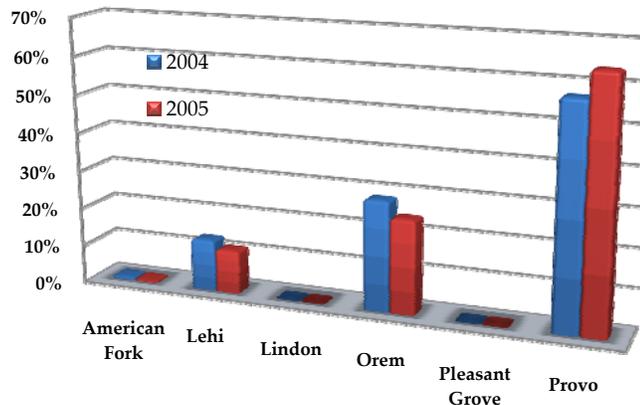
**SERVICES - AMUSEMENT & RECREATION**



**SERVICES - PERSONAL**



**SERVICES - HOTEL & LODGING**



made within Lehi City boundaries. Overall, Lehi is capturing only 59 percent of the estimated retail purchases made by its residents. However, this 59 percent capture rate is a significant increase over the 43 percent capture rate achieved in 2003.<sup>14</sup>

TABLE 1.26: TOTAL RETAIL SALES (LEHI CITY)

	Per Capita			Total Leakage			Capture Rate		
	2003	2005	2006	2003	2005	2006	2003	2005	2006
TOTAL	-\$5,341	-\$5,461	-\$4,762	-\$133,795,134	-\$164,306,977	-\$166,459,487	43%	48%	59%

The following analysis details sales leakage by specific retail categories, as established by the Utah State Tax Commission. In the table below, we estimate that in the year 2005 Lehi City was capturing just 23 percent of “Building and Garden” purchases made by its residents. By 2006, this figure had increased to an estimated 49 percent of all purchases made by City residents.

While capture rates for building and garden purchases within the City have increased from 2005 to 2006, other retail categories have declined. Almost all categories are showing opportunity for expansion, given not only the sales leakage, but also the anticipated increase in buying power in each of these categories that will accompany the rapid population growth in the regional area.

TABLE 1.27: CAPTURE RATE ANALYSIS (2005-06 TRENDS)

Categories with Capture Rate Increase	Categories with Capture Rate Decrease	Categories where Capture Rate Stayed the Same
Building & Garden – 23% - 49%	Food Stores – 63% - 58%	Eating Places – 41%
Miscellaneous Retail – 176% - 191%	Motor Vehicle Dealers – 61% - 52%	Business Services – 8%
	Apparel & Accessory – 4% - 2%	
	Personal Services – 40% - 34%	
	Auto and Miscellaneous Repair – 50% - 45%	
	Entertainment & Amusement – 41% - 32%	

TABLE 1.28: RETAIL SALES CAPTURE RATES 2005

	American Fork	Lehi	Lindon	Orem	Pleasant Grove	Provo
Building & Garden	186%	23%	1186%	154%	13%	98%
General Merchandise	361%	3%	NA	202%	NA	92%
Food Stores	84%	63%	14%	98%	131%	101%
Motor Vehicle Dealers	365%	61%	265%	140%	43%	111%
Apparel & Accessory	94%	4%	3%	301%	2%	124%
Furniture/Electronics	35%	18%	102%	305%	25%	61%
Eating Places	176%	41%	53%	123%	37%	121%
Miscellaneous Retail	112%	176%	44%	160%	21%	80%
Hotels & Lodging	2%	33%	NA	26%	NA	69%
Personal Services	171%	40%	44%	99%	39%	122%
Business Services	36%	8%	346%	53%	37%	48%
Auto & Miscellaneous Repair	138%	50%	269%	89%	39%	74%
Entertainment & Amusement	113%	41%	47%	60%	27%	100%
TOTAL	193%	48%	342%	197%	59%	125%

Source: Utah State Tax Commission; LYRB

TABLE 1.29: RETAIL SALES CAPTURE RATES 2006

	American Fork	Lehi	Lindon	Orem	Pleasant Grove	Provo
Building & Garden	201%	49%	1134%	158%	NA%	98%
Food Stores	85%	58%	NA%	92%	108%	101%
Motor Vehicle Dealers	330%	52%	297%	128%	37%	111%
Apparel & Accessory	105%	2%	NA%	276%	NA%	124%
Eating Places	169%	41%	62%	105%	26%	121%
Miscellaneous Retail	70%	191%	47%	142%	15%	80%
Personal Services	171%	34%	NA%	90%	35%	122%
Business Services	36%	8%	377%	48%	36%	48%
Auto & Miscellaneous Repair	131%	45%	308%	84%	39%	74%
Entertainment & Amusement	113%	32%	NA%	49%	27%	100%

Source: Utah State Tax Commission; LYR

<sup>14</sup> Detailed sales data was available for the years 2003, 2005 and 2006. Year 2007 data was not available at the time of this study.

Detailed sales leakage analysis, by retail category for the years 2003-2006, is included in the following tables. Negative numbers estimate the approximate amount being spent per person (on average) and by all residents outside of Lehi City boundaries. Positive numbers indicate that Lehi is attracting more than its fair share of purchases.

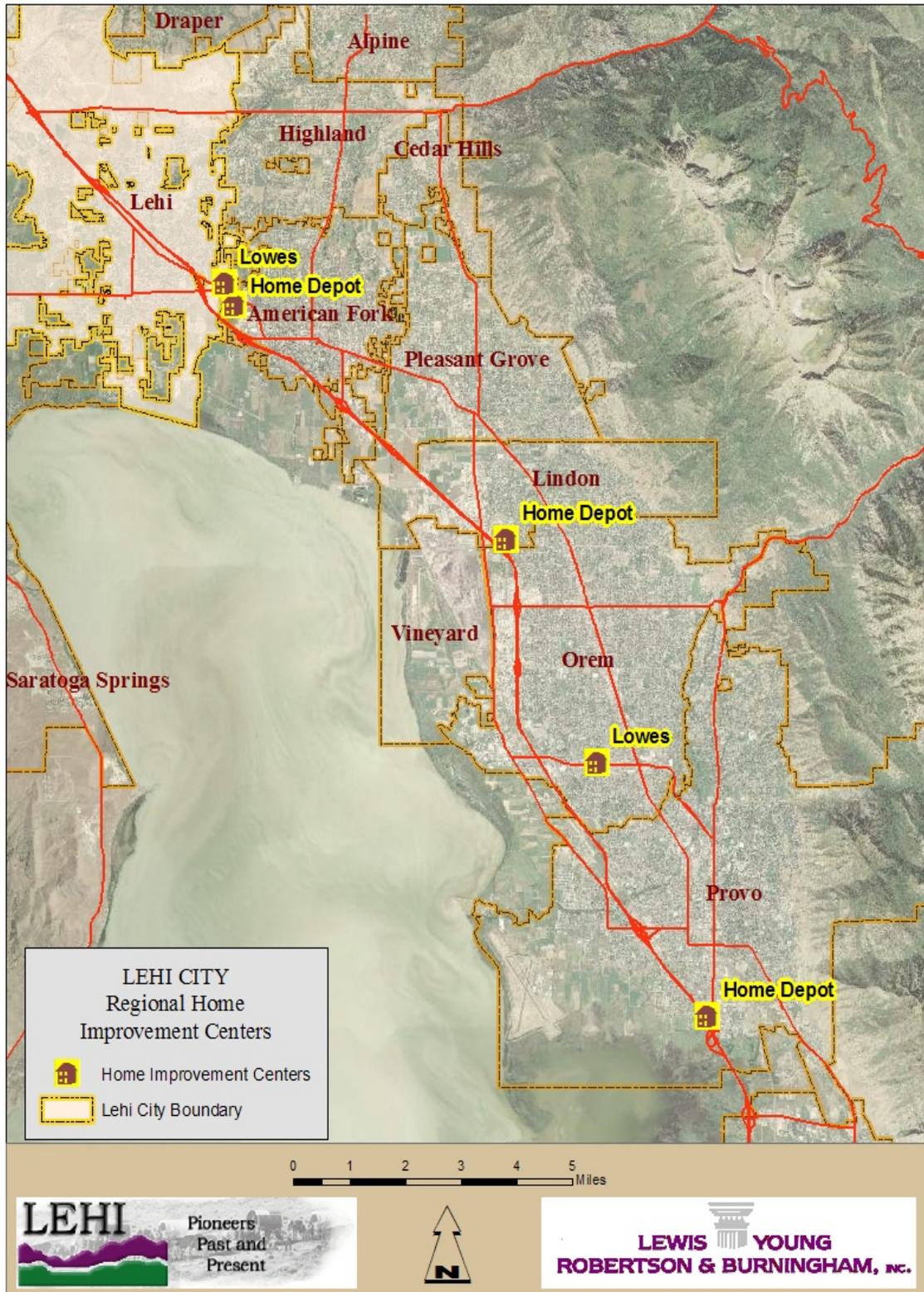
**BUILDING AND GARDEN**

In the Building and Garden category, Lehi is only capturing 49 percent of estimated purchases by residents. Many sales are likely leaking to the Home Depot located nearby in American Fork City or Home Depot in Lindon.

TABLE 1.30: BUILDING MATERIALS

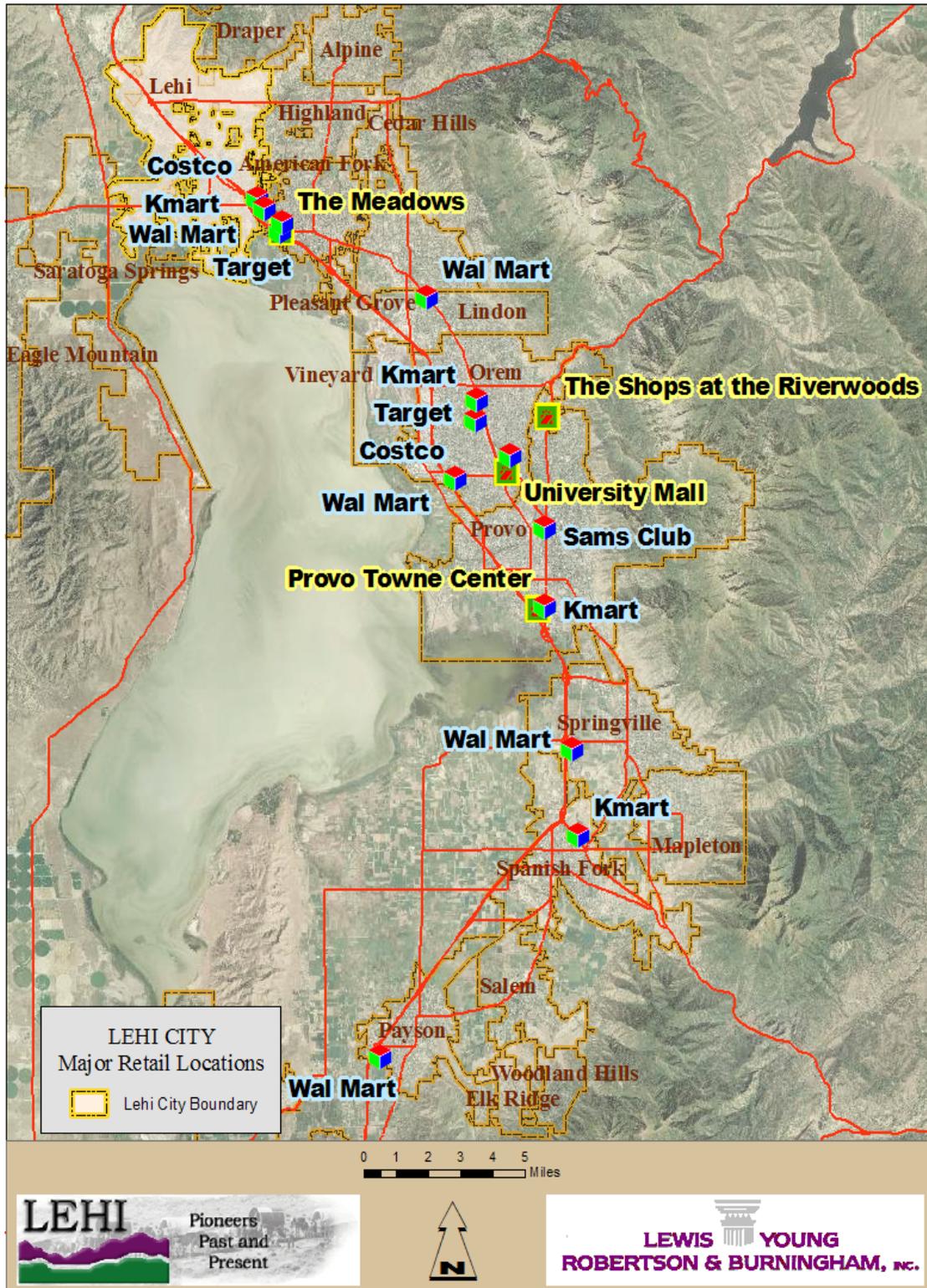
	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Lumber & Other Bldg Mtrls	-\$561	-\$525	-\$280	-\$26,097,003	-\$15,792,728	-\$7,017,137	17%	21%	42%
Paint Glass & Wallpaper	-\$50	-\$42	-\$38	-\$2,314,659	-\$1,261,472	-\$962,852	0%	0%	0%
Hardware Stores	\$273	-\$137	-\$121	\$12,705,302	-\$4,124,213	-\$3,035,922	238%	6%	0%
Nurseries & Garden Stores	\$25	\$31	\$40	\$1,178,010	\$935,605	\$991,059	184%	225%	286%
Mobile Home Dealers	-\$12	-\$8	-\$7	-\$555,897	-\$253,785	-\$176,843	0%	0%	0%
<b>Total Building &amp; Garden</b>	<b>-\$325</b>	<b>-\$682</b>	<b>-\$409</b>	<b>-\$15,096,167</b>	<b>-\$20,508,444</b>	<b>-\$10,243,701</b>	<b>67%</b>	<b>23%</b>	<b>39%</b>

MAP 1.3: REGIONAL HOME IMPROVEMENT LOCATIONS



*Many sales are likely leaking to the Home Depot located nearby in American Fork City or Home Depot in Lindon.*

MAP 1.4: MAJOR RETAIL LOCATIONS



### GENERAL MERCHANDISE

Before the advent of Costco, Lehi was only capturing three percent in the general merchandise category. Since Costco opened, the capture rate has increased to 51 percent in 2006 (not shown) and 103 percent in 2007, drawing not only from Lehi, but also from other surrounding communities. Costco has had a significant impact in recapturing lost sales in the general merchandise category.

TABLE 1.31: GENERAL MERCHANDISE

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Department Stores	\$118	-\$1,643	-\$1,504	\$5,484,653	-\$49,438,189	-\$37,675,271	107%	0%	0%
Variety Stores	-\$25	-\$47	-\$31	-\$1,155,176	-\$1,422,451	-\$785,977	72%	35%	50%
Misc Gen Merchandise	-\$35	-\$33	\$1	-\$1,624,411	-\$1,003,236	\$16,701	54%	39%	103%
<b>Total General Merchandise</b>	<b>\$58</b>	<b>-\$1,724</b>	<b>-\$1,535</b>	<b>\$2,705,066</b>	<b>-\$51,863,896</b>	<b>-\$38,444,557</b>	<b>103%</b>	<b>3%</b>	<b>3%</b>

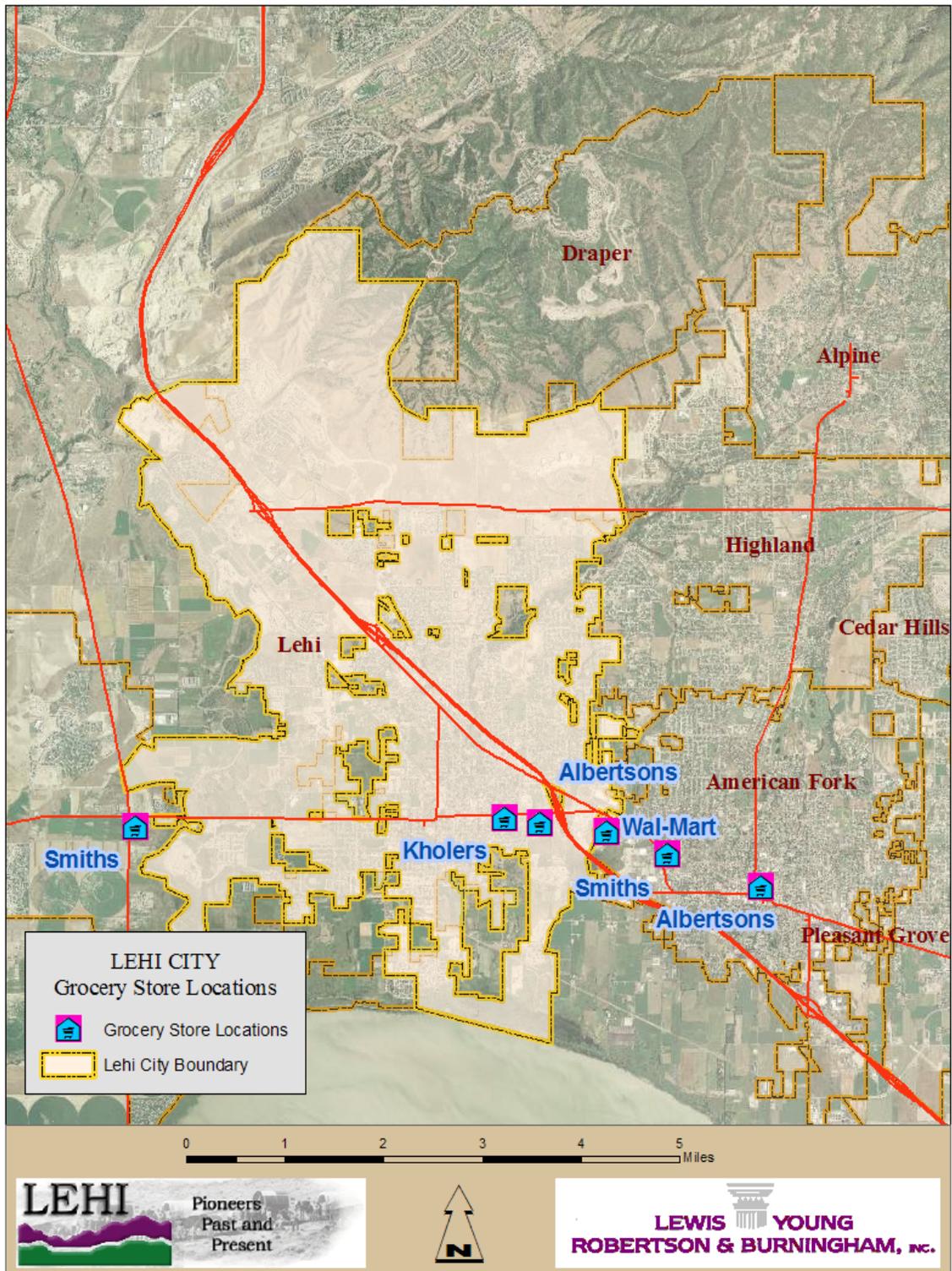
### FOOD STORES

At 44 percent, Lehi City is surprisingly low in its capture rate for 2007 in the food stores category. Generally, these types of purchases are made close to home, and cities generally capture near the 100 percent level in this category.

TABLE 1.32: FOOD STORES

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Grocery Stores	-\$652	-\$329	-\$33	-\$30,316,233	-\$9,894,625	-\$817,513	40%	68%	97%
Other Food Stores	-\$51	-\$55	-\$27	-\$2,365,271	-\$1,647,808	-\$671,255	39%	33%	54%
Convenience Stores	-\$84	-\$106	\$125	-\$3,893,987	-\$3,190,424	\$3,130,153	62%	49%	160%
<b>Total Food Stores</b>	<b>-\$787</b>	<b>-\$490</b>	<b>\$66</b>	<b>-\$36,575,492</b>	<b>-\$14,732,857</b>	<b>\$1,641,385</b>	<b>44%</b>	<b>63%</b>	<b>105%</b>

MAP 1.5: GROCERY STORE LOCATIONS



### NEW AND USED CAR DEALERS

While Lehi City has some car dealerships, it has not established a clear center for auto dealerships, such as an automall, that would bring regional shoppers into the area. American Fork is particularly strong in this regard, and pursuit of car dealerships is not considered a high priority for Lehi City.

TABLE 1.33: NEW AND USED CAR DEALERS

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
New & Used Car Dealers	-\$1,132	-\$811	-\$981	-\$52,620,591	-\$24,408,030	-\$24,584,455	9%	28%	5%
Used (Only) Car Dealers	-\$88	-\$29	-\$1	-\$4,075,817	-\$874,961	-\$33,316	67%	84%	99%
Auto & Home Supply	-\$113	-\$80	-\$37	-\$5,256,070	-\$2,415,914	-\$938,272	36%	48%	76%
Gasoline Service Stations	-\$17	\$53	-\$60	-\$792,499	\$1,607,336	-\$1,490,679	85%	165%	20%
Boat Dealers	-\$32	-\$24	-\$21	-\$1,493,816	-\$725,349	-\$534,337	0%	0%	0%
Recreation & Utility Trailer	-\$66	-\$52	-\$14	-\$3,087,548	-\$1,566,669	-\$361,986	0%	4%	67%
Motorcycle Dealer	-\$78	-\$66	-\$55	-\$3,644,513	-\$1,992,172	-\$1,389,107	3%	0%	0%
Automotive Dealers	\$247	\$339	\$317	\$11,496,474	\$10,212,365	\$7,935,589	1112%	1718%	1988%
<b>Total Motor Vehicle Dealers</b>	<b>-\$1,279</b>	<b>-\$670</b>	<b>-\$854</b>	<b>-\$59,474,384</b>	<b>-\$20,163,395</b>	<b>-\$21,396,564</b>	<b>36%</b>	<b>61%</b>	<b>46%</b>

### APPAREL AND ACCESSORY

Lehi is showing significant leakage in the clothing category. Generally, clothing stores cluster together in order to attract shoppers to a broader and wider variety of goods – similar to Riverwoods or Provo Towne Center in Provo, or the University Mall in Orem. Discount stores, such as T.J. Maxx or Ross stores feel less need to cluster with other apparel stores, but are often found located near other discount retailers, such as Payless Shoes, Target, etc. There is significant opportunity for Lehi City in this category.

TABLE 1.34: APPAREL AND ACCESSORY

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Men'S & Boy'S Clothing	-\$21	-\$19	-\$16	-\$989,272	-\$577,764	-\$399,015	0%	0%	0%
Women's Clothing Stores	-\$62	-\$41	-\$29	-\$2,897,857	-\$1,244,456	-\$733,315	5%	13%	23%
Women's Accessory & Spec.	-\$37	-\$31	-\$29	-\$1,707,067	-\$935,525	-\$726,924	1%	3%	2%
Childrens' & Infants' Wear	-\$21	-\$16	-\$11	-\$963,532	-\$480,706	-\$286,494	2%	0%	0%
Family Clothing Stores	-\$263	-\$227	-\$199	-\$12,210,300	-\$6,826,299	-\$4,988,059	5%	3%	1%
Shoe Stores	-\$40	-\$37	-\$39	-\$1,867,371	-\$1,122,310	-\$974,729	3%	0%	0%
Misc. Apparel & Accessory	-\$22	-\$17	-\$19	-\$1,028,039	-\$525,480	-\$475,128	0%	0%	1%
<b>Total Apparel &amp; Accessory</b>	<b>-\$466</b>	<b>-\$389</b>	<b>-\$343</b>	<b>-\$21,663,438</b>	<b>-\$11,712,540</b>	<b>-\$8,585,665</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>

### 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. Again, this category is showing significant leakage, with the potential for retail development to serve the needs of a rapidly-growing population.

TABLE 1.35: FURNITURE AND ELECTRONICS

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Furniture & Home Furnishings	-\$336	-\$284	-\$291	-\$15,599,882	-\$8,535,458	-\$7,292,803	18%	21%	5%
Household Appliances	\$6	\$17	\$3	\$282,485	\$504,522	\$80,759	122%	159%	112%
Radio, TV & Electronic	-\$154	-\$122	-\$98	-\$7,177,429	-\$3,664,109	-\$2,443,274	2%	1%	3%
Computer & Software Stores	-\$130	-\$115	-\$94	-\$6,037,096	-\$3,456,118	-\$2,349,261	2%	1%	0%
Record & Prerecorded Tapes	-\$16	-\$26	-\$29	-\$761,829	-\$785,033	-\$726,505	0%	0%	0%
Musical Instrument Stores	-\$17	-\$20	-\$20	-\$782,789	-\$596,246	-\$509,144	19%	4%	4%
<b>Total Furniture</b>	<b>-\$658</b>	<b>-\$567</b>	<b>-\$529</b>	<b>-\$30,602,957</b>	<b>-\$17,053,563</b>	<b>-\$13,248,941</b>	<b>15%</b>	<b>18%</b>	<b>9%</b>

### EATING AWAY FROM HOME

As Lehi City focuses on expanding its regional retail mix, restaurants are a natural complement to retail development. Lifestyle centers, as discussed in this report for the SR92 economic district, include a mix of retail and entertainment in a setting that places a premium on design, street furniture and ambiance.

TABLE 1.36: EATING AWAY FROM HOME

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Fast Food Eating Places	-\$181	-\$155	-\$72	-\$8,407,744	-\$4,669,827	-\$1,794,151	56%	60%	78%
1977 Code Eating Places	-\$32	-\$12	-\$23	-\$1,510,312	-\$372,704	-\$577,495	19%	33%	40%
1977 Code Drinking Places	-\$4	-\$2	-\$1	-\$197,851	-\$55,437	-\$22,474	3%	0%	0%
Family Restaurant W/O Liquor	-\$297	-\$179	-\$151	-\$13,785,623	-\$5,383,879	-\$3,793,188	25%	43%	46%
All Other Eating Places W/O Liquor	-\$34	-\$56	-\$2	-\$1,586,745	-\$1,687,173	-\$60,057	58%	12%	95%
Theme Restaurant With Liquor	-\$152	-\$147	-\$128	-\$7,078,003	-\$4,411,752	-\$3,204,031	0%	0%	0%
White Table Cloth W/Liquor License	-\$18	-\$9	-\$8	-\$822,754	-\$282,996	-\$193,405	0%	0%	0%
Private Clubs	-\$17	-\$9	-\$11	-\$798,522	-\$257,418	-\$272,971	33%	64%	57%
Beer Retailer/ Tavern	-\$7	-\$6	-\$2	-\$311,552	-\$185,842	-\$42,794	0%	0%	70%
<b>Total Eating Places</b>	<b>-\$742</b>	<b>-\$575</b>	<b>-\$398</b>	<b>-\$34,511,591</b>	<b>-\$17,310,779</b>	<b>-\$9,960,756</b>	<b>35%</b>	<b>41%</b>	<b>54%</b>

### 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.

Lehi is again showing a large amount of leakage in all miscellaneous retail categories, with the exception of the sporting goods category that is carried by the success of Cabela’s. Many of the miscellaneous retail categories would do well in the Main Street/State Street economic district and are discussed in more detail in that section.

TABLE 1.37: MISCELLANEOUS RETAIL

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Drug Stores & Proprietary Stores	-\$47	-\$41	-\$31	-\$2,170,418	-\$1,231,139	-\$773,556	0%	0%	0%
Liquor Stores	-\$54	-\$64	-\$52	-\$2,507,357	-\$1,911,519	-\$1,301,965	0%	0%	0%
Used Merchandise	-\$20	-\$15	-\$10	-\$909,689	-\$443,139	-\$239,787	11%	26%	34%
Sporting Goods & Bicycles	\$1,171	\$1,022	-\$122	\$54,453,439	\$30,736,297	-\$3,047,051	683%	723%	8%
Book Stores	-\$55	-\$53	-\$50	-\$2,535,177	-\$1,607,156	-\$1,255,788	0%	0%	0%
Stationery Stores	-\$85	-\$63	-\$54	-\$3,970,458	-\$1,908,063	-\$1,346,699	0%	0%	0%
Jewelry Stores	-\$46	-\$41	-\$37	-\$2,130,803	-\$1,240,140	-\$932,834	1%	0%	1%
Hobby, Toy & Game	-\$49	-\$47	-\$51	-\$2,261,431	-\$1,404,431	-\$1,280,717	2%	3%	12%
Camera & Photographic	-\$9	-\$9	-\$11	-\$413,525	-\$277,496	-\$274,122	0%	0%	0%
Gift, Novelty & Souvenirs	-\$11	-\$10	-\$10	-\$520,595	-\$304,608	-\$253,949	79%	79%	79%
Luggage & Leather Works	-\$4	-\$4	-\$5	-\$163,770	-\$115,143	-\$112,911	0%	0%	0%
Sewing & Needlework	-\$19	-\$20	-\$22	-\$903,518	-\$588,803	-\$543,961	0%	0%	0%
Nonstore Retailers	-\$68	\$12	-\$30	-\$3,144,303	\$371,074	-\$744,419	48%	111%	70%
Fuel Dealers	-\$17	-\$14	-\$10	-\$790,700	-\$421,824	-\$253,939	0%	0%	9%
Florists	-\$6	\$16	-\$16	-\$259,137	\$493,217	-\$400,456	67%	199%	6%
Tobacco Stores	-\$12	-\$11	-\$9	-\$543,267	-\$322,527	-\$225,802	0%	1%	0%
News Dealers & Newstands	\$0	\$0	-\$2	-\$5,730	-\$8,094	-\$41,896	0%	0%	0%
Optical Goods	-\$18	-\$17	-\$16	-\$817,290	-\$522,617	-\$394,559	0%	0%	0%
Miscellaneous Retail	-\$48	\$140	\$134	-\$2,217,269	\$4,214,155	\$3,358,873	89%	150%	155%
<b>Total Miscellaneous Retail</b>	<b>\$606</b>	<b>\$781</b>	<b>-\$402</b>	<b>\$28,187,338</b>	<b>\$23,507,910</b>	<b>-\$10,066,204</b>	<b>148%</b>	<b>176%</b>	<b>56%</b>

### 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). Lehi’s future opportunities in this area will build on Cabela’s and the strength of the surrounding development, as well as Thanksgiving Point.



In May 2007, The Hampton Inn opened in Lehi adjacent to Thanksgiving Point. It has 76 standard guest rooms and reports that 85 percent of its customers are business travelers. Cabela’s does seem to have an influence on the number of individuals staying at the hotel, but it is not the driving force.

Additionally, in March 2008 a Marriott SpringHill Suites opened in Lehi with 94 guest rooms on four floors, located next to Thanksgiving Point as well. They offer a mix of full or king size beds that range in price from \$119.00 - \$129.00. SpringHill Suites specializes in executive business travel. Accordingly, they offer high-speed Internet in all guest rooms and wireless Internet in common areas, conference room space, and working areas in each room.

Before the end of the year, Marriott is planning on breaking ground for a Residence Inn just north of the SpringHill Suites. The Residence Inn should be complete by mid-year 2009 with 80-100 standard guest rooms.

Local lodging industry experts expect that at least one additional hotel will be built in the area within five years.

TABLE 1.38: HOTELS AND LODGING

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Hotels & Lodging	-\$205	-\$201	-\$159	-\$9,551,465	-\$6,047,165	-\$3,978,556	34%	33%	36%

**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 1.39: PERSONAL SERVICES

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Laundry Cleaning & Garment	-\$28	-\$26	-\$32	-\$1,319,967	-\$773,708	-\$809,691	30%	33%	18%
Photographic Studios	-\$11	-\$12	-\$17	-\$504,464	-\$353,195	-\$427,743	41%	36%	5%
Beauty Shops	-\$17	-\$15	-\$9	-\$797,611	-\$441,143	-\$237,162	4%	10%	17%
Barber Shops	\$0	\$0	\$0	-\$1,033	-\$1,718	-\$2,353	0%	0%	0%
Shoe Repair	\$0	\$1	\$0	\$15,632	\$18,117	\$7,702	172%	226%	137%
Funeral Service & Crematories	-\$1	\$3	\$3	-\$64,489	\$93,808	\$82,095	88%	129%	130%
Misc Personal Services	-\$6	-\$5	-\$6	-\$297,180	-\$152,897	-\$144,676	0%	9%	18%
<b>Total Personal Services</b>	<b>-\$64</b>	<b>-\$54</b>	<b>-\$61</b>	<b>-\$2,971,237</b>	<b>-\$1,611,107</b>	<b>-\$1,531,827</b>	<b>33%</b>	<b>40%</b>	<b>30%</b>

## BUSINESS SERVICES

Business services are related to office development. While Lehi is low in this category, the development of office space at Thanksgiving Point should serve to increase the demand for business services.

TABLE 1.40: BUSINESS SERVICES

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Advertising	-\$7	-\$6	-\$2	-\$316,080	-\$182,902	-\$40,062	13%	15%	74%
Credit Reporting	\$0	\$0	\$0	-\$4,874	-\$2,592	-\$4,150	0%	0%	0%
Mailing, Reproduction, Steno	-\$30	-\$28	-\$21	-\$1,373,358	-\$837,786	-\$536,470	3%	1%	23%
Service To Buildings	\$2	-\$2	-\$2	\$107,506	-\$74,764	-\$57,222	147%	34%	0%
Equip. Rental & Leasing	-\$250	-\$181	-\$152	-\$11,601,676	-\$5,460,138	-\$3,807,283	4%	2%	4%
Personnel Supply Services	\$0	\$0	-\$2	-\$16,881	-\$4,148	-\$40,923	0%	0%	0%
Computer & Data Processing	-\$125	-\$114	-\$108	-\$5,832,529	-\$3,418,314	-\$2,704,283	3%	5%	3%
Misc Business Services	-\$143	-\$100	-\$96	-\$6,657,511	-\$2,993,855	-\$2,410,212	6%	21%	1%
<b>Total Business Services</b>	<b>-\$553</b>	<b>-\$431</b>	<b>-\$383</b>	<b>-\$25,695,769</b>	<b>-\$12,974,685</b>	<b>-\$9,605,739</b>	<b>5%</b>	<b>8%</b>	<b>5%</b>

## AUTO AND MISCELLANEOUS REPAIR

Auto and miscellaneous repair services also shows some sales leakage. This is not surprising as this category is often closely related to motor vehicle sales (where customers often return for services to the dealership where they bought the vehicle) and office development (where customers leave the vehicle for service/repairs while they are at work).

TABLE 1.41: AUTO AND MISCELLANEOUS REPAIR

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Automotive Rentals	-\$243	-\$193	-\$162	-\$11,301,558	-\$5,803,809	-\$4,051,085	1%	2%	5%
Automotive Parking	\$0	\$0	\$0	-\$1,829	-\$2,864	-\$4,269	0%	0%	0%
Automotive Repair Shops	-\$91	-\$9	-\$10	-\$4,209,397	-\$278,197	-\$244,836	64%	96%	95%
Automotive Serv. Exc. Repair	\$2	\$7	\$20	\$100,067	\$203,016	\$488,589	105%	120%	162%
Electrical Repair Shops	-\$19	-\$18	-\$20	-\$898,873	-\$537,819	-\$502,527	5%	0%	0%
Watch, Clock & Jewelry Repair	-\$1	-\$1	-\$2	-\$64,505	-\$37,694	-\$52,232	0%	0%	0%
Reupholstery & Furniture Repair	-\$2	-\$2	-\$2	-\$104,486	-\$71,692	-\$55,899	5%	-1%	0%
Misc. Repair Shops	-\$50	-\$54	-\$30	-\$2,329,320	-\$1,631,524	-\$741,192	22%	22%	40%
<b>Total Auto &amp; Misc Repair</b>	<b>-\$405</b>	<b>-\$271</b>	<b>-\$206</b>	<b>-\$18,815,046</b>	<b>-\$8,163,570</b>	<b>-\$5,163,450</b>	<b>35%</b>	<b>50%</b>	<b>58%</b>

## ENTERTAINMENT AND AMUSEMENT

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

TABLE 1.42: ENTERTAINMENT AND AMUSEMENT

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Motion Picture Prod. & Dist.	-\$1	\$1	-\$1	-\$53,730	\$17,913	-\$36,796	57%	127%	56%
Motion Picture Theaters	-\$8	\$1	-\$2	-\$360,415	\$18,467	-\$60,551	86%	101%	95%
Video Tape Rental	-\$30	-\$34	\$9	-\$1,398,838	-\$1,017,589	\$215,780	0%	2%	125%
Dance Studios	\$0	\$0	\$0	-\$12,185	-\$9,845	-\$894	0%	0%	93%
Producers, Orchestras, Entertainers	-\$3	-\$2	-\$4	-\$139,111	-\$57,327	-\$102,692	11%	21%	0%
Bowling Centers	-\$8	-\$7	-\$7	-\$370,972	-\$224,503	-\$177,881	0%	0%	6%
Commercial Sports	-\$30	-\$21	-\$26	-\$1,372,451	-\$632,647	-\$650,050	18%	20%	0%
Ski Resorts	-\$99	-\$84	-\$75	-\$4,590,204	-\$2,542,154	-\$1,875,282	0%	0%	0%
Misc Amusement	-\$92	-\$41	-\$21	-\$4,288,244	-\$1,225,202	-\$521,409	29%	63%	80%
<b>Total Entertainment &amp; Amusement</b>	<b>-\$271</b>	<b>-\$189</b>	<b>-\$128</b>	<b>-\$12,586,150</b>	<b>-\$5,672,886</b>	<b>-\$3,210,558</b>	<b>25%</b>	<b>41%</b>	<b>58%</b>

## SUMMARY OF SALES LEAKAGE AND TAX REVENUES

Based on the estimated sales leakage shown in the previous section, we have calculated the potential lost sales tax revenues to Lehi City. The calculation is based on the one-half of one percent point of sale tax revenue. Using the sales leakage assumptions, it appears that Lehi City may be losing nearly \$1.5 million annually in sales tax revenues.

TABLE 1.43: SUMMARY OF ESTIMATED LOST SALES TAX REVENUES (2007)

Retail Category	Estimated Lost Sales Tax Revenues
Building & Garden	\$75,000
General Merchandise	\$14,000
Food Stores	\$183,000
Car Dealers	\$297,000
Apparel & Accessory	\$108,000
Furniture & Electronics	\$153,000
Eating	\$173,000
Miscellaneous Retail	\$141,000
Hotels & Lodging	\$48,000
Personal Services	\$15,000
Business Services	\$128,000
Auto & Miscellaneous Repair	\$94,000
Entertainment & Amusement	\$63,000
<b>TOTAL</b>	<b>\$1,492,000</b>

Source: Utah State Tax Commission; LYRB

TABLE 1.44: BUYING POWER ANALYSIS

	Per Capita	Buying Power Growth 2007-2020	Buying Power Growth 2010-2020
Building & Garden	\$995.76	\$9,224,721	\$31,053,771
General Merchandise	\$1,895.83	\$17,562,969	\$59,123,354
Food Stores	\$1,361.66	\$12,614,418	\$42,464,729
Motor Vehicles	\$1,894.82	\$17,553,612	\$59,091,857
Apparel & Accessory	\$449.07	\$4,160,184	\$14,004,697
Furniture	\$748.22	\$6,931,510	\$23,333,989
Eating Places	\$1,071.26	\$9,924,153	\$33,408,314
Miscellaneous Retail	\$1,236.12	\$11,451,416	\$38,549,638
Personal Services	\$92.65	\$858,310	\$2,889,383
Business Services	\$555.88	\$5,149,672	\$17,335,674
Auto & Miscellaneous Repair	\$586.73	\$5,435,467	\$18,297,762
Entertainment & Amusement	\$350.09	\$3,243,234	\$10,917,907
<b>TOTAL</b>	<b>\$11,238.09</b>	<b>\$104,109,666</b>	<b>\$350,471,075</b>
<b>Lehi City:</b>	<b>2007</b>	<b>2010</b>	<b>2020</b>
Population	47,797	57,061	88,247
Population Growth from Previous Period	NA	9,264	31,186

## BUYING POWER ANALYSIS

The buying power of Lehi residents will increase by \$104 million by 2010 and by \$350 million in 2020 (\$2007), due to population growth in the City (see table 1.45).

## BUSINESS PARK/LIGHT INDUSTRIAL DEVELOPMENT

Utah County has a very tight industrial market. Vacancy rates throughout the entire County are below five percent, and at one percent in northern Utah County. Manufacturing is a major driving force in Utah's economic growth, and Utah County is centrally located to accommodate much of this demand. However, space is difficult to find due to little new construction in recent years – land and construction costs are both high. While lease rates are climbing, there is still little new product on the horizon.

Industrial development in Lehi is currently centered in the area surrounding the Micron and IM Flash property. The growth of IM Flash has been a “driving force behind the increased office activity” in Utah County.<sup>15</sup> With only a portion of IM Flash Technologies in operation, periphery-related companies and vendors are moving to the area in anticipation of the final push toward full capacity. Lehi should make every effort to accommodate the growth of these related businesses.

In addition, Lehi should work to expand its business park/light industrial base at other locations in the City in order to increase the quality of employment and the property tax base of the City. This report has identified other key business park areas – Millpond, the West Annexation Area, SR92 and Thanksgiving Point.

The following table shows the growth in industrial development in Utah County over the past five years. The slight decrease in industrial square footage reflects the closing of Geneva Steel. The population in Utah County grew by roughly four percent per year over the same time period.

<sup>15</sup> Commerce CRG, Year-End 2006 Market Review.

TABLE 1.45: BUSINESS PARK/INDUSTRIAL INVENTORY (UTAH CO., TOTAL SQUARE FEET)

	2001	2002	2003	2004	2005	2006	2007
Industrial	14,949,000	12,801,616	13,413,608	14,613,815	14,516,877	14,502,466	14,820,714

Source: Commerce CRG

Northern Utah County represents approximately 31 percent of the total population in Utah County, but only 25 percent of its industrial space.

TABLE 1.46: UTAH CO. NORTH AS A PERCENTAGE OF INDUSTRIAL DEVELOPMENT

Area	Square Feet	Percent of Total
Utah Co North	3,589,192	25%
Orem	3,107,378	21%
Provo	2,223,054	15%
Utah Co South	5,597,253	39%
Total	14,516,877	100%

Source: Commerce CRG; LYRB

A listing of business parks in Utah County is included in the Appendix.

Northern Utah County saw a tremendous increase in industrial space – roughly one million square feet – in 2007. While the northern portion of the County has only absorbed, on average, 46 acres per year since 2002,<sup>16</sup> 2007 saw a significant increase in demand.

TABLE 1.47: BUSINESS PARK/INDUSTRIAL ABSORPTION

	2002	2003	2004	2005	2006	2007	SF Growth 2002-2007	Acres Absorbed	Avg Per Year
Orem	2,899,384	3,138,278	3,139,098	3,107,378	3,097,986	3,309,610	410,226	63	12.6
Provo	2,466,631	2,333,452	2,338,272	2,223,054	2,229,386	2,699,968	233,337	36	7.2
Utah North	3,104,793	3,404,737	3,539,192	3,589,192	3,587,759	4,598,629	1,493,836	229	45.8
Utah South	4,330,808	4,537,141	5,597,253	5,597,253	5,587,335	4,212,515	(118,293)	NA	NA
Total	12,801,616	13,413,608	14,613,815	14,516,877	14,502,466	14,820,722	2,019,106	309	61.8

Source: Commerce CRG; LYRB

Based on interviews with EDCUtah, significant demand for industrial space is expected to continue in the future. In order to acquaint out-of-state companies with available Utah sites, EDCUtah has started the Sure Sites register. The register includes information such as a site description, population, workforce data, infrastructure details, and other community information. EDCUtah states that the site selector community is small – probably only about 1,000 in the United States – but they account for 75 to 80 percent of site inquiries to EDCUtah. The remaining inquiries come from individual companies. Therefore, it would be to Lehi’s advantage to register the Millpond area on the Sure Site register.

## OFFICE DEVELOPMENT

Employment in Utah County is dominated by education services, business and professional services, and the information sector. This is due to the presence of two major universities, BYU and UVU. IM Flash is a

TABLE 1.48: HISTORICAL EMPLOYMENT GROWTH IN UTAH COUNTY

Year	Non-Farm Employees
2001	154,054
2002	151,802
2003	152,878
2004	160,189
2005	167,938
2006	176,811
2007	185,159

Source: Utah Department of Workforce Services

key component of the northern Utah economy, and will continue to attract related businesses that will create demand for additional office space. Utah County’s strong housing market of 2006 carried into the commercial market in 2007 as evidenced in part by the strong employment growth numbers for the County. Job growth increased at a rate 6.3 percent, well above the County’s 4.5 percent growth rate in 2006 and significantly higher than the Utah State average of 4.5 percent in 2007.

Although employment in Utah County took a slight dip from 2001 to 2003, the Utah County economy has since recovered to surpass employment levels in 2001. In fact,

<sup>16</sup> Estimated industrial acres absorbed were calculated by using the building square footage provided by Commerce CRG and a floor area ratio (FAR) of 0.15.

over 31,000 jobs have been added since 2001 – an average of over 5,000 jobs per year.

During the period from 2001 to 2007, the population of Utah County grew by an estimated 97,840 persons, and by 31,105 jobs – one job for every 3.15 persons. If this ratio holds true in the future, Utah County should see an increase in over 52,000 jobs by 2020, as Utah County’s population is projected to increase from 496,762 in 2008 to 661,319 in 2020.<sup>17</sup>

An inventory of office space in Utah County shows that it has grown from 5.4 million square feet in 2001 to nearly 7.9 million square feet in 2007, an increase of roughly 2.5 million square feet. The majority of office space is Class A and Class B space which accounts for 82 percent of the total available.

TABLE 1.49: OFFICE MARKET ABSORPTION

	2001	2002	2003	2004	2005	2006	2007	Change 2001 - 07
<b>Utah County North</b>								
Class A	717,743	823,035	850,871	893,671	885,780	674,780	857,208	139,465
Class B	346,800	499,124	499,124	536,744	518,254	868,754	852,754	505,954
Condo	97,620	97,620	97,620	168,620	127,220	127,220	127,220	29,600
<b>Overall</b>	<b>1,162,163</b>	<b>1,419,779</b>	<b>1,447,615</b>	<b>1,599,035</b>	<b>1,531,254</b>	<b>1,670,754</b>	<b>1,837,182</b>	<b>675,019</b>
<b>Total County</b>								
Class A	2,618,080	3,017,479	3,066,666	3,147,466	3,471,565	3,276,045	3,508,914	890,834
Class B	1,869,571	2,236,425	2,316,923	2,875,126	2,663,673	3,012,574	2,940,945	1,071,374
Condo	871,218	987,798	1,008,798	1,062,262	1,177,565	1,295,365	1,432,547	561,329
<b>Overall</b>	<b>5,358,869</b>	<b>6,241,702</b>	<b>6,392,387</b>	<b>7,084,854</b>	<b>7,312,803</b>	<b>7,583,984</b>	<b>7,882,406</b>	<b>2,523,537</b>

Source: Commerce CRG; LYRB

Northern Utah County has averaged absorption of approximately 112,000 square feet of office space per year, on average, since 2001. Given Lehi City’s strategic location along I-15 and the emerging prominence of Thanksgiving Point as a Class A office park, it is assumed that Lehi may be able to capture 50 percent or more of the northern Utah County office market in the near term or roughly 60,000 square feet per year, assuming historic absorption trends. Further, given the rapid population growth in northern Utah County, this area will likely begin to surpass its historic absorption levels.

The population in northern Utah County is expected to grow from 283,767 persons in 2008 to 384,793 in 2020 – an increase of 101,026 persons.<sup>18</sup> If the ratio of one job for every 3.15 persons holds true in the future, northern Utah County will see job growth of over 32,000 jobs by 2020.

Northern Utah County represents approximately 31 percent of the total population in Utah County, but only 23 percent of all office space. Given the rapid growth in population, as well as the inability of office space to keep up with recent population growth, demand for office space should soon follow, creating a very vibrant and dynamic office market in northern Utah County in the future.

TABLE 1.50: UTAH CO. NORTH AS PERCENTAGE OF OFFICE DEVELOPMENT

Area	Square Feet 2007	Percent of Total
Utah County North	1,837,182	23%
Orem	2,784,649	35%
Provo	2,983,938	38%
Utah County South	276,637	4%
<b>Total</b>	<b>7,882,406</b>	<b>100%</b>

Source: Commerce CRG; LYRB

From 2001 to 2006, Utah County’s office vacancy rates have been steadily decreasing as the economy has strengthened, with only a slight increase in 2007. Northern Utah County has a very tight office supply, with just 6.6 percent of space currently vacant. Additions to the available office supply in Northern Utah County have not been sufficient to meet the strong demand for office space, causing a significant increase in lease rates. According to Commerce CRG’s

*Year-End 2007 Market Review*, “new product will bring office lease rates up into the \$19.00 to \$20.00 per

<sup>17</sup> Source for population growth is the Utah Governor’s Office of Planning and Budget.  
<sup>18</sup> Source: Governor’s Office of Planning and Budget

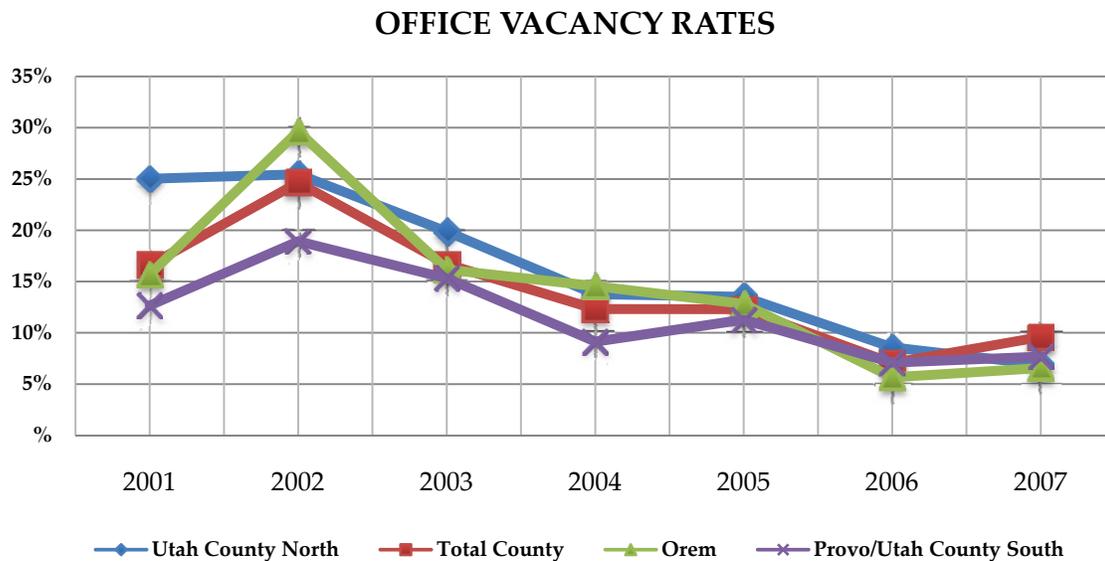
square foot NNN range, with sales rates at \$200 to \$225 per square foot.” Interviews conducted in Utah County suggest that some rates may hit \$22.00 to \$23.00 and higher in 2008.

TABLE 1.51: HISTORICAL OFFICE VACANCY TRENDS (2001-07)

	2001	2002	2003	2004	2005	2006	2007
<b>Utah County North</b>							
Class A	17.71%	32.79%	25.58%	15.92%	17.20%	7.54%	9.22%
Class B	39.95%	17.46%	12.24%	13.55%	8.90%	9.78%	3.93%
Condo	25.57%	4.34%	9.18%	2.86%	6.47%	5.86%	7.07%
<b>Overall</b>	<b>25.01%</b>	<b>25.45%</b>	<b>19.87%</b>	<b>13.75%</b>	<b>13.50%</b>	<b>8.58%</b>	<b>6.62%</b>
<b>Total Utah County</b>							
Class A	15.78%	31.40%	21.41%	12.78%	14.21%	5.63%	10.76%
Class B	16.96%	20.81%	13.94%	13.02%	11.39%	9.53%	8.61%
Condo	18.11%	12.68%	8.56%	9.02%	8.64%	4.2%	5.17%
<b>Overall</b>	<b>16.57%</b>	<b>24.64%</b>	<b>16.68%</b>	<b>12.31%</b>	<b>12.29%</b>	<b>7.04%</b>	<b>8.94%</b>

Source: Commerce CRG

GRAPH 1.6: COMPARISON OF OFFICE VACANCY RATES



Based on historic trends, northern Utah County has absorbed an average of 112,000 sf of office space per year since 2001. Utah County currently has 7,882,406 square feet of office space, and 185,159 non-farm jobs, or an average of 42.57 square feet of office space per job. The general rule of thumb is to plan for 200 to 250 square feet of office space per employee. However, the total 185,159 jobs in Utah County represent many professions that do not require office space (i.e., schoolteachers, retail clerks, construction workers, etc.), and therefore the 42.57 square feet per employee represents the average of all employees – not just office employees. Assuming, however, that this ratio of 42.57 square feet of office space per job holds true in the future, northern Utah County will need an additional 1.365 million square feet of office space by 2020 to accommodate the office worker segment of the additional 32,072 jobs that are projected to be created in northern Utah County. This 1.365 million square feet of space represents average absorption of nearly 114,000 office square feet per year in northern Utah County over the next 12 years (until 2020). These estimates are conservative, at best, for it seems that in the past office development has lagged population growth in the County. Future years may involve some “catching up” and the recapture of some commuters to the local area that will accelerate the office absorption process.

## RETAIL DEVELOPMENT

Retail development generally follows residential development, and is therefore projected to remain strong in Utah County. More than 563,000 square feet of retail space was added in 2007, vacancy rates declined nearly three percent, and lease rates jumped at the higher end, reaching a high in some areas of \$40 per square foot.<sup>19</sup>

TABLE 1.52: UTAH CO. RETAIL OVERVIEW

	2003	2004	2005	2006	2007
Total Inventory Square Feet	6,857,978	8,133,331	8,808,053	9,035,347	9,598,983
Lease Rates Per Square	\$6 - \$18	\$6 - \$36	\$8 - \$32	\$11 - \$32	\$9 - \$40
Vacancy	11.98%	10.75%	9.41%	6.32%	3.33%
CAP Rate	9.5% - 10.5%	7% - 8.5%	7% - 9%	7% - 9%	6.75% - 9.63%
Land Values Per Square	\$5 - \$20	\$7 - \$30	\$8 - \$30	\$8 - \$32	\$8 - \$35

Source: Commerce CRG

Vacancy rates are lowest in the northern part of Utah County, indicating good demand for future retail space to keep up with the rapid population growth.

TABLE 1.53: UTAH CO. RETAIL VACANCY HISTORY

Type	2003	2004	2005	2006	2007
Anchorless Strip	18.30%	18.87%	18.25%	19.59%	8.75%
Community Center	15.14%	7.13%	9.26%	9.95%	3.52%
Neighborhood Center	15.28%	17.93%	10.33%	3.15%	2.76%
Mall Space	4.12%	6.93%	3.53%	1.20%	0.78%
Total	11.98%	10.75%	9.41%	6.44%	3.33%
<b>Sector</b>					
Orem	13.11%	11.24%	11.49%	7.77%	4.0%
Provo	9.42%	8.72%	5.62%	4.95%	3.99%
Utah County North	10.32%	9.06%	8.84%	4.84%	1.94%
Utah County South	19.81%	20.75%	12.71%	7.74%	3.07%
Total	11.98%	10.75%	9.41%	6.44%	3.33%

Source: Commerce CR

More detailed retail analysis is included in the section on the SR92 economic district, which is intended to become a regional retail center.

## TRANSPORTATION ANALYSIS

### SR-92, LEHI TO HIGHLAND ENVIRONMENTAL ASSESSMENT

The Utah Department of Transportation (UDOT) is in the process of completing an Environmental Assessment (EA) for SR-92. This particular study commenced in January 2007 and will take approximately one year to complete. The purpose of the study is to evaluate transportation and examine potential travel options for the SR-92 Corridor.

There are several goals in this environmental assessment. The primary purpose is to define and develop long-term transportation solutions for SR-92. Another objective is to define solutions that address future regional travel needs while still meeting the transportation needs of Lehi and Highland. UDOT is also making an effort to seek input from communities and government leaders regarding the needs of the corridor and potential solutions, as well as educating and informing stakeholders on the scope of the project and the environmental process.

### EAST-WEST CONNECTOR

Another study being completed by UDOT includes the area north of Utah Lake, from Redwood Road to I-15, and the area of south of Lehi Main Street to about 1500 South. The study schedule has been outlined from 2007 through 2011. Planning and scoping is expected to last from spring to fall of 2007, the environmental process from fall 2007 to fall 2008, and construction from spring 2009 through spring 2011.

<sup>19</sup> Source: Commerce CRG 2007 Year-End Market Review.

Due to the rapid growth in northwestern Utah County, the area's existing east-west roadways are already experiencing congestion, especially at peak hours of the day. This study is examining potential solutions to the transportation challenges that currently exist and that are expected to increase. These solutions take into account growth that will occur through 2030. This study includes evaluating both roadway and transit options and information related to the impacts of a connector on the environment.

**I-15 CORRIDOR EIS, UTAH COUNTY – SALT LAKE COUNTY**

UDOT is also working on an I-15 Corridor Environmental Impact Statement. This study addresses the projected local and regional population growth and travel demand. As Utah County's population increases, transportation needs also increase. With the traffic congestion that is already commonplace on I-15 in Utah County, there is already great concern about the effects this growth will have on transportation.

The study includes approximately 51 miles of the I-15 corridor from Salt Lake City to Santaquin. Roadway options have been analyzed for the study area between downtown Salt Lake City and Santaquin in Utah County.

The I-15 Corridor EIS is in the final year of a three-year environmental study. During the past two years, UDOT has already offered relief by adding additional freeway lanes and including carpool lanes between 10600 South in Salt Lake County and the University Parkway Interchange in Orem.

**MOUNTAIN VIEW CORRIDOR**

UDOT and the Federal Highway Administration have released the Draft Environmental Impact Statement on the Mountain View Corridor. It is a proposed highway in west Salt Lake County and northwest Utah County. More specifically, its north-south parameters are I-80 in Salt Lake County to the Pleasant Grove Interchange in Utah County. East-west parameters are Bangerter Highway (east) to U-111 in Salt Lake County and 11800 West in Saratoga Springs to I-15 for the Utah County portion.

There will be new demands for transit service over the next 30 years in the Mountain View Corridor study area, as there will be tremendous growth in population, employment and in households. The DEIS will examine community transportation needs and potential impacts. While several alternatives were examined in the study, UDOT determined that the 2100 north alternative was the most viable.

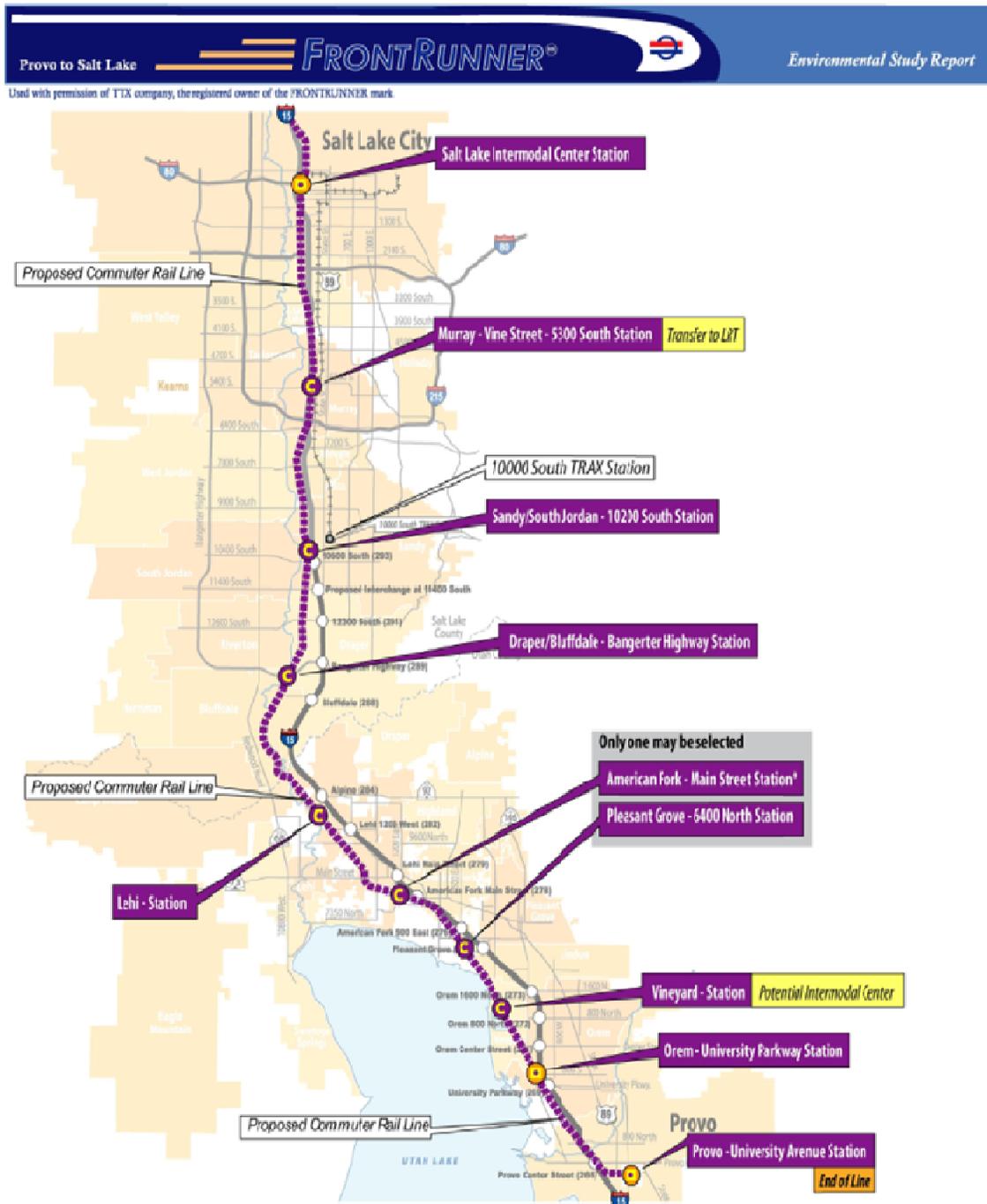


### COMMUTER RAIL

The Utah Transit Authority (UTA) is in the environmental phase of building a commuter rail line between Salt Lake City and Provo. Construction on the Provo to Salt Lake line could begin as early as 2008 and could be operational by 2012 or 2013. Additional phases of this line will eventually extend the line from Payson to Brigham City.

There is a 10-acre station planned for Lehi City just west of Thanksgiving Point.

MAP 1.7: FRONT RUNNER

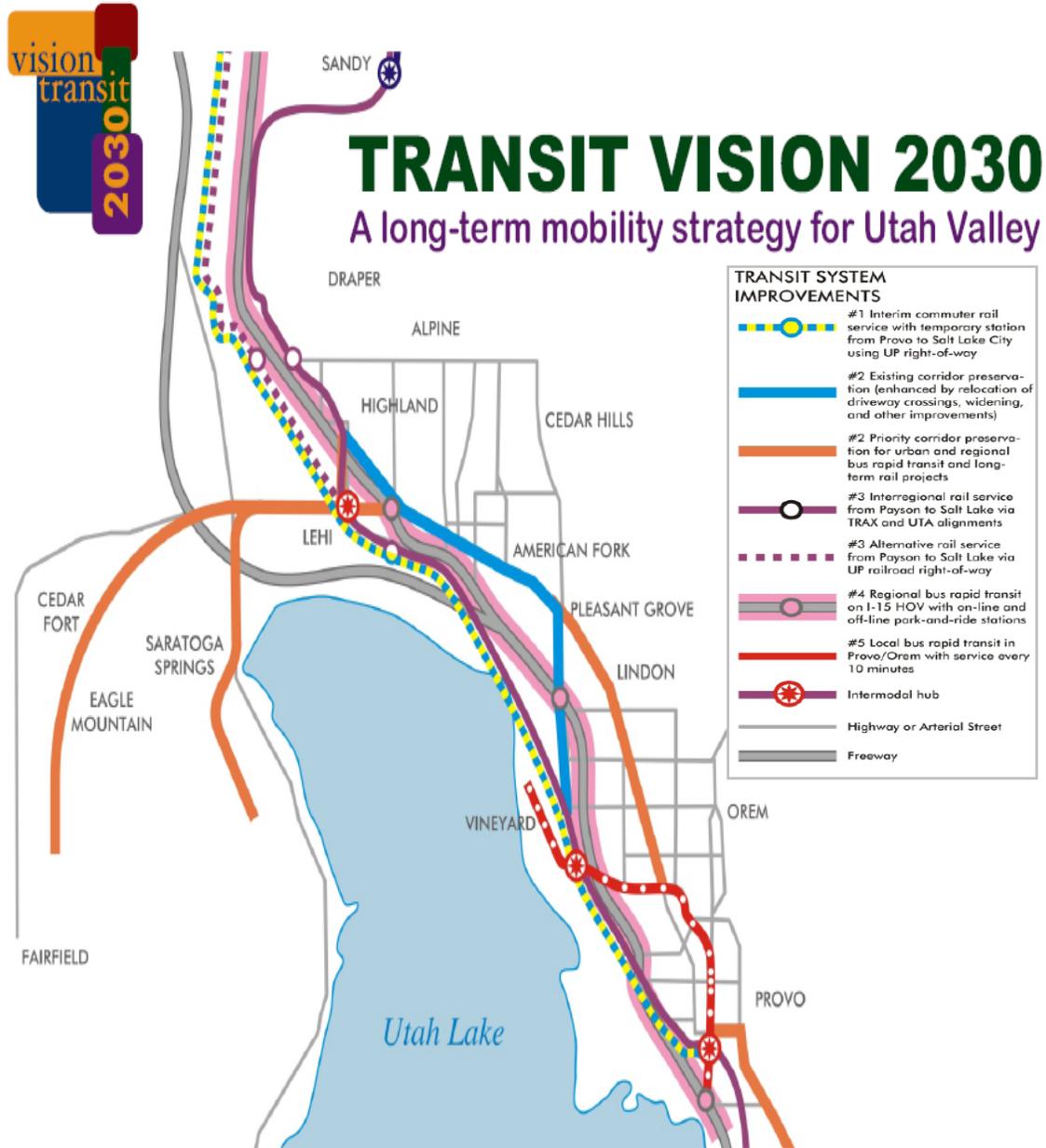


**LIGHT RAIL**

Light rail, or TRAX, will be making its way to Draper first, then around the Point of the Mountain on the east side of I-15 to Lehi and American Fork, but no specific time frame has been established.

The long-range plan for Utah County anticipates that light rail will extend to Provo/Orem.

MAP 1.8: RAILROAD RIGHT-OF-WAY LOCATIONS



Source: Mountainland Association of Governments, Transit Vision 2030.

### TRAFFIC COUNTS

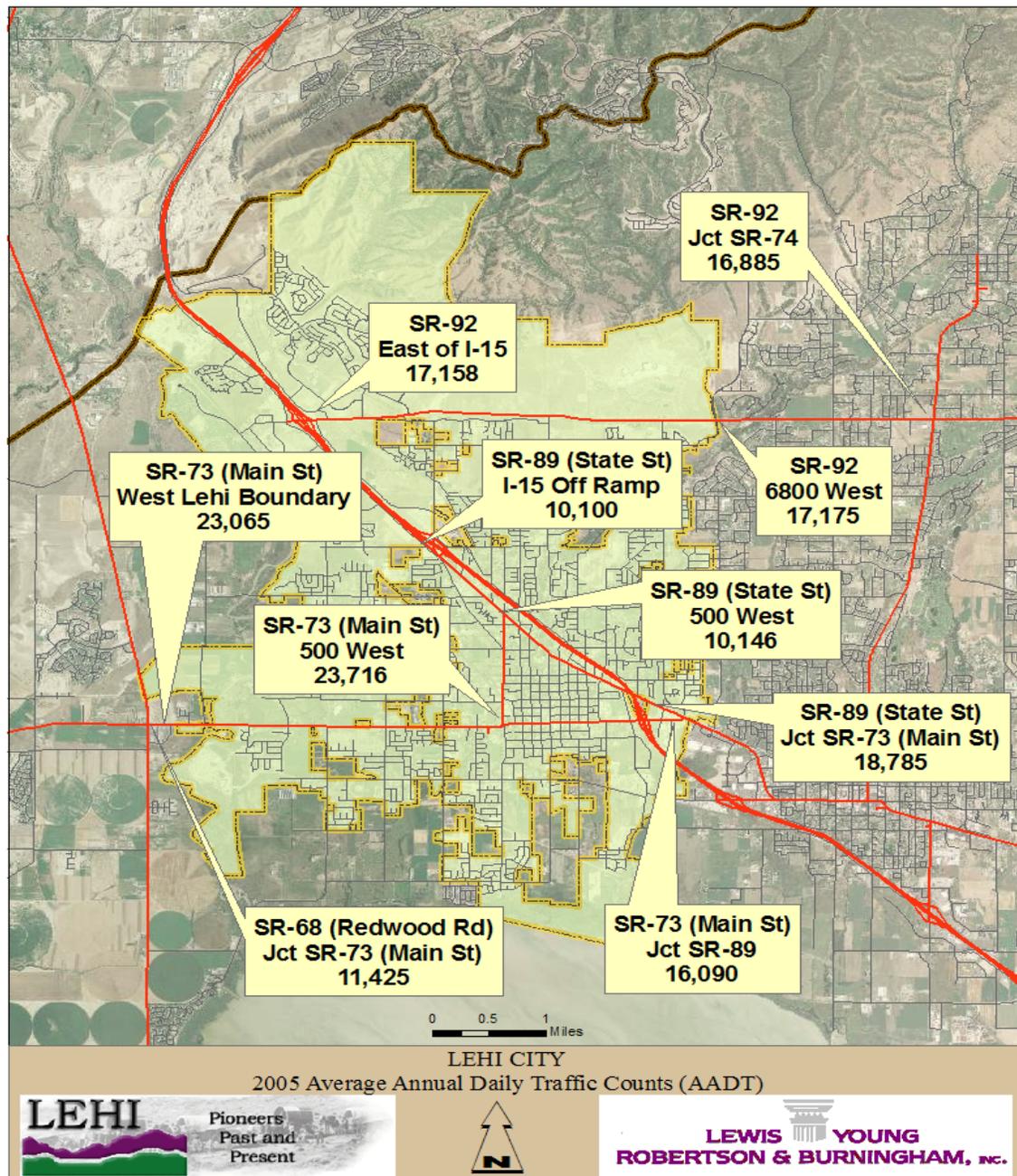
TABLE 1.54: I-15 TRAFFIC COUNTS (NORTHERN UTAH CO.)

DESCRIPTION	2006 TRAFFIC COUNTS
SR-92/Highland/Alpine	126,475
1200 West	115,360
SR-73/Lehi	107,940
SR-145/Main Street	120,130
500 East Utah County	124,025
Pleasant Grove/Lindon	132,325
Lindon/Pleasant Grove	135,860
8th North	136,980
Orem Center St.	129,750

Source: UDOT

I-15 traffic counts are fairly similar throughout Northern Utah County. Traffic counts on major arterials in Lehi are shown on the map. Main Street, carrying traffic to Saratoga Springs and Eagle Mountain has the highest counts.

MAP 1.9: 2005 AVERAGE ANNUAL DAILY TRAFFIC COUNTS (AADT)



The following table shows population densities within one, three, and five miles of the interchanges in northern Utah County. Not including Orem, within a three-mile radius, the highest densities are at Lindon and Lehi Main Streets.

TABLE 1.55: POPULATION ANALYSIS BY FREEWAY INTERCHANGES

Exit	Description	Year: 2010		
		1-mile	3-mile	5-mile
284	Highland/Alpine		5,136	31,959
282	Lehi 1200 West		6,816	45,654
279	Lehi Main Street		7,276	57,846
278	AF Main Street		4,703	52,661
276	AF 500 East		3,140	44,572
275	AF/Lindon		1,071	45,331
273	Lindon/PG		6,084	77,923
272	Orem 800 N		11,172	87,792
271	Orem Center St		12,825	88,019
269	Orem University Parkway		10,623	90,221
Exit	Description	Year: 2015		
		1-mile	3-mile	5-mile
284	Highland/Alpine		5,911	38,863
282	Lehi 1200 West		7,348	51,731
279	Lehi Main Street		7,550	62,255
278	AF Main Street		5,016	56,799
276	AF 500 East		3,999	50,522
275	AF/Lindon		2,854	52,092
273	Lindon/PG		6,811	83,968
272	Orem 800 N		11,336	92,433
271	Orem Center St		13,113	91,919
269	Orem University Parkway		11,071	92,719
Exit	Description	Year 2020		
		1-mile	3-mile	5-mile
284	Highland/Alpine		6,456	45,022
282	Lehi 1200 West		7,789	56,982
279	Lehi Main Street		7,809	66,576
278	AF Main Street		5,440	60,866
276	AF 500 East		4,806	56,178
275	AF/Lindon		4,553	58,418
273	Lindon/PG		7,508	89,553
272	Orem 800 N		11,527	96,559
271	Orem Center St		13,374	95,312
269	Orem University Parkway		11,432	94,702

## SECTION VII: ECONOMIC DISTRICT ANALYSIS – NORTH SR92

The North SR92 economic district has the potential to become one of the premiere regional retail and entertainment destinations along the Wasatch Front. Strategically located at the northern end of Lehi City, this area forms the gateway to the City from the North and is a strategic connecting link with the Salt Lake Valley. The area has high visibility from I-15, and is highly traveled by residents of Alpine, Highland and American Fork – all cities where residents have high incomes and therefore considerable disposable income.

Economic research that pertains mainly to the SR92 area, rather than the entire City, has been included in this section.

### TRANSPORTATION INFRASTRUCTURE

Using a Geographic Information System, the travel distance from the SR92 exit to Sandy South Towne and to Orem University Mall were examined and were found to be roughly the same. Therefore, given sufficient demand for a regional retail center in northern Utah County, property surrounding the SR92 exit would be a highly competitive location.

### REGIONAL RETAIL DEVELOPMENT

#### REGIONAL RETAIL ABSORPTION

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.

TABLE 1.56: PRIMARY TRADE AREA GUIDELINES

Type of Center	Minimum Population Support Required	Radius	Driving Time
Super Regional	300,000 or more	12 miles	30 minutes
Regional	150,000 or more	8 miles	20 minutes
Community	40,000 - 150,000	3-5 miles	10-20 minutes
Neighborhood	3,000 - 40,000	1.5 miles	5-10 minutes

Source: Urban Land Institute, *Shopping Center Development Handbook*, 3<sup>rd</sup> ed.

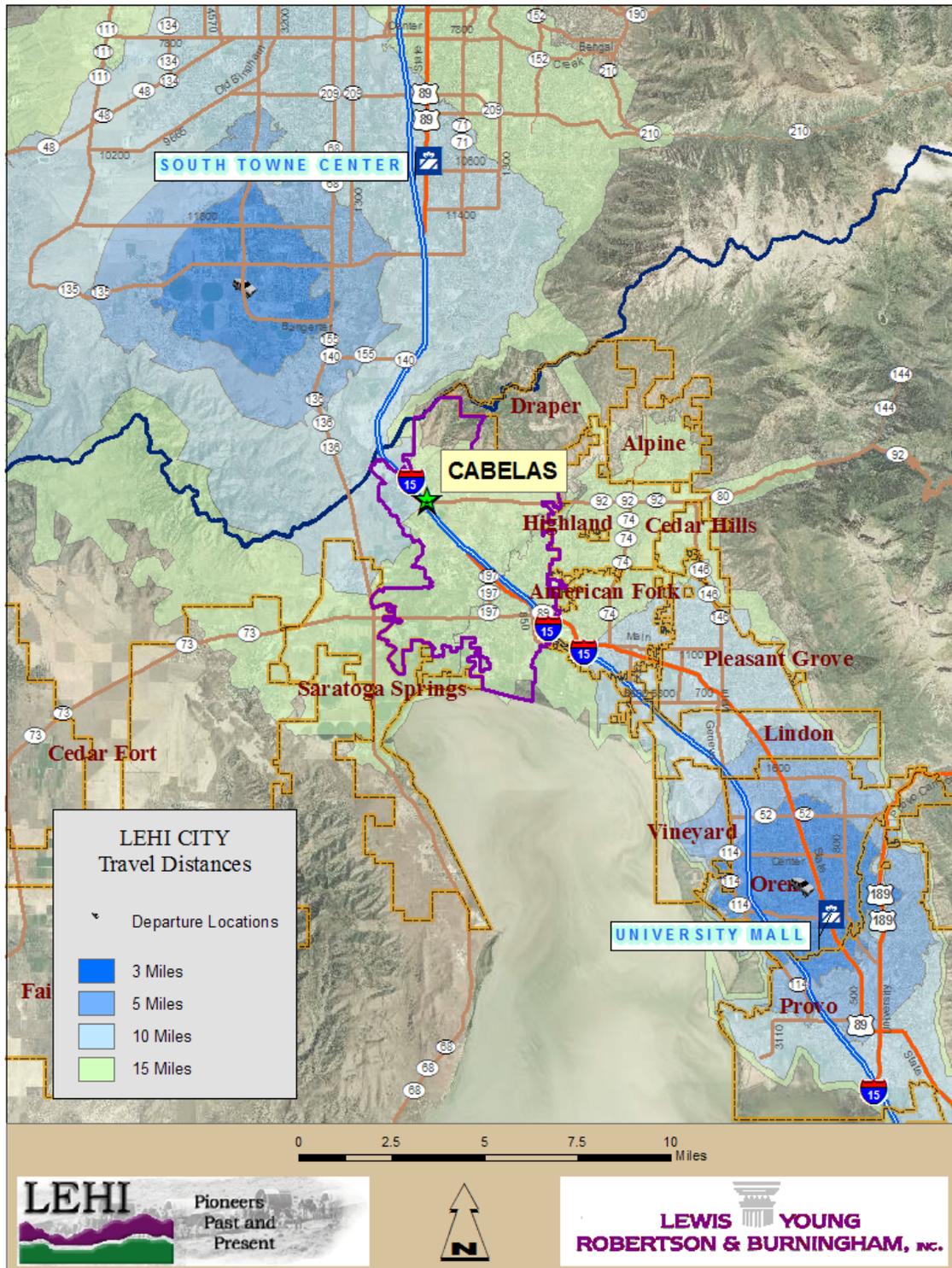
Currently, the SR92 exit meets these requirements, with a population well over the 150,000 minimum within eight miles and a population well over the 300,000 minimum within 12 miles.

TABLE 1.57: POPULATION 12-MILE RADIUS (SR92 EXIT)

	2005	2010	2015	2020	2025	2030
Salt Lake County	234,511	282,880	315,096	341,354	365,372	386,529
Utah County	147,293	183,600	217,940	251,166	282,773	318,012
TOTALS	381,804	466,480	533,036	592,520	648,145	704,541

However, much of the population within the 8-mile and 12-mile radius lives closer to Sandy South Towne and Orem University Mall than it does to the SR 92 area, and would therefore likely do most of their regional retail shopping in Sandy and in Orem.

MAP 1.10: TRAVEL DISTANCES ON EXISTING ROADS



*Given sufficient demand for a regional retail center in northern Utah County, property surrounding the SR92 exit would be a highly competitive location.*

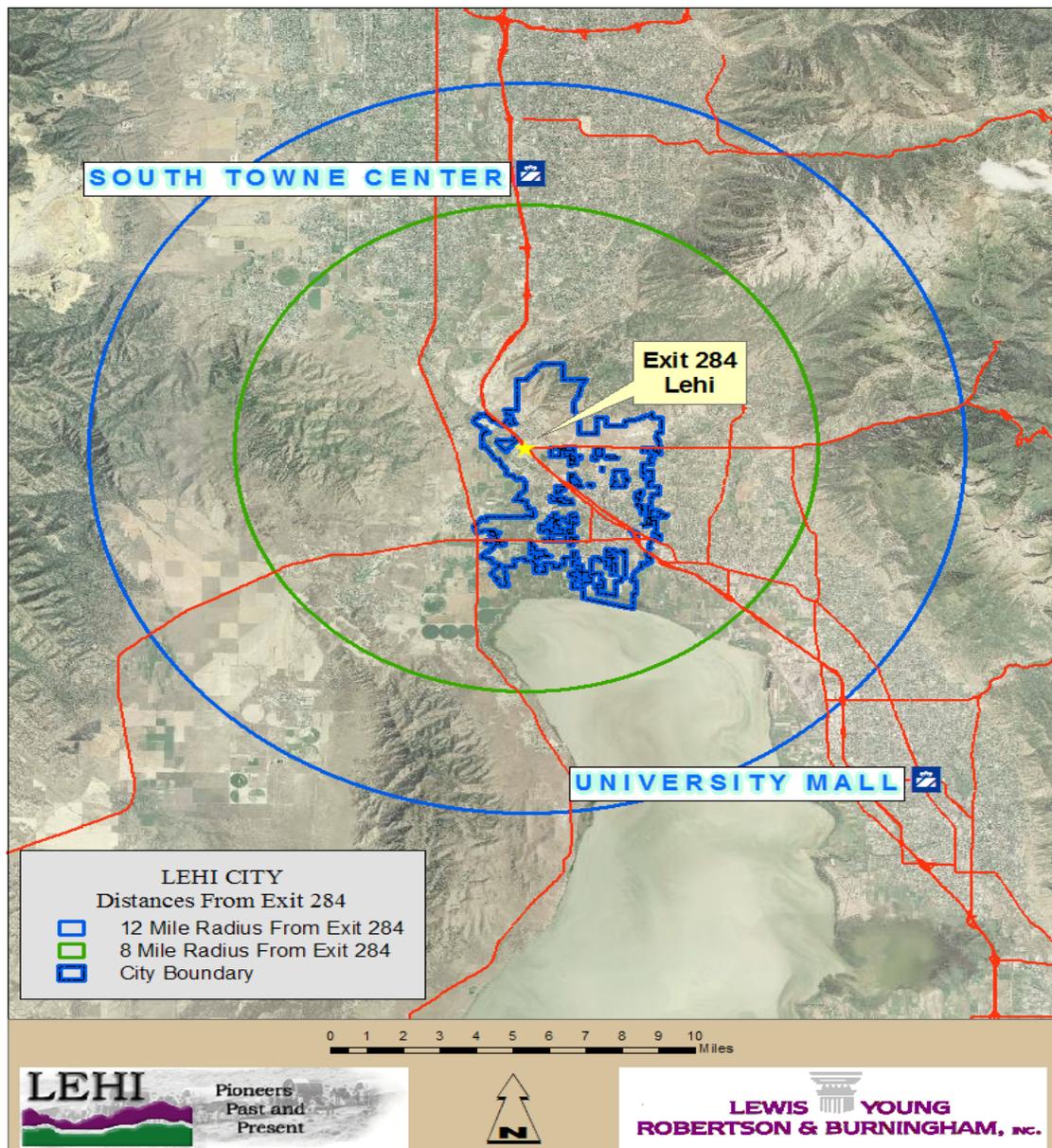
In order to estimate the population within the *primary* market area for the SR 92 vicinity, GIS was used to project the population for which the travel distance to the SR 92 area was less than the travel time to Sandy South Towne or to the Orem University Mall. The estimated 2007 population within the primary market area is 147,268, with an estimated year 2010 population of 173,954. This analysis suggests that an additional regional retail center can be supported between Sandy and Orem. The primary market area is shown in green on the following map (with two shades of green differentiating between Utah and Salt Lake counties). Note that the type of development discussed here is for regional retail, not the big-box community-scale retail of The Meadows at American Fork.

TABLE 1.58: POPULATION GROWTH (PRIMARY MARKET AREA)

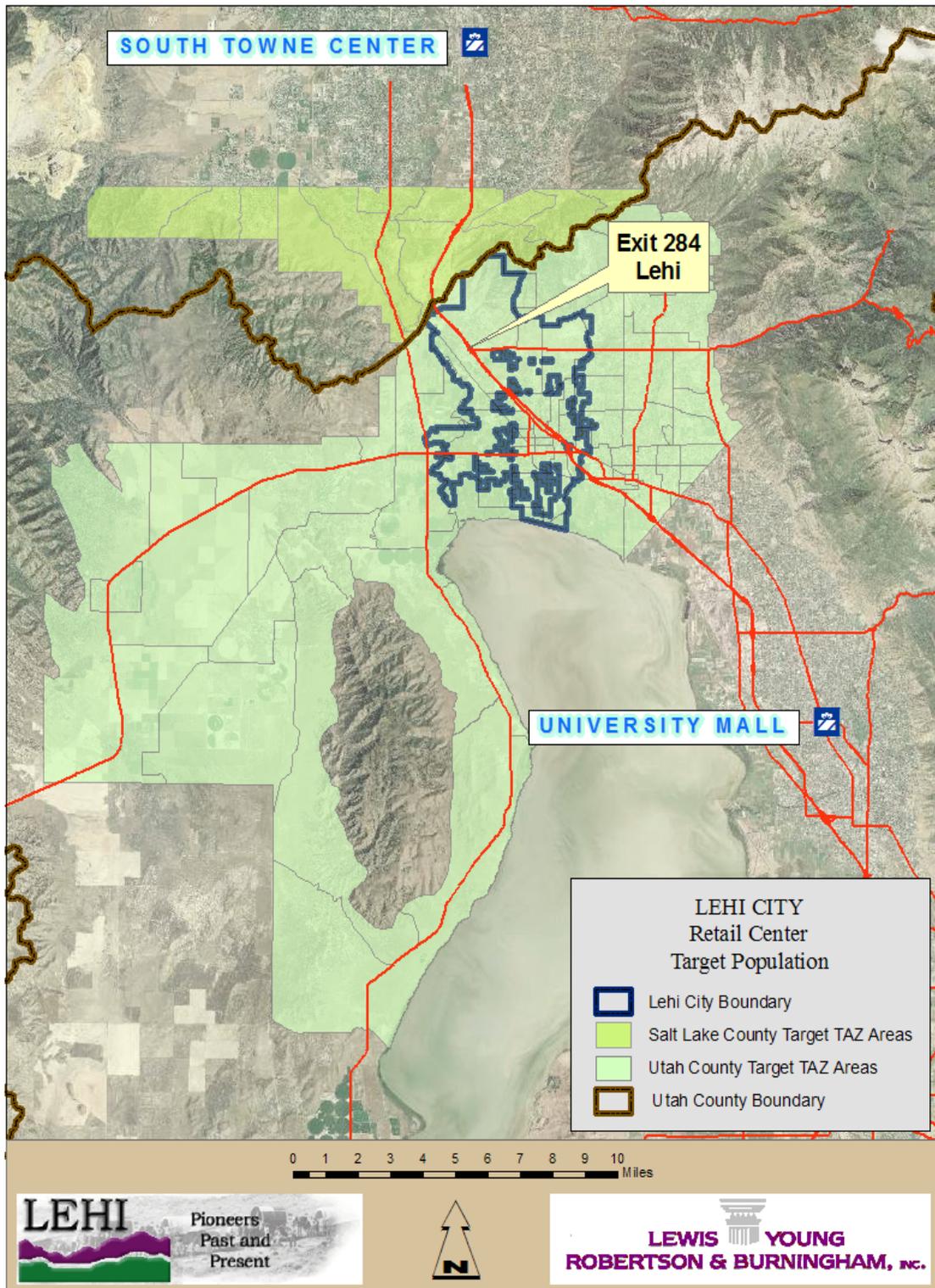
Year	2005	2010	2015	2020	2025	2030
Population	131,793	173,954	210,279	248,306	288,689	328,998

Source: Mountainland Association of Government (MAG); Wasatch Front Regional Council (WFRC); and LYRB.

MAP 1.11: SHOPPING CENTER NEAR EXIT 284



MAP 1.12: RETAIL CENTER TARGET POPULATION



*An additional regional retail center can be supported between Sandy and Orem. The primary market area is shown in green (with two shades of green differentiating between Utah and Salt Lake counties).*

Based on research conducted by the Urban Land Institute (ULI), regional retail centers range from 300,000 to 900,000 square feet in size and cover between 10 and 60 acres.

TABLE 1.59: CHARACTERISTICS OF SHOPPING CENTERS

Type of Center	Leading Tenant	Typical GLA (sf)	General Range in GLA	Site Area (acres)
Super Regional	Three or more full-line department stores	900,000	500,000 - 2,000,000	15-100 or more
Regional	One or two full-line department stores	450,000	300,000 - 900,000	10-60
Community	Varies based on type: Power; Town; Lifestyle; Outlet; Off-Price Centers	150,000	100,000 - 450,000	10-30
Neighborhood	Supermarket	50,000	30,000 - 100,000	3-10

Source: Urban Land Institute, *Shopping Center Development Handbook*, 3<sup>rd</sup> ed., GLA=Gross Leasable Area

Currently, Utah County has approximately 19 square feet of retail space per person, somewhat lower than the 22 square feet person in Davis County and 24 square feet per person in Weber County, and significantly less than the nearly 29 square feet per person in Salt Lake County.

TABLE 1.60: RETAIL SQUARE FOOTAGE COMPARATIVE ANALYSIS

UTAH COUNTY	
UT County retail sf 2006	9,035,347
UT County 2006 population	467,813
SF per capita	19.31
SALT LAKE COUNTY	
Salt Lake County retail sf	28,265,469
SL County 2006 population	986,716
SF per capita	28.65
DAVIS COUNTY	
Davis County retail sf	6,209,222
Davis County 2006 population	281,784
SF per capita	22.04
WEBER COUNTY	
Weber County retail sf	5,141,446
Weber County 2006 population	216,086
SF per capita	23.79

Source: Commerce CRC; GOPB; LYRB

This average square footage is divided between neighborhood, community and regional shopping centers. Definitions of the various shopping center types are as follows:

**SUPER REGIONAL**

Super regional shopping centers generally have three or more anchors, and provide a full depth of shopping goods, including clothing and accessories, home furnishings, gifts and specialty items, and electronics. Increasingly, they also provide food, personal services, and entertainment. While traditionally anchors have been department stores, new-generation anchors include food courts, large off-price category killers, megaplex cinemas, and specialized, large-scale entertainment attractions.

TABLE 1.61: RETAIL SQUARE FOOTAGE BY TYPE

Type of Center	Square Feet per Capita
Super Regional	3
Regional	3
Community	3 - 11
Neighborhood	2.5 - 10

**REGIONAL**

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.

Based on this breakdown of square footage, Lehi's regional retail development (assuming some mix of uses),

could cover 60 to 100 acres. In order to enable this type of development in Lehi, vacant 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.

TABLE 1.62: RETAIL BUYING POWER ANALYSIS

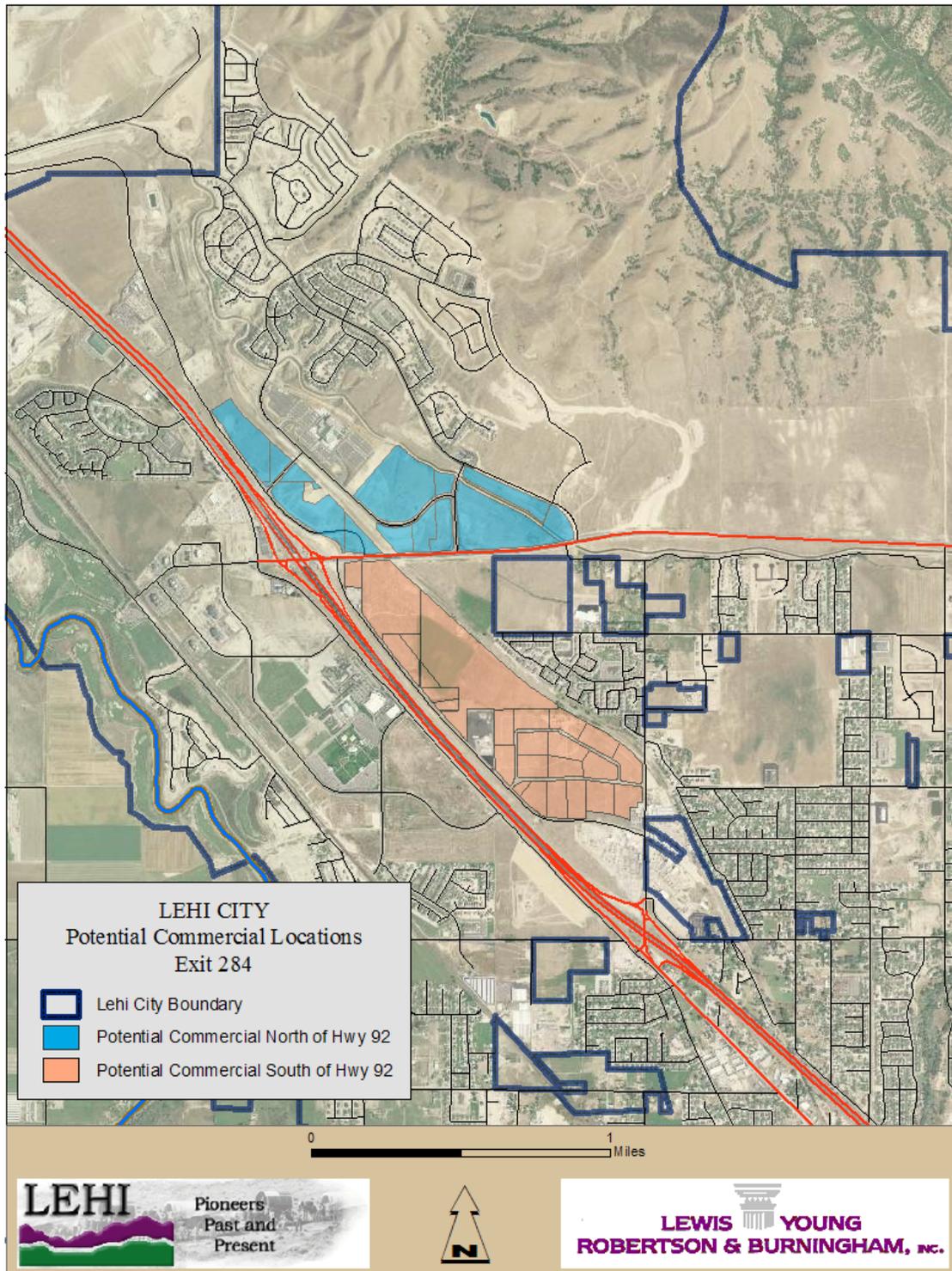
	2005	2010	2015	2020	2025	2030
Population	131,793	173,954	210,279	248,306	288,689	328,998
Supportable regional sf - 4 sf per person	527,172	695,816	841,116	993,224	1,154,756	1,315,992
Acres required - .15 FAR	81	106	129	152	177	201
Acres required - .2 FAR	61	80	97	114	133	151

Source: GOP; Shopping Center Handbook; LYRB

### REGIONAL RETAIL SITE ANALYSIS

The areas highlighted in the map represent vacant land that would be good sites for future regional retail development on the east side of I-15. Visibility and access are excellent, and the sites would draw from the high incomes of Highland and Alpine located immediately to the east. Ownership of parcels will need to be evaluated to see what parcels could most easily be aggregated for regional retail development.

MAP 1.13: POTENTIAL COMMERCIAL LOCATIONS (EXIT 284 – EAST SIDE OF I-15)



*The map shows potential commercial locations in the SR92 economic district, east of I-15. Commercial locations west of I-15 are discussed in the Thanksgiving Point economic analysis.*

TABLE 1.63: VACANT LAND ANALYSIS (SR92 DISTRICT)

	Market Value	Acres	Parcels
North of SR92	\$7,374,308	134	14
South of SR92	\$5,899,847	188	26
TOTAL	\$13,274,155	322	40

\*Market value is as listed by the Utah County's Assessor's Office 2007. This is not meant to be a representation of an asking price by a potential seller.  
Source: Utah County Assessor's Office; LYRB

## COMMUNITY-SCALE RETAIL ANALYSIS

Community centers were initially developed around a junior department store or large variety store as anchor tenants (in addition to a supermarket). 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 CENTER

A power center contains somewhere around 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 CENTER

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 CENTER

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 1.64: OUTLET CENTER REQUIREMENTS

	PRIME RETAIL	BELZ ENTERPRISES
Population	2.5M within 100-mile radius	1M within 100 miles
Traffic Counts	30,000	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 CENTER

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).



## DEVELOPMENT PLANS

### TRAVERSE MOUNTAIN

Traverse Mountain has been approved to build 8,000 single-family and multi-family residential units, on 3,000 acres of land. As of 2007, there were 700 single-family residential units. Traverse Mountain also plans on developing 200 acres commercially. Commercial development will range from retail and entertainment centers to business and office districts.

The construction of this master planned community is projected to be a 10-year project. Based solely on residential development, it is approximately 15 percent complete. Commercial development is expected to commence in 2007 or 2008.

Fashion Outlets at Traverse Mountain is scheduled to be located on 50 acres at the Traverse Mountain development. Currently anchored by Cabela's, which receives five million visitors annually, Fashion Outlets will include 426,921 square feet of retail when completed.

### ANDERSON/GEHRY DEVELOPMENT

The proposed Brandt Anderson development on 85 acres at the Point of the Mountain is for a 2,500 unit development, with a five-star hotel (453' – the tallest building in Utah), two condo towers at 250 feet, a convention center, and a sports entertainment zone including a man-made wakeboarding lake. If this development proceeds, it would give Lehi a spectacular skyline, and would join Salt Lake and Utah counties by providing an impressive gateway into Utah County. Frank Gehry, the project architect, is world-renowned, and would give the project added prestige and drawing power.



## COMPETITIVE ANALYSIS

Regional retail competition is located in Sandy, Orem and Provo. The most competitive community-style development is located at The Meadows in American Fork, directly east of Lehi City. Development at The Meadows is centered around Target, Home Depot, and Walmart and caters to the convenience, value-conscious customer. While Lehi should establish a community-style center in Lehi in order to target this market segment and recapture currently lost

TABLE 1.65: THE MEADOWS (BUSINESS LISTINGS)

3 Day Blinds	Payless Shoesource
America First Credit Union	PetSmart
American Studios	Pier 49 Pizza
Antigua Finishings	Postal Annex
AT&T Mobility	Quizno's
Bed, Bath & Beyond	Ross Dress for Less
Best Buy	Sally's Beauty Supply
Cinemark American Fork	Smart Cookie
Da-Vi Nails	Smart Style
Hollywood Video	Target
Hotteez Tanning	The Home Depot
Khol's Department Store	T-Mobile
La Vigna	Trek Bicycles of American Fork
Lane Bryant	Walmart
Old Navy	

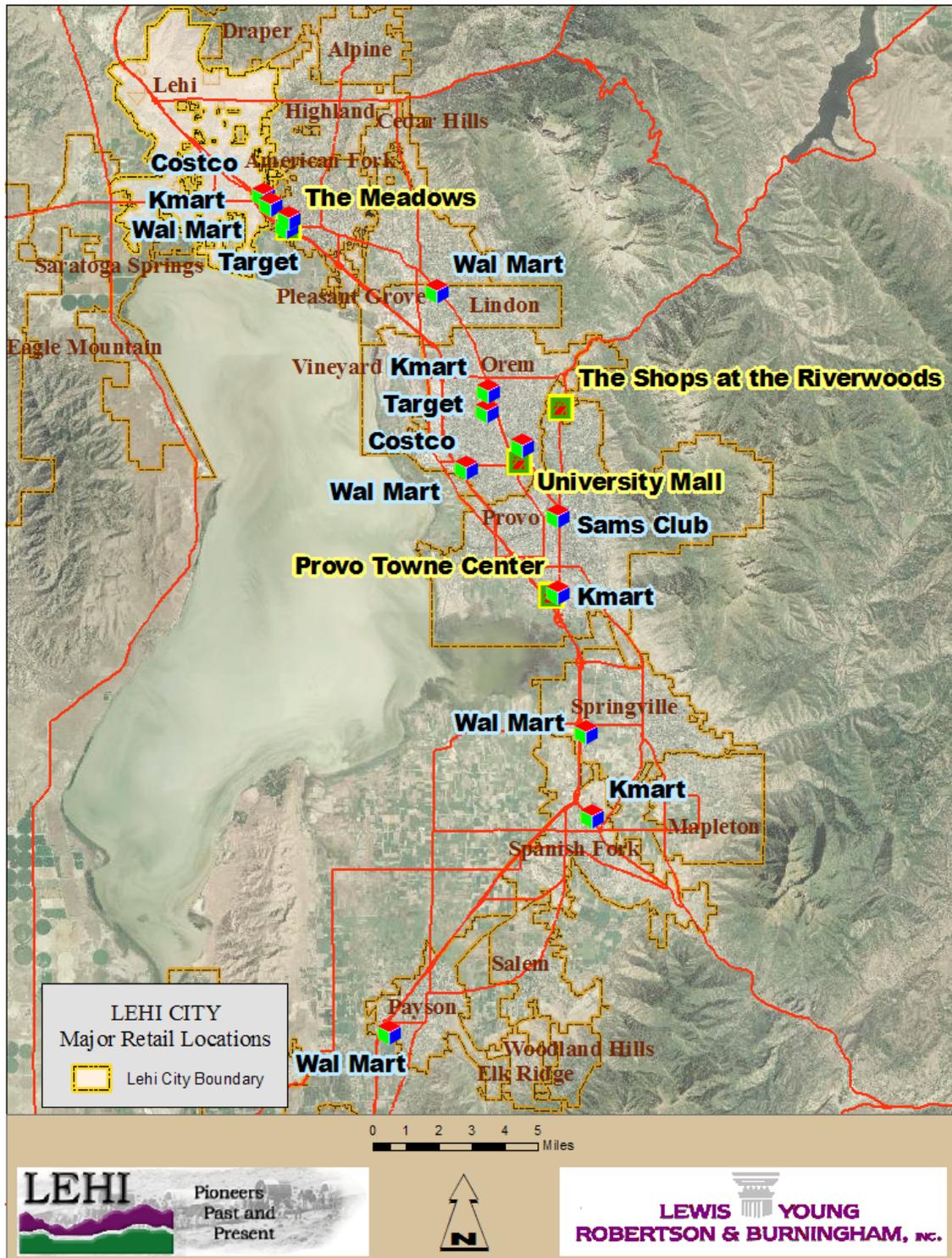
sales leakage, the property along SR92 near the I-15 interchange should not concentrate on a development type that is similar to The Meadows. Rather, those properties with prime visibility and accessibility should focus on upscale, regional office and retail offerings. The Lehi development should be a true lifestyle center that is pedestrian friendly and that has a high commitment to design and ambiance.

Lehi is currently losing general merchandise sales to Target, WalMart and other stores in American Fork. However, since the opening of Costco, the City's capture rate has increased from three percent in 2005 to over 100 percent in 2007.

TABLE 1.66: SALES LEAKAGE ANALYSIS (GENERAL MERCHANDISE)

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Department Stores	\$118	-\$1,643	-\$1,504	\$5,484,653	-\$49,438,189	-\$37,675,271	107%	0%	0%
Variety Stores	-\$25	-\$47	-\$31	-\$1,155,176	-\$1,422,451	-\$785,977	72%	35%	50%
Misc Gen Merchandise	-\$35	-\$33	\$1	-\$1,624,411	-\$1,003,236	\$16,701	54%	39%	103%
<b>Total General Merchandise</b>	<b>\$58</b>	<b>-\$1,724</b>	<b>-\$1,535</b>	<b>\$2,705,066</b>	<b>-\$51,863,896</b>	<b>-\$38,444,557</b>	<b>103%</b>	<b>3%</b>	<b>3%</b>

MAP 1.14: POTENTIAL COMMERCIAL LOCATIONS (EXIT 284)



*Regional retail competition is located in Sandy, Orem and Provo. The most competitive community-style development is located at The Meadows in American Fork, directly east of Lehi City.*

A demand analysis indicates that there is sufficient demand to locate another big box store at the northern end of Lehi City. The primary market area<sup>20</sup> population is estimated below. The potential target population for a major retail center located at I-15 and SR-92 in Lehi was determined by buffering the location with a 3-mile radius. The nearest existing retail center was also buffered with a 3-mile radius.

- ☞ 2005 – 27,389
- ☞ 2010 – 44,144
- ☞ 2015 – 55,105
- ☞ 2020 – 64,919
- ☞ 2025 – 73,180
- ☞ 2030 – 82,413

A big box store of 110,000 square feet needs a population of approximately 18,000 persons; a big box store of 150,000 square feet needs a population of roughly 24,000 persons; and a big box store of 220,000 square feet requires a population of about 35,000 persons.



**BUSINESS PARK/INDUSTRIAL DEVELOPMENT**

The major business park tenant in the SR92 area is IM Flash, which currently is only partially operational. IM Flash is located on 300 acres of the 1,800 acres owned by Micron. In the past, neither Micron nor IM Flash had any intention of developing its property, other than for semi-conductor purposes. The large amount of land surrounding IM Flash was considered essential for a buffer for around-the-clock operations of the plant, and for the waste discharge from the plant. Recently, there has been a change in direction suggesting that Micron may allow development of its property. This property is prime high tech/business park location.

**SUMMARY**

The North SR92 Economic District can become one of the premiere regional retail and entertainment destinations in the State of Utah. In order to capitalize on this prime real estate, Lehi should prepare a recruitment packet that includes: population growth in northern Utah County and southern Salt Lake County, household characteristics, income levels, incentives available for regional retail development, traffic counts, sales leakage, buying power analysis, site photos, including aerial showing freeway interchange, location of vacant parcels and ownership information. This packet should be distributed to major developers that have a track record in master planning and in developing regional retail.

In addition, the City should identify key parcels for regional retail development and approach the owners regarding potential development plans for their site. Where multiple owners may exist, the City should work with the owners to assess the potential for a joint partnership with a major developer to master plan and develop the site. Clear policies must be developed regarding the incentives that are available in order to facilitate and encourage regional retail development on key parcels and attract key businesses to the area.

It is also important to increase the tax base by pursuing community-scale retail. This can be facilitated by distributing recruitment/marketing information to major big-box retailers and their representatives.

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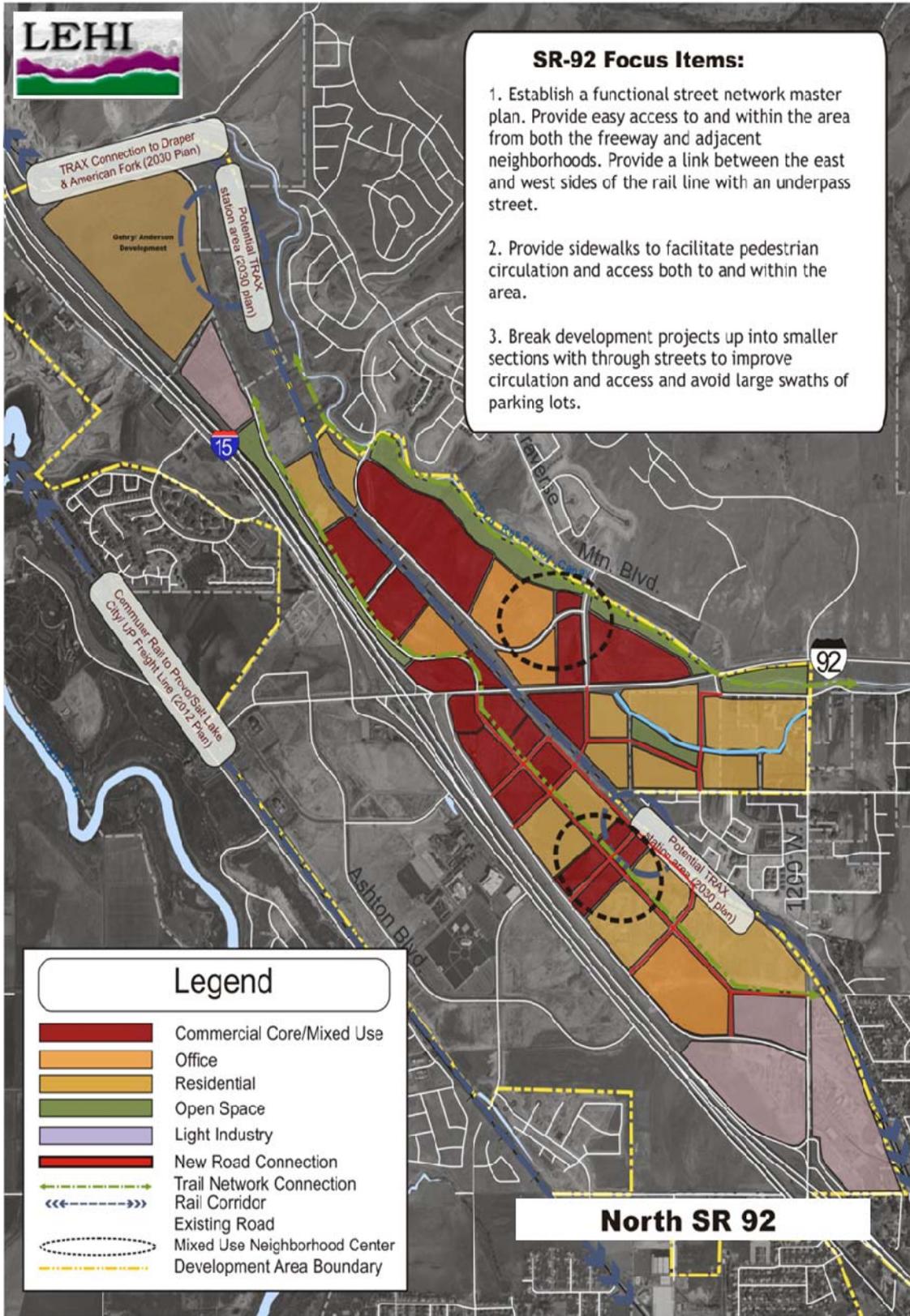
<sup>20</sup> The existing location chosen was the Grasslands Commercial development in American Fork. An equal distance between the two locations could then be determined by the intersection of the radii. The projected populations within the target area of the proposed retail center at SR-92 were than calculated from the Mountainlands AOG transportation analysis zones. Assuming an equal distribution of population within the TAZ areas, that portion of the TAZ that fell within the target retail area was calculated against the total projected population. The resultant figures represent that portion of the total population within the target retail area.



Building on the strong employment base, reputation and connections associated with IM Flash, the City should identify complementary types of businesses and names of specific businesses nationwide that would benefit from a close association with IM Flash. These business owners should be contacted and provided a recruitment packet that identifies potential sites to locate in Lehi, available incentives, etc.

Working with a public relations firm, the City should continually work to ensure that branding and logos positively reflect the City's image, and represent the desired lifestyle of northern Utah County. Updated recruitment information should also be available on the City's website.

MAP 1.15: NORTH SR 92



## SECTION VIII: ECONOMIC DISTRICT ANALYSIS – THANKSGIVING POINT

The Thanksgiving Point Economic District is closely related to the North SR92 Economic District. Both districts are located at the north end of the City – on opposite sides of I-15 -- and both have the potential to become regional commercial centers. However, Thanksgiving Point will have more of an office focus, with the potential to become one of the premiere Class A office parks along the Wasatch Front. Transportation access off of I-15 is excellent, and the Mountain View Corridor will eventually provide increased access to Lehi from the southwest portion of the Salt Lake Valley. Located at the northern tip of Utah County, the Thanksgiving Point Economic District is an important connection between the two valleys and is a highly visible gateway into Utah County.



Thanksgiving Point is already established as an educational and cultural center in the State. Building upon this base, as well as the highly acclaimed golf course, hotel and lodging development and other entertainment options, including restaurants, should be encouraged in this district. This district provides a key contribution to the City’s economic development through the upscale “branding” and lifestyle image that it brings to Lehi City.

### COMMUNITY AMENITIES/LIFESTYLE

#### *Thanksgiving Point.*

Thanksgiving Point is a gathering place that provides a variety of educational and cultural experiences, covering both the arts and the sciences -- Thanksgiving Point Gardens, the Children’s Discovery Garden, Farm Country, the Museum of Ancient Life, and the Emporium. The resort also offers shopping, dining, catering and reception services.

Thanksgiving Point Gardens covers 55 acres and the gardens are themed: the Creek Garden, the Monet Garden, the Rose Garden, the Secret Garden, the Italian Garden, the Butterfly Garden, and the Waterfall Garden and the Children’s Discovery Garden.



At Farm Country there are pony rides for kids, wagon rides, farm animals to pet and feed, etc. The red barn offers family entertainment including dinner theater, shows, and concerts. The Museum of Ancient Life houses the Dinosaur Museum, Mammoth Screen Theatre, Fossil Lab, Discovery Room, and Expedition Café.

The Johnny Miller-designed golf course at Thanksgiving Point is considered one of the finest in the State. It is an 18-hole golf course on 200 acres, with 10,000 trees and 55 acres of sand. This golf course has won numerous awards, including being ranked the number one public golf club in Utah by Golf Digest and one of fifteen "hidden gems" in the country by Links Magazine. It is the longest course in the state and Utah's Golf Hall of Fame is located in the Clubhouse.

There are several seasonal events held at Thanksgiving Point, such as the Tulip Festival, weekly Farmer's Markets during the summer months, various concerts throughout the year, Santa and holiday lights, and fall and Halloween happenings.



Thanksgiving Point also has a 3,500-seat amphitheater where most of its concerts are held, including its Hot Autumn Nights concert series in September. It offers grass seating and ticket prices range from \$8.00 - \$12.00. The amphitheater is available for rental (corporate parties, weddings, private parties, high school dances) as well.

There are four different indoor wedding venues at Thanksgiving Point. The venues can accommodate from 60-600 people. In addition, there are three different outdoor reception areas, capable of holding 60 to 1,000 people. Floral service, photography services, entertainment and catering are also available upon request.

In addition, Electric Park is a new venue for fairs, festivals, expos, company parties and other large-scale outdoor special events. It consists of 15 acres of flexible gated space and can hold 800 people in its pavilion.

In 2005, Thanksgiving Point welcomed more than 1,200,000 visitors. In comparison, attendance at Utah's Hogle Zoo in 2007 was just over 800,000 persons and at Temple Square attendance was around four million. Thanksgiving Point provides a strategic marketing advantage to Lehi City, and is an important gateway to the City, and to the County, from the north.

## OFFICE DEVELOPMENT

During the first two quarters of 2008, the commercial real estate market in Utah County experienced a slight slowdown in activity as compared to the past two years. According to Commerce CRG's 2008 Mid-Year Report, "Individuals and organizations seem to be a little more hesitant to act on the purchase and lease of properties, using more caution as they make real estate decisions."

Office market vacancies have increased over the past several months and lease rates are relatively flat with very little movement. While several office buildings are planned for construction in Utah County during the next 12 months, a number of projects that were announced in 2007 have pulled back and been put on hold, some due to the rising cost of construction.

However, as market uncertainties are resolved, Thanksgiving Point has a competitive advantage over other office sites in the County. It is well located in terms of proximity to I-15, the planned Mountain View Corridor and the Salt Lake Valley, and is near a future commuter rail stop. Further, the office park is surrounded by dining, golf, meeting rooms and lodging -- all in a unique setting which is very attractive to business development.

Utah County absorbed over 2.5 million square feet of office space from 2001 through 2007 – an average of 416,000 square feet per year.<sup>21</sup> Northern Utah County has absorbed roughly 112,000 square feet per year. However, this relatively low absorption number may be due, in part, to the lack of Class A office space in the northern part of the County in the past.

Local developers estimate that Thanksgiving Park can absorb between 100,000 and 140,000 square feet annually. This results in adding roughly 400 to 560 employees per year. Not only will these employees work in the area, but they will also use supportive retail services such as convenience stores and lunchtime eating. Assuming a floor area ratio ("FAR") of .35 to .5 for office development, results in the absorption of approximately five to nine acres annually for office development. As the aerial photo (map 1.16) demonstrates, there is a significant amount of vacant land surrounding Thanksgiving Point; therefore, land availability will not be a hindrance to future office park development.

Currently, Thanksgiving Point has 12 office buildings, located to the north of Thanksgiving Point. Xango, an international multilevel marketing company of a nutritional supplement, is a major tenant occupying 60,000 to 80,000 square feet of office space.

While Riverwoods in Provo offers Class A office space, there is no other Class A comparable office development in northern Utah County. The office buildings at Thanksgiving Point have been attracting a variety of tenants including attorneys, financial planners, engineers, and marketing firms.

Beginning in 2012-2013, commuter rail is expected to make a stop immediately west of Thanksgiving Point. This will further encourage office development at the site. It is important that frequent bus connections are provided between this commuter rail stop and the light rail stop planned near Cabela's.

## **DEVELOPMENT PLANS**

MATC. Mountainlands Applied Technology Center is planning for the development of a third location in Utah County at this site, just southwest of Thanksgiving Point. It is anticipated that construction will begin sometime during the summer of 2009 with classes commencing in the fall 2010.

The MATC campus will sit on 26 acres and have 6-8 buildings. It will be MATC's largest campus and will add another 600+ students per semester to its current 10,000-student population.

Office Development. Major planned development for the area centers around office space, with one building planned every year to one and a half years. Plans are for five-story office buildings, with a floor plate of roughly 28,000 square feet – 140,000 square feet total for each building.

Hotels and Lodging. Marriott has plans to build a Residence Inn just north of the SpringHill Suites, with construction commencing before the end of 2008, and an anticipated completion date of mid-year 2009. The lodging development will have 80-100 standard guest rooms. In addition to the Residence Inn,

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<sup>21</sup> In comparison, Salt Lake County absorbs an average of 913,000 square feet of office space per year.

development plans include another hotel in the area within the next five years that will be needed to support the increased business and visitor traffic to the area. Marriott SpringHill opened in March 2008. Hampton Inn opened in 2007.

Lehi 2300 West Road Widening. The Utah Department of Transportation (UDOT) is completing an Environmental Assessment (EA) on the potential widening of 2300 West from Main Street to Thanksgiving Point. This expanded route will provide improved access to I-15 for commuters traveling from Eagle Mountain and Saratoga Springs – a route that will allow commuters to turn northward on 2300 West, before traveling through Lehi City’s downtown, and join I-15 near Thanksgiving Point. While this EA is not yet completed, it is anticipated that the 2300 West connection will bring significant traffic near the Thanksgiving Point area, and will provide increased traffic to support convenience retail goods and services.

Mountain View Corridor. The Utah Department of Transportation has identified 2100 North Freeway as the department's preferred roadway alternative for the proposed Mountain View Corridor in Utah County. Foremost among the Mountain View Corridor projects is the construction of the 2100 North portion. It has been proposed that construction occur in 3 phases. They are listed below:

Phase I: Construction of a four-lane road, with two lanes in each direction from Redwood Road to I-15. This portion of the corridor will include traffic lights and allow access to residential and commercial areas in the vicinity, including Thanksgiving Point.

Phase II: Construction of express lanes in each direction, increasing the corridor to four lanes each direction (only built when traffic demands it).

Phase III: Increasing the entire roadway to six lanes each direction; environmental study required (only built when traffic demands it).

Retail Development. Woodbury Corporation has plans for significant retail development at the south end of Thanksgiving Point, but has declined to provide specific information for this report.

Commuter Rail. Construction on the Salt Lake City to Provo commuter rail is slated to begin late summer 2008, as the initial groundbreaking ceremony occurred on August 12, 2008 at 3100 North Garden Dr., which is the site of the future Lehi Station. The FrontRunner South line will travel 44 miles along the Union Pacific corridor from the Salt Lake Central Station in downtown Salt Lake City through Utah County to Provo. A firm date for completion for the FrontRunner South line has not yet been set but could be open as early as 2013.

Eight new stations are currently proposed along the 44-mile Provo to Salt Lake City commuter rail line with one being planned for Lehi City just west of Thanksgiving Point. The station to the north of Lehi City will be the Draper/Bluffdale: Bangerter Highway station and the station planned south of Lehi City is the American Fork: Main Street station.



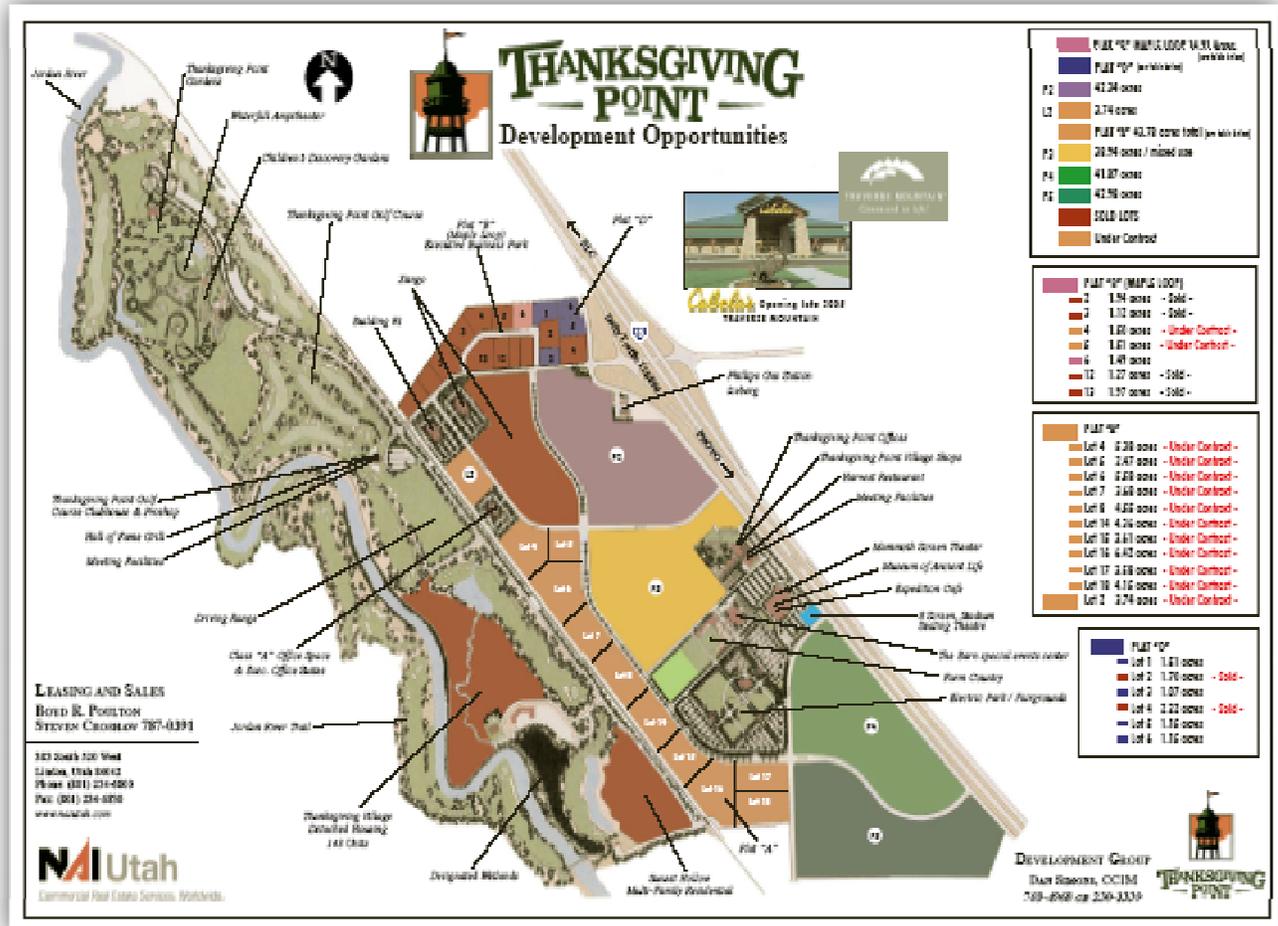
MAP 1.16: THANKSGIVING POINT



Source: Lehi City

*The aerial photo shows that there is a significant amount of vacant land available for development in the Thanksgiving Point area.*

MAP 1.17: DEVELOPMENT PLANS FOR THANKSGIVING POINT



*Development plans also include two new hotels within the next five years that will be needed to support the increased business and visitor traffic to the area. Marriott SpringHill opened in March 2008. Hampton Inn opened in 2007.*

### SUMMARY

The Thanksgiving Point Economic District has the potential to become a premiere office, educational and cultural destination in the state, with accompanying retail sites. Thanksgiving Point has already established a good visitor base, a top-quality golf course, and is the premiere office site in northern Utah County.

The City should work closely with the Chamber to research and recruit conferences, business meetings, etc. that could take place in the Thanksgiving Point area. The City can also assist with recruiting businesses that could locate in Thanksgiving Point by providing recruitment materials and developing a clear policy regarding the use of tax increment funds and other incentives. The municipal option of TRT funds could be used to encourage additional hotel/lodging development in Lehi. Connections with the SR92 area are critical, including bus service between Thanksgiving Point and Traverse Mountain.

As listed under the SR92 implementation plan, work with IM Flash to identify complementary types of business and names of specific businesses that would benefit from a close association with IM Flash.

Contact these business owners and send them the recruitment packet identifying potential sites to locate in Lehi.

The addition of Mountain View Corridor at 2100 North will provide significant retail opportunities along this corridor (which is located in the West Annexation Economic District as well as in the Thanksgiving Point Economic District). The City should work closely with UDOT to ensure maximum at-grade access along 2100 North. When the Mountain View Corridor construction takes place, the interchange at 1200 West should be improved, in order to reduce the existing confusion at that interchange.

Finally, Thanksgiving Point is a major gateway into Utah County, as well as into Lehi City. The visual appearance and signage of this site should be carefully monitored by the City.

## DESIGN ISSUES

### THANKSGIVING POINT

#### Assets:

- ☞ The area serves as a destination cultural/entertainment district and it has nice amenities such as the gardens and shopping area.
- ☞ A mixture of uses is developing in the area with office buildings and a proposed hotel.
- ☞ The proposed future commuter rail station is planned on the western edge of this area.

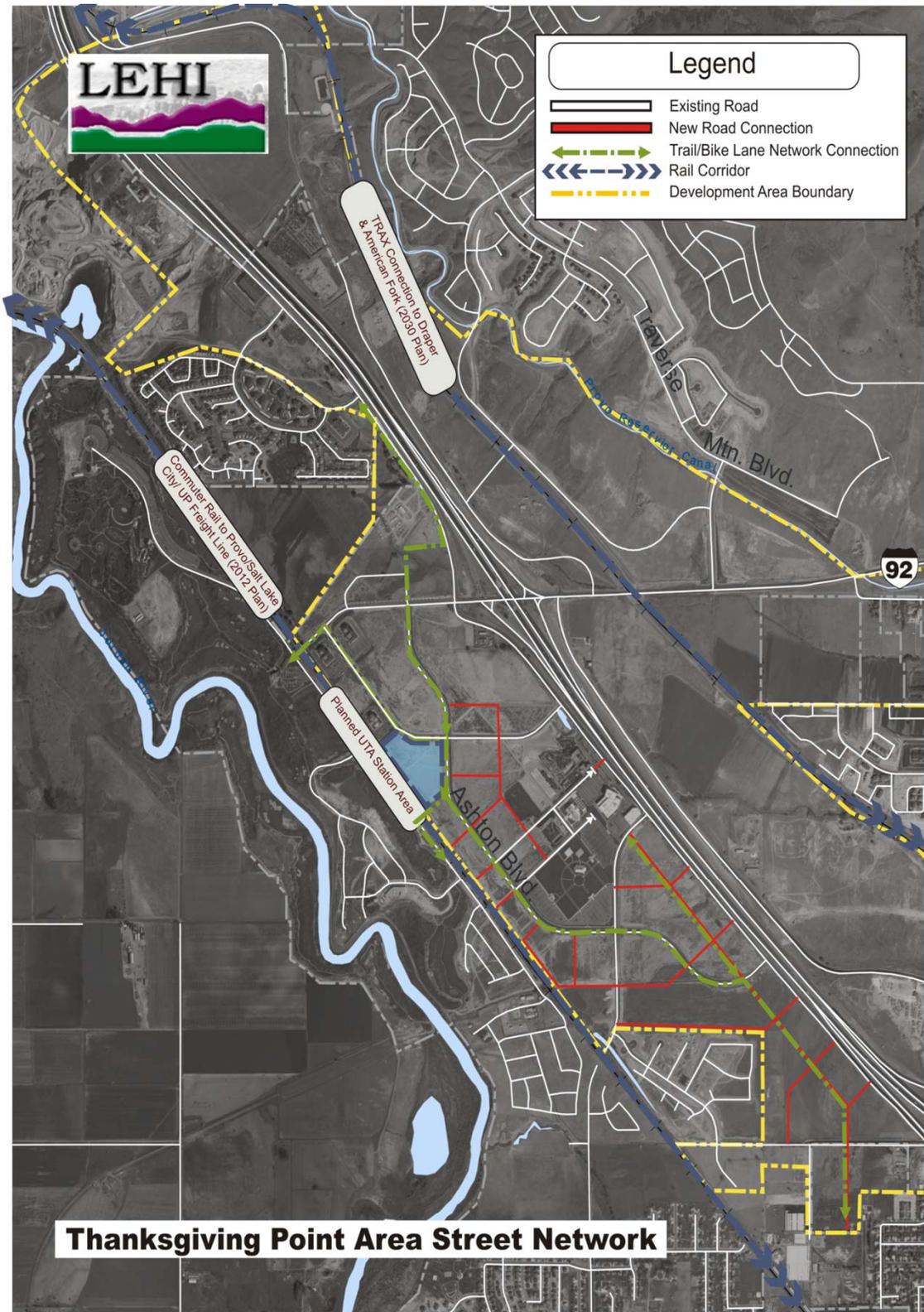
#### Challenges:

- ☞ A sense of arrival is missing from the area, due in part to the circuitous access via the frontage road, which leads to a parking lot. The eclectic combination of uses contributes to a lack of understanding regarding what and where the center of the area is.
- ☞ Obvious connections and access to and within the area are lacking. Tree-lined roads dead-end in parking lots and have no sidewalks so that pedestrian circulation is not supported.
- ☞ Uses in this area are separated at a large scale and no clear connections and relationship exist between them.

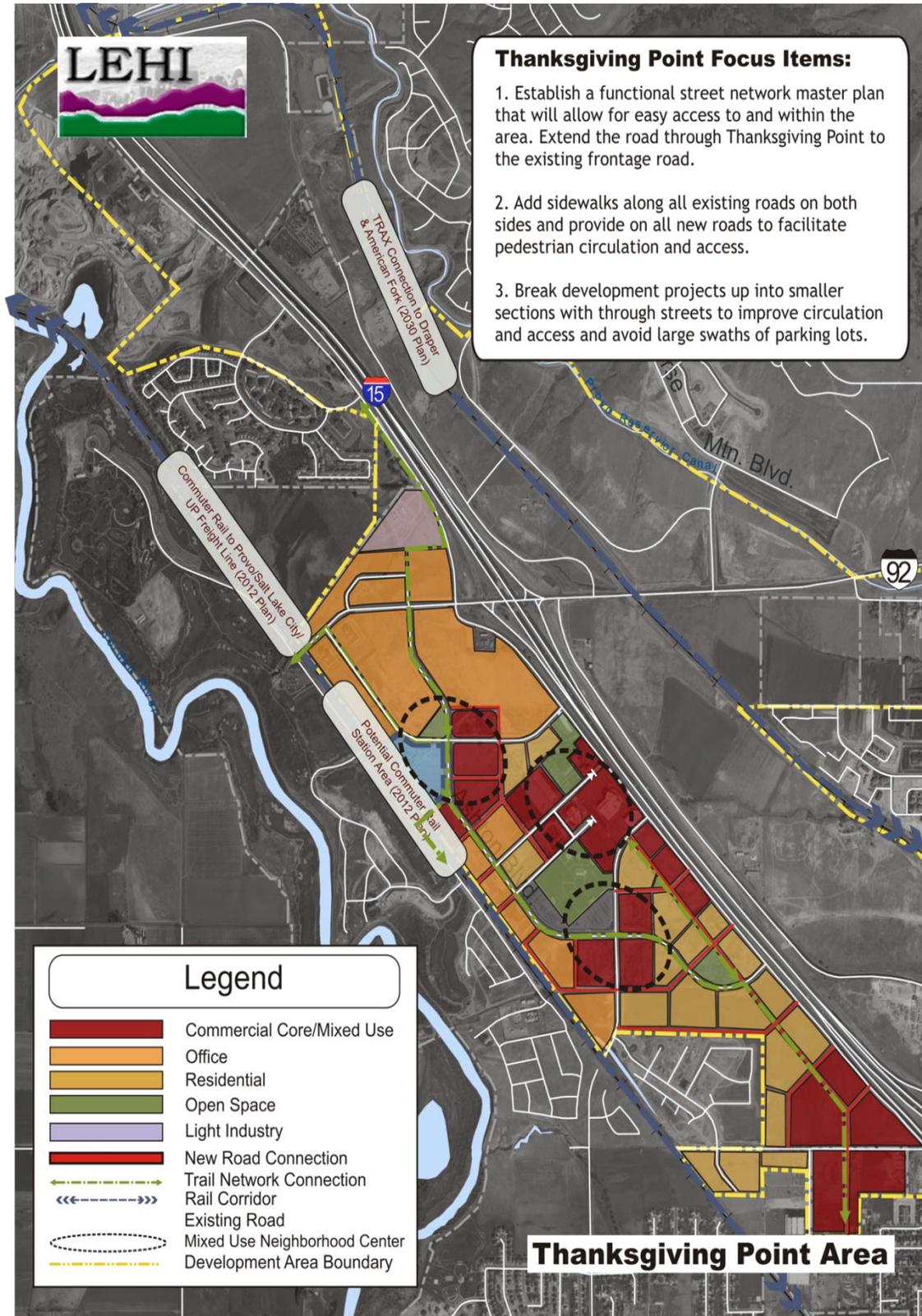
#### Focus Items:

- ☞ Develop an overall base master plan regarding infrastructure, layout, so that there is a consistency to the area that is not achieved by looking at things one parcel/area/use at a time.
- ☞ Establish pedestrian connections between all uses – once people arrive they should be able to comfortably walk around to the different uses. Proactively design pedestrian connections as new development components are built.
- ☞ Establish a mixture of uses that will be an asset to the future commuter rail station area.
- ☞ Utilize shared or coordinated parking to limit the amount of surface parking needed.

MAP 1.18: THANKSGIVING POINT AREA STREET NETWORK



MAP 1.19: THANKSGIVING POINT DEVELOPMENT





## SECTION IX: ECONOMIC DISTRICT ANALYSIS – MILLPOND

The Millpond Economic District, located just west of I-15 at the southern edge of Lehi, is well suited for business park development with good access and visibility from I-15. To the west of the potential business park are residential neighborhoods. The business park will need to be well planned in order to integrate with these existing neighborhoods and to provide easy access to Lehi City’s downtown.



Depending on the type of tenants in the business park, appropriate buffers will need to be put in place to ensure that business park uses do not interfere with the integrity of the residential neighborhoods. The most likely buffer would include some open space between the business park and the residential neighborhoods that could jointly serve both residents and business park tenants.

### VACANT LAND ANALYSIS

A vacant land analysis suggests that there is ample vacant land (719 acres) in the Millpond area for a business/light industrial park. The business park would have excellent access from both the SR-73/Lehi and SR-145 Main Street interchanges.

TABLE 1.67: BUSINESS PARK VACANT LAND ANALYSIS

Parcels	Vacant Parcels	Total Acreage	Vacant Acreage	Total Value*	Improvement Value	Land Value	Number City Owned	Acreage City Owned
79	51	719	611	\$14,010,544	\$2,665,118	\$11,345,426	4	34

Source: Utah County Assessor’s Office; LYRB

\*The total value showing on the Utah County Assessor’s Office tax roles does not reflect the actual amount for which the property might be offered for sale.

### BUSINESS PARK/INDUSTRIAL DEVELOPMENT

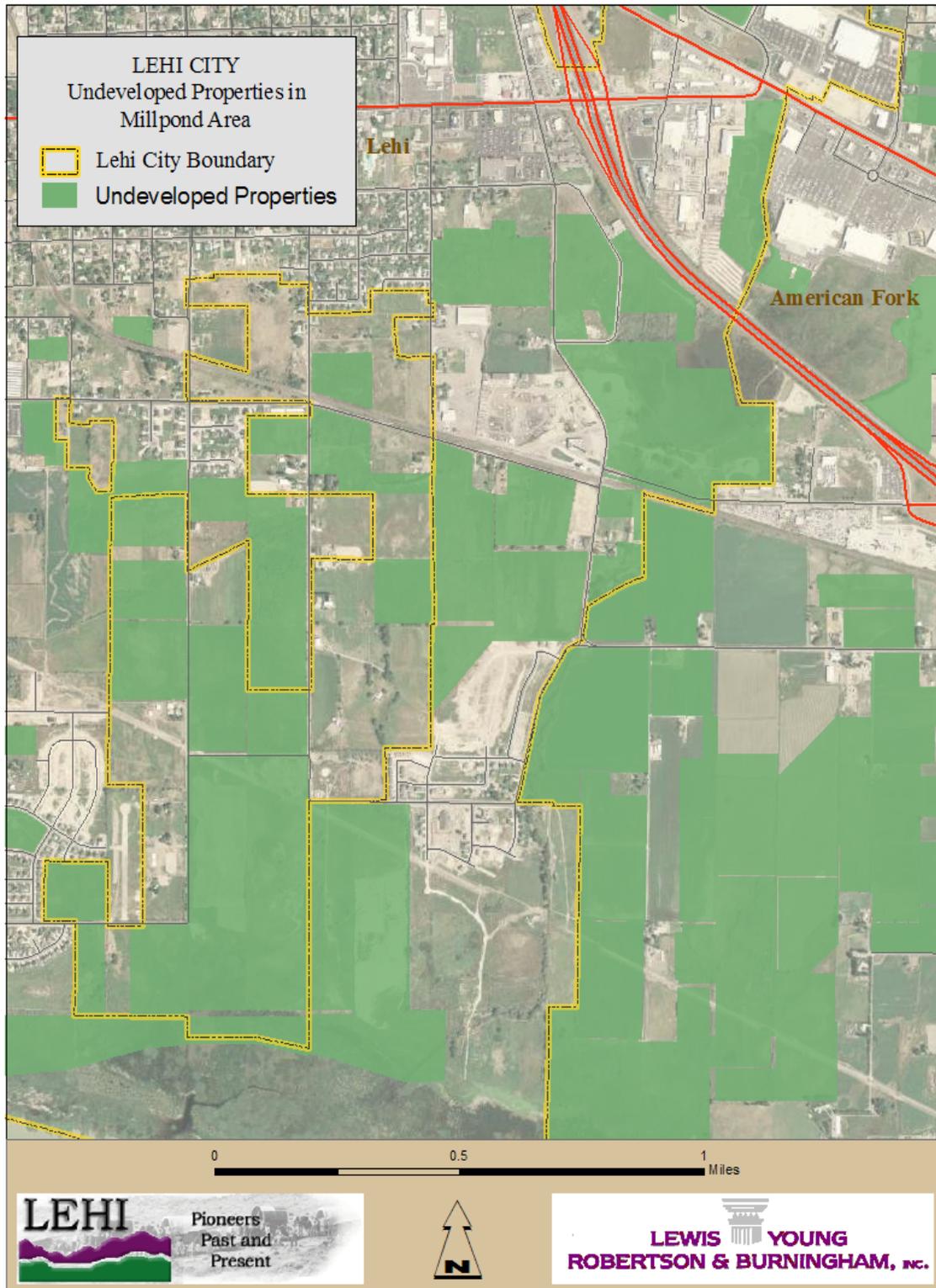
Historically, Utah County has absorbed over 400,000 square feet of industrial space per year. At an FAR of .15, this represents the absorption of approximately 62 acres per year. Recently, supply has not kept up with demand, and therefore absorption may be somewhat understated. However, the Geneva property will soon be available for industrial development and will be a large competitor of the Millpond site. Therefore, it is not likely that the Millpond site could absorb more than five to eight acres per year on average.

TABLE 1.68: BUSINESS PARK/LIGHT INDUSTRIAL HISTORICAL ABSORPTION (SQUARE FEET ABSORBED)

	2002	2003	2004	2005	2006	2007	SF Growth 2002-2007	Acres Absorbed	Avg Per Year
Orem	2,899,384	3,138,278	3,139,098	3,107,378	3,097,986	3,309,610	410,226	62.78	12.56
Provo	2,466,631	2,333,452	2,338,272	2,223,054	2,229,386	2,699,968	233,337	35.71	7.14
Utah North	3,104,793	3,404,737	3,539,192	3,589,192	3,587,759	4,598,629	1,493,836	228.63	45.73
Utah South	4,330,808	4,537,141	5,597,253	5,597,253	5,587,335	4,212,515	(118,293)	(18.10)	(3.62)
Total	12,801,616	13,413,608	14,613,815	14,516,877	14,502,466	14,820,714	2,019,098	309.01	61.80

Source: Commerce CRG; LYRB

MAP 1.20: THANKSGIVING POINT AREA STREET NETWORK



*A vacant land analysis suggests that there is ample vacant land (719 acres) in the Millpond area for a business/light industrial park.*

For purposes of comparison, the table below lists other business parks in Utah County. Plans for the Lehi business park should include at least 80 acres.

TABLE 1.69: UTAH COUNTY BUSINESS PARKS

Name	Address	City	SF Currently Built	Vacant SF	SF at Buildout	Rent Rates per SF	Acres
810 N. Business Park							250
820 North Research & Business Park	820 North Business Park						250
Aerospace Park							80
Alvey							18
American Fork Commercial Center		American Fork					200
Birch Tree							33
Bunker Industrial Park							73
Canyon Park							16
Canyon Park Technology Center	1600 N. Technology Way	Orem	1,023,000				86
Canyon River Corporate Center	727 North 1550 East	Orem	85,000				
Cedar Hills							40
Eagle Mountain Industry Park		Eagle Mt.					400
East Bay Business Park		Provo					450
Fox Ridge Business Park							580
Franklin Covey Riverwoods	300-350 West 4800 North	Provo	120,000			14.85/sf	
Gateway Technology Center	North Carolina						100
Jim Alvey Business Park							40
Mount Vista Business Park (Ironton Rd.)							300+
MS Business Park							40
North Pointe Business Park	752 E 1180 S	American Fork					45
North Pointe Business Park							45
Orem Center Business Park		Orem					100
Payson Business Park		Payson					250
Pleasant Grove Gateway							50
Riverwoods Business and Research Park	5200 N. Edgewood Dr.	Provo	1,400,000	Retail: 5491	Retail: 186,667	Retail: \$24 per square foot per year	112
Spring Have							65
Springville Industrial Park	815 Raymond Klauck Way	Springville		none		40,000 sf building sold for 3.7 million	360
Summit Ridge							230
Swenson Industrial Park							500
Thanksgiving Point Business Park	3098 North Executive Park Way	Lehi					80
Thanksgiving Point Business Park							80
The Grove Business Park	490 West 700 South	Pleasant Grove					200
Timpanogos Technology Park							109
Traverse Mountain Tech							25
Triumph -- Traverse Mountain (in development)		Lehi					
Utah Valley Business Park	727 E. Utah Valley Drive	American Fork	276,790				95
Utah Valley Business Park							95
Vintage Office Park	South of Riverwoods	Provo					
Westview Industrial Park							60

## PROVISION OF TECHNOLOGY

In order to be competitive in the industrial and office markets, Lehi City must offer state-of-the-art technology infrastructure. The City may want to consider creating a special assessment area in order to provide this service to the Millpond area.

## TAX INCREMENT FINANCING

Lehi City may also want to consider the creation of an Economic Development Area (EDA) or Community Development Area (CDA) at the Millpond site. This would allow for tax increment generated in these areas to be used for infrastructure improvements or incentives to be offered in order to attract the highest-quality businesses to the site. However, timing is critical in the formation of these types of areas, and these areas should not be formed until development is ready to occur and tax increment begins to flow. Therefore, the City may want to discontinue the existing redevelopment area at Millpond (which is not generating any measurable increment), and replacing it with an EDA or CDA when the timing is right.

## SUMMARY

Lehi City should work directly with EDCUtah and register as a SureSite with EDCUtah in order to identify potential business park tenants that are well-suited to the Millpond site. The City should consider forming a Community Development Area (CDA), when timing is optimal, to provide tax increment funds for needed infrastructure in the business park area. In order to increase the site's competitiveness and attract top-quality jobs with good wages, the site should be master planned with attractive roads, landscaping requirements, easily accessible connections to existing roads, and a trails system. Further the City should carefully evaluate its options, as well as the cost of each option, for providing the highest-quality technology infrastructure to the site.

## DESIGN ISSUES

### MILL POND

#### Assets:

- ☐ The area currently has a rural feel with natural assets such as the Mill Pond.
- ☐ Great access and visibility from I-15 are assets for this area.

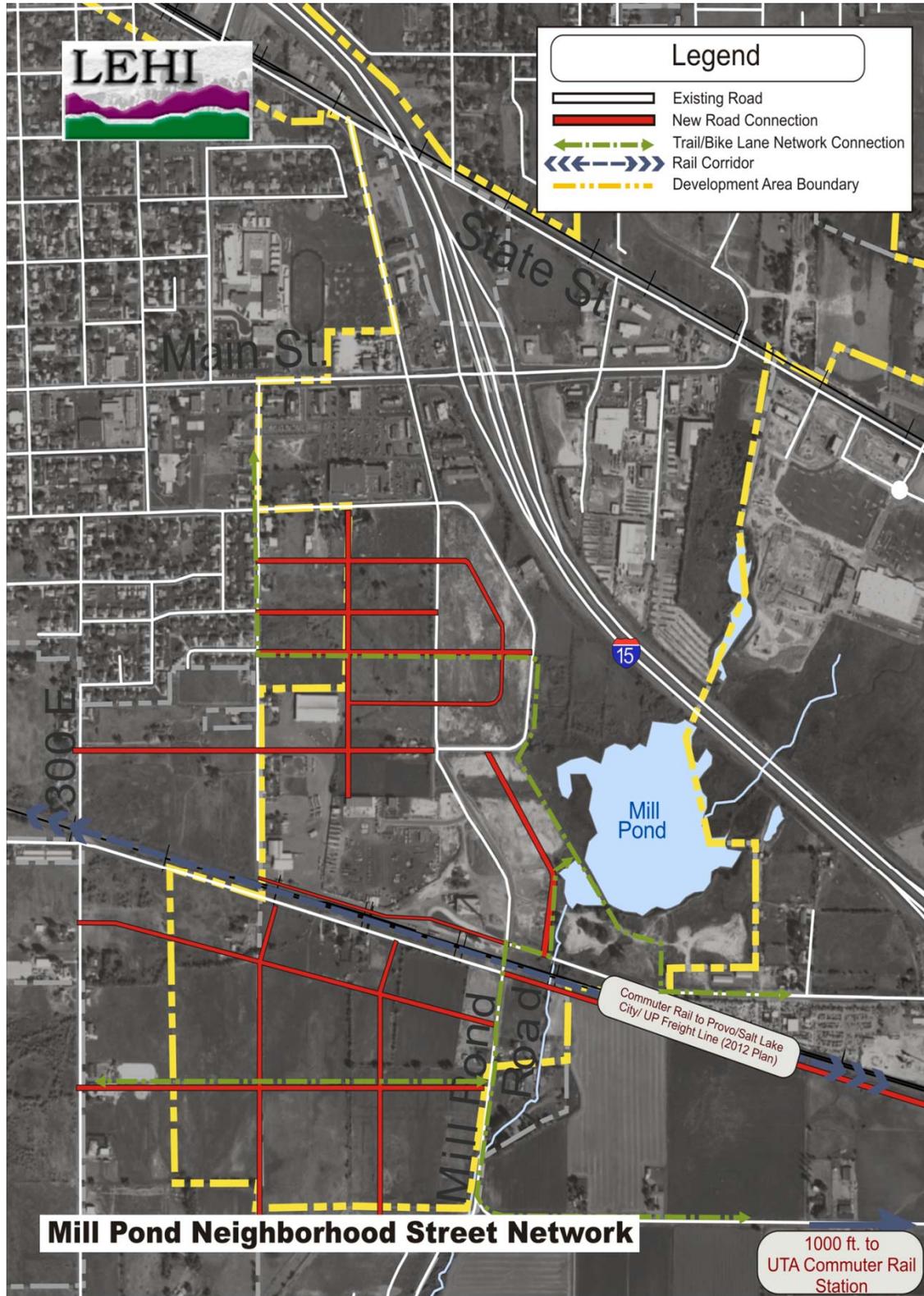
#### Challenges:

- ☐ Along with Main Street, this area sees a great deal of through-traffic from people that live in the communities to the west of Lehi.
- ☐ The existing residential neighborhoods are disconnected and isolated from the rest of Lehi.

#### Focus Items:

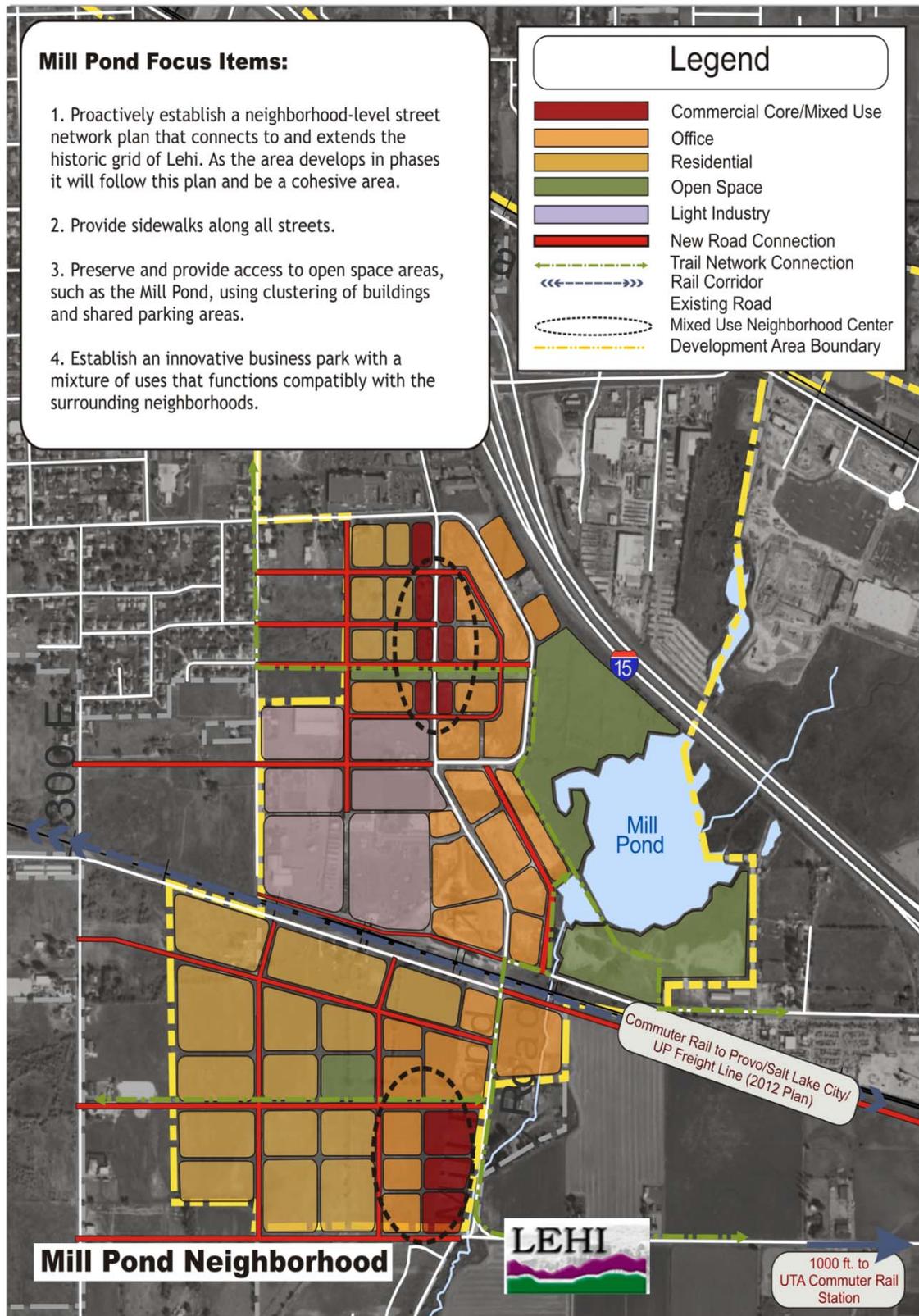
- ☐ Establish an innovative business park with great visibility that functions well as part of the City.
- ☐ Develop the future business park as a neighborhood and an extension of the surrounding neighborhoods. The area should include a street network, sidewalks, and a mixture of uses rather than being a one-entry light industrial business park that does not contribute to the surrounding area.
- ☐ Establish a street network that will physically connect the area with Main Street and that follows the general form of the historic grid of Lehi.
- ☐ Preserve and provide access to the natural open spaces such as the Mill Pond through use of clustered orientation of building.

MAP 1.21: MILL POND NEIGHBORHOOD STREET NETWORK



*The area should include a street network, sidewalks, and a mixture of uses rather than being a one-entry light industrial business park that does not contribute to the surrounding area.*

MAP 1.22: MILL POND NEIGHBORHOOD



## SECTION X: ECONOMIC DISTRICT ANALYSIS – STATE STREET/MAIN STREET

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State Street and Main Street are the “heart” of Lehi --- the historic areas which have been the central point from which the City has grown. The integrity of this area needs to be preserved through the facilitation of a dynamic and vibrant center for civic uses, housing, and a variety of business types.



Currently, Main Street is the primary east to west road in Lehi, stretching from I-15 to 500 West, and then further west to developing communities in the western part of Utah County. The heavy east-west traffic on this road has led to a shifting of uses on Main Street, with varying identities apparent on different stretches of the road.

In fact, in a previous plan completed in 2007, Main Street was classified into three distinct areas in order to account for the differing types of development along the road:<sup>22</sup> Historic Core (500 West to Center Street); Transition Zone (Center Street to 400 East); and Business Zone (400 East to I-15).

Center Street provides a logical connection between Main Street and State Street, although the intersection is awkward (at an angle), not pedestrian-friendly, and somewhat dangerous. State Street is home to a range of commercial and business uses, and the segment between 200 West and 300 East is home to significant historic structures and sites, including the original city cemetery, all of which reflect the unique history of the area.

There is very little vacant space along Main Street where new development can occur. Therefore, future development could be encouraged in the existing residential properties in the downtown area, thus maintaining the residential structures but allowing for a mix of uses on the property, including retail uses. New retail development could also extend further into the blocks north of Main Street. It is important for additional retail development to connect with the existing retail development in order to create a critical mass in this relatively small retail area. This can be accomplished through a variety of means, including streetscape, pedestrian paths, signage and joint marketing opportunities.

The Downtown Lehi Revitalization Plan completed in February 2007 gives more detailed analysis of this area, with specific design guidelines to be implemented in this area and should be used, along with this report, for the development and revitalization of this Economic District.

### RETAIL ANALYSIS

A mapping analysis of existing retail establishments shows a high concentration along Main Street and the State Street Corridor. Most of the existing stores are smaller-scale, specialty retail such as gift shops, hobby stores, restaurants, etc. In fact, of the retail establishments in Lehi, 111 (28 percent of retail stores), representing 29 percent of sales have addresses on Main Street or on State Street.<sup>23</sup>

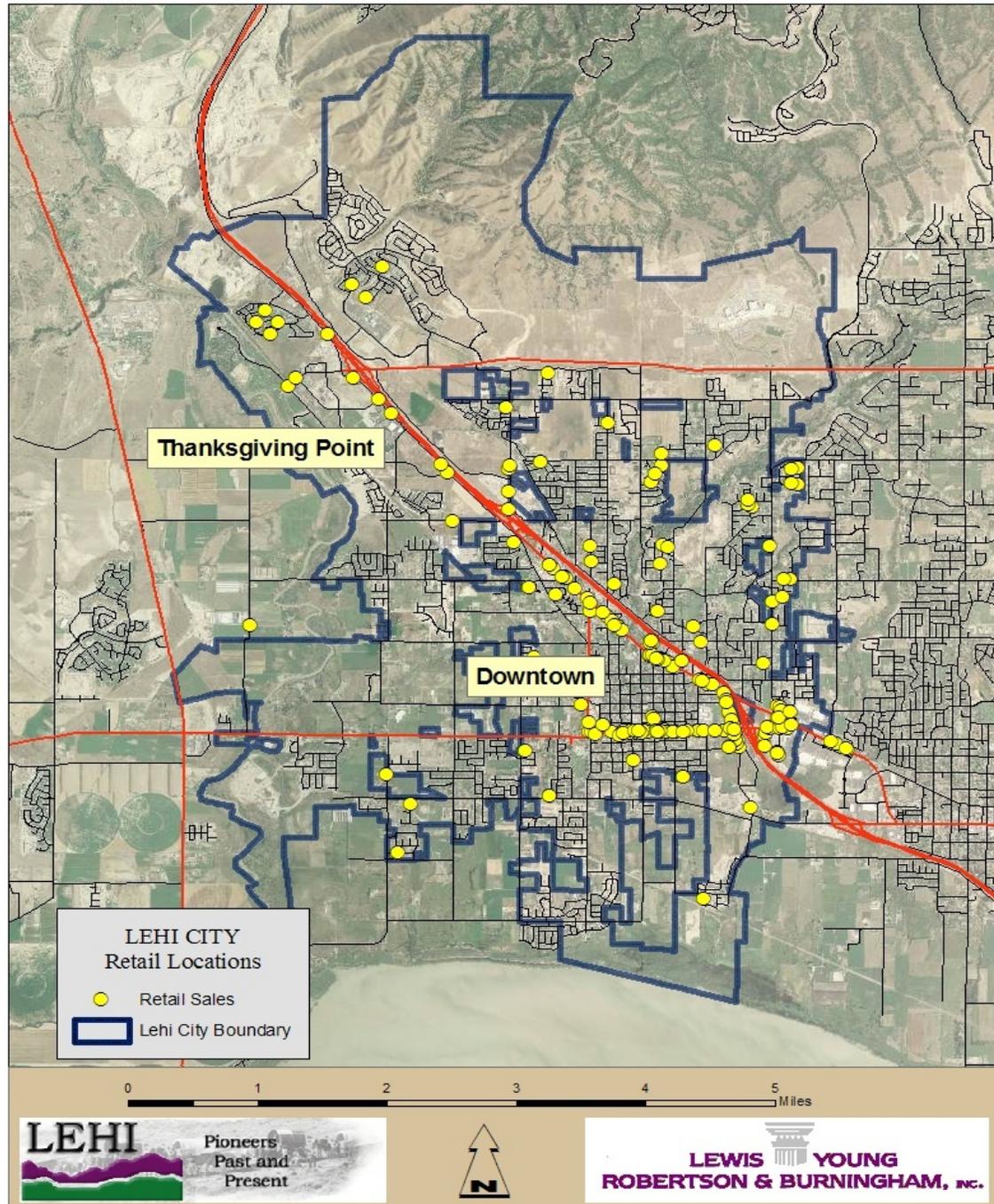
In general, the stores that fall into the “Miscellaneous Retail” category do well in traditional downtowns. These types of stores include jewelry stores, florists, gift stores, sewing/needlework shops, photographic and framing stores, etc.

<sup>22</sup> Lehi Downtown Revitalization Plan, February 2007.

<sup>23</sup> This analysis includes only the following retail categories: building and garden; general merchandise; food stores; motor vehicle dealers; apparel and accessory; furniture; eating places; miscellaneous retail; hotels and lodging; personal services; business services; auto and miscellaneous repair; and entertainment and amusement.

In Lehi's case, there is significant leakage in most specialty retail categories. With the exception of the sporting goods category – driven by Cabela's – most categories are capturing well under 100 percent of potential sales. This indicates that there is significant opportunity for specialty retail stores in the Main Street/State Street area.

MAP 1.23: MAJOR RETAIL LOCATIONS



*A mapping analysis of existing retail establishments shows a high concentration along Main Street and the State Street Corridor.*

TABLE 1.70: SALES LEAKAGE – MISCELLANEOUS RETAIL CATEGORY

	Per Capita			Total Leakage			Capture Rate		
	2007	2005	2003	2007	2005	2003	2007	2005	2003
Drug Stores & Proprietary Stores	-\$47	-\$41	-\$31	-\$2,170,418	-\$1,231,139	-\$773,556	0%	0%	0%
Liquor Stores	-\$54	-\$64	-\$52	-\$2,507,357	-\$1,911,519	-\$1,301,965	0%	0%	0%
Used Merchandise	-\$20	-\$15	-\$10	-\$909,689	-\$443,139	-\$239,787	11%	26%	34%
Sporting Goods & Bicycles	\$1,17	\$1,02	-\$122	\$54,453,439	\$30,736,297	-\$3,047,051	683%	723%	8%
Book Stores	-\$55	-\$53	-\$50	-\$2,535,177	-\$1,607,156	-\$1,255,788	0%	0%	0%
Stationery Stores	-\$85	-\$63	-\$54	-\$3,970,458	-\$1,908,063	-\$1,346,699	0%	0%	0%
Jewelry Stores	-\$46	-\$41	-\$37	-\$2,130,803	-\$1,240,140	-\$932,834	1%	0%	1%
Hobby, Toy & Game	-\$49	-\$47	-\$51	-\$2,261,431	-\$1,404,431	-\$1,280,717	2%	3%	12%
Camera & Photographic	-\$9	-\$9	-\$11	-\$413,525	-\$277,496	-\$274,122	0%	0%	0%
Gift, Novelty & Souvenirs	-\$11	-\$10	-\$10	-\$520,595	-\$304,608	-\$253,949	79%	79%	79%
Luggage & Leather Works	-\$4	-\$4	-\$5	-\$163,770	-\$115,143	-\$112,911	0%	0%	0%
Sewing & Needlework	-\$19	-\$20	-\$22	-\$903,518	-\$588,803	-\$543,961	0%	0%	0%
Nonstore Retailers	-\$68	\$12	-\$30	-\$3,144,303	\$371,074	-\$744,419	48%	111%	70%
Fuel Dealers	-\$17	-\$14	-\$10	-\$790,700	-\$421,824	-\$253,939	0%	0%	9%
Florists	-\$6	\$16	-\$16	-\$259,137	\$493,217	-\$400,456	67%	199%	6%
Tobacco Stores	-\$12	-\$11	-\$9	-\$543,267	-\$322,527	-\$225,802	0%	1%	0%
News Dealers & Newstands	\$0	\$0	-\$2	-\$5,730	-\$8,094	-\$41,896	0%	0%	0%
Optical Goods	-\$18	-\$17	-\$16	-\$817,290	-\$522,617	-\$394,559	0%	0%	0%
Miscellaneous Retail	-\$48	\$140	\$134	-\$2,217,269	\$4,214,155	\$3,358,873	89%	150%	155%
Total Miscellaneous Retail	\$606	\$781	-\$402	\$28,187,338	\$23,507,910	-\$10,066,204	148%	176%	56%

Source: Utah State Tax Commission; LYRB

## VISUAL APPEARANCE

The Main Street and State Street Corridors have a rundown visual appearance. Both of these streets are key gateways to Lehi City and both are in need of visual improvements. In order to improve these areas, the City should upgrade its code enforcement. The process should be to educate business owners regarding standards that must be maintained, provide assistance in meeting the code, and then enforcing the standards that have been set.

Lehi City’s Downtown Revitalization Plan, completed in 2007, provides key suggestions for renovating the downtown area, making connections between Main Street and State Street, and improving the walkability of the downtown area. Among the suggestions included in that plan are for redesigning the streets to include bulb-outs, street furniture, rear entrances to stores, parking to the rear of stores, and encouraging façade renovation.



The City may want to consider a revolving loan or matching grants program that would encourage business owners to renovate the facades of their buildings. An investment of \$5,000 by the business owner, matched by the City, can make a significant improvement in building appearance.

Before



After



Before



After



### TRANSIT-ORIENTED DEVELOPMENT (TOD)

The light rail station scheduled for the State Street Corridor will provide a needed economic impetus to that area. With the advent of light rail, Lehi is well-suited for transit-oriented development. TOD includes a mix of uses, with higher-density residential, office and retail uses interspersed throughout the area. The State Street Corridor is also a potential redevelopment area, where tax increment could be used to make needed infrastructure improvements and to encourage the renovation or replacement of more rundown properties.

The long, narrow area between State Street and I-15 is particularly rundown and does not provide an attractive visual image of Lehi City, when viewed from I-15. This area contains 98.62 acres on 156 different parcels. Based on information provided by the Utah County Assessor's Office, the total land value of the area is \$8,626,949, or roughly \$2.00 per square foot. With improvements, total value of the area is \$25,072,570, or an average value of \$5.84 per square foot.

Of the 156 total parcels, 116 are improved, while 40 are vacant parcels. The area is a combination of many different uses and owners, including retail, mobile home park, reception center, and industrial.

With the potential for transit-oriented development, property values in the area will increase, and market forces will encourage the sale or adaptive reuse of under-performing properties.

## SUMMARY

The State Street area is ideally situated for transit-oriented development (TOD) around the proposed light rail station at State Street. Zoning for higher densities in this area, along with a mix of uses, would increase land values, which could create market forces for redevelopment and infill development that would help to clean up some of the rundown portions of this area. Further, the City needs to actively pursue code enforcement and cleanup of rundown properties. Establishment of a revolving loan fund or grants program for façade renovations would also be helpful in improving the visual appearance of this area.

Destination, specialty retail stores often do well in downtown areas. The City should actively work to recruit and centrally locate businesses in this area that would derive some synergy from being in close proximity to each other and that would promote the walkable, pedestrian-friendly atmosphere that needs to be an integral part of downtown. The Lehi Downtown Revitalization Plan recommends enhancing the walkability of downtown through a comfortable, connected system of sidewalks and pathways, using entry courts and plazas, and creating pocket parks.

The neighborhoods located between Main Street and State Street are well designed. The small city blocks, mature trees and older residences make this one of the best historic neighborhoods in the State. In order to maintain the character of the residential neighborhoods and downtown, the Downtown Revitalization Plan recommended the creation of a Residential Business (RB) zone to ease the transition between the downtown and the residential neighborhoods, as well as a Conservation District to enable the preservation of the area's historic integrity.

## DESIGN ISSUES

### STATE STREET CORRIDOR

#### Assets:

- ☐ A mixture of uses exists along the corridor as well as in the areas of Lehi that are adjacent to State Street.
- ☐ The collection of historic retail buildings around the 100 East intersection serve as a character basis for the area.
- ☐ State Street serves as a key historic roadway and traffic corridor. It provides a link between different areas of Lehi and is an alternate route into town from I-15.
- ☐ The history of Lehi is reflected through the resources of historic buildings along the corridor as well as the original city cemetery.

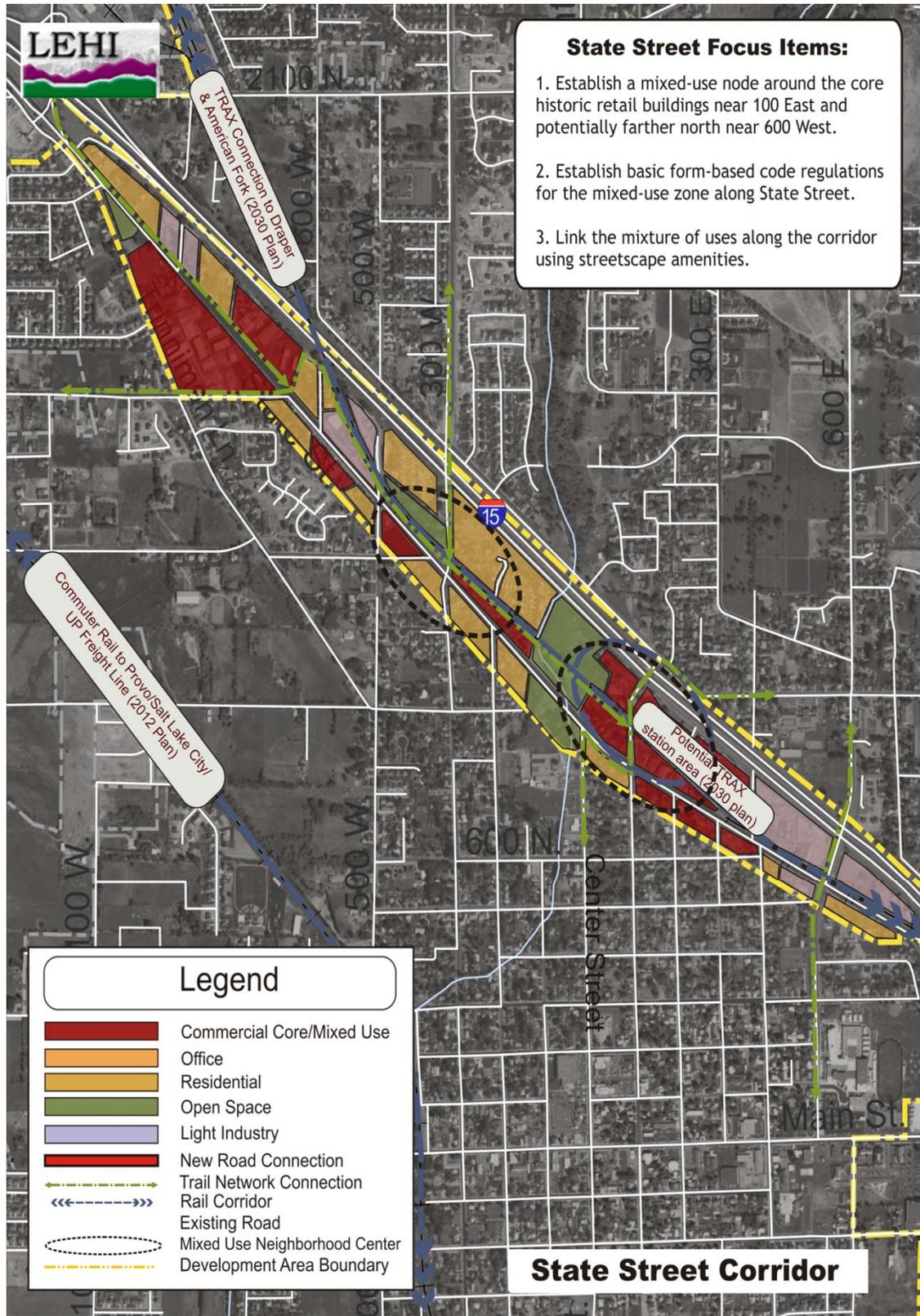
#### Challenges:

- ☐ The street has a very wide right of way with little or no amenities. There are few signalized intersections which limits the accessibility between the two sides of the corridor.
- ☐ No park strip buffer exists between the sidewalks and the street, making it unwelcoming to pedestrians.

#### Focus Items:

- ☐ Establish a mixed-use node around the core of historic retail buildings at the 100 East intersection and the intersection at 300 West. Use these two signalized intersections to facilitate accessibility and mobility between both sides of State Street.
- ☐ Tie together the various uses along the corridor using coordinated streetscape amenities.
- ☐ Preserve and reuse historic structures. These structures can serve as the character basis for new construction along the corridor.
- ☐ Enhance the link between State and Main Streets by improving pedestrian and bike connections as well as those for the automobile.

MAP 1.24: STATE STREET CORRIDOR



## SECTION XI: ECONOMIC DISTRICT ANALYSIS – REDWOOD ROAD/WEST ANNEXATION

The Redwood Road/West Annexation District provides the City with large areas of undeveloped land. With the advent of Mountain View Corridor at 2100 North (10000 North on the County’s mapping system), as well as Redwood Road, this area will have good access, visibility and high traffic counts. While the traffic counts and fragmentation of the area from a major highway traversing the area can be a challenge, it can also be an opportunity for increased commercial development, and can attract both jobs and retail shoppers into Lehi City, thus strengthening the tax base.

The Redwood Road/West Annexation area will have community-scale retail at major intersections along the Mountain View Corridor, with smaller neighborhood town centers scattered throughout the remainder of the area. This area will draw from Eagle Mountain and Saratoga Springs and should provide big box retail, grocery stores, convenience stores, power centers, etc. Further, commuters from the southwest



portion of the Salt Lake Valley into Utah County will travel this route, and will further increase the target markets for businesses along 2100 North.

Generally, neighborhood centers require a population of roughly 5,000 persons in order to be supportable. These centers should provide convenience goods and services for local residents and should be designed to blend well with the surrounding neighborhoods.

### ANNEXATION POLICY

It is not within the scope of this study to conduct an annexation feasibility analysis. However, guidelines for annexation have been discussed as a part of this process. In general, Lehi City should seek to annex property that will benefit the City in one or more of the following ways:

- ☐ Provide the City with control of key gateways to Lehi City. This is important in maintaining and establishing a visual image and reputation for the City;
- ☐ Provide economic development opportunities, such as key commercial sites for neighborhood or town centers, as well as larger scale community or regional commercial development and industrial development.
- ☐ Allow for a logical provision of municipal services and that will not encourage irregular boundaries, islands, or areas that are difficult to service;

The map shows annexation areas (shaded in green) on the western edge of Lehi City, bordering Lehi City on the east and Saratoga Springs on the west. Unincorporated land to the north has not been included in this analysis as it is either state or federally owned (Camp Williams).

## **MOUNTAIN VIEW CORRIDOR**

As discussed in the Thanksgiving Point Economic District, the Utah Department of Transportation has identified the 2100 North Freeway as the department's preferred roadway alternative for the proposed Mountain View Corridor in Utah County. This corridor will pass directly through the Redwood Road/West Annexation Area.

Because of the increased traffic counts that will be generated along this corridor, once completed, 2100 North will have the potential to become a major commercial destination in northern Utah County – ideal for big box development, power centers, etc. Key intersections will include Redwood Road and 3600 West.

Community-scale retail generally serves a population of between 40,000 and 150,000 persons, covers ten to 30 acres, and ranges in size from 100,000 to 450,000 square feet of building space. This development will have the ability to draw from the rapidly-growing populations in Saratoga Springs, Eagle Mountain, Lehi City, and potentially even commuters from the southwest portion of the Salt Lake Valley.

## **NEIGHBORHOOD RETAIL SERVICES**

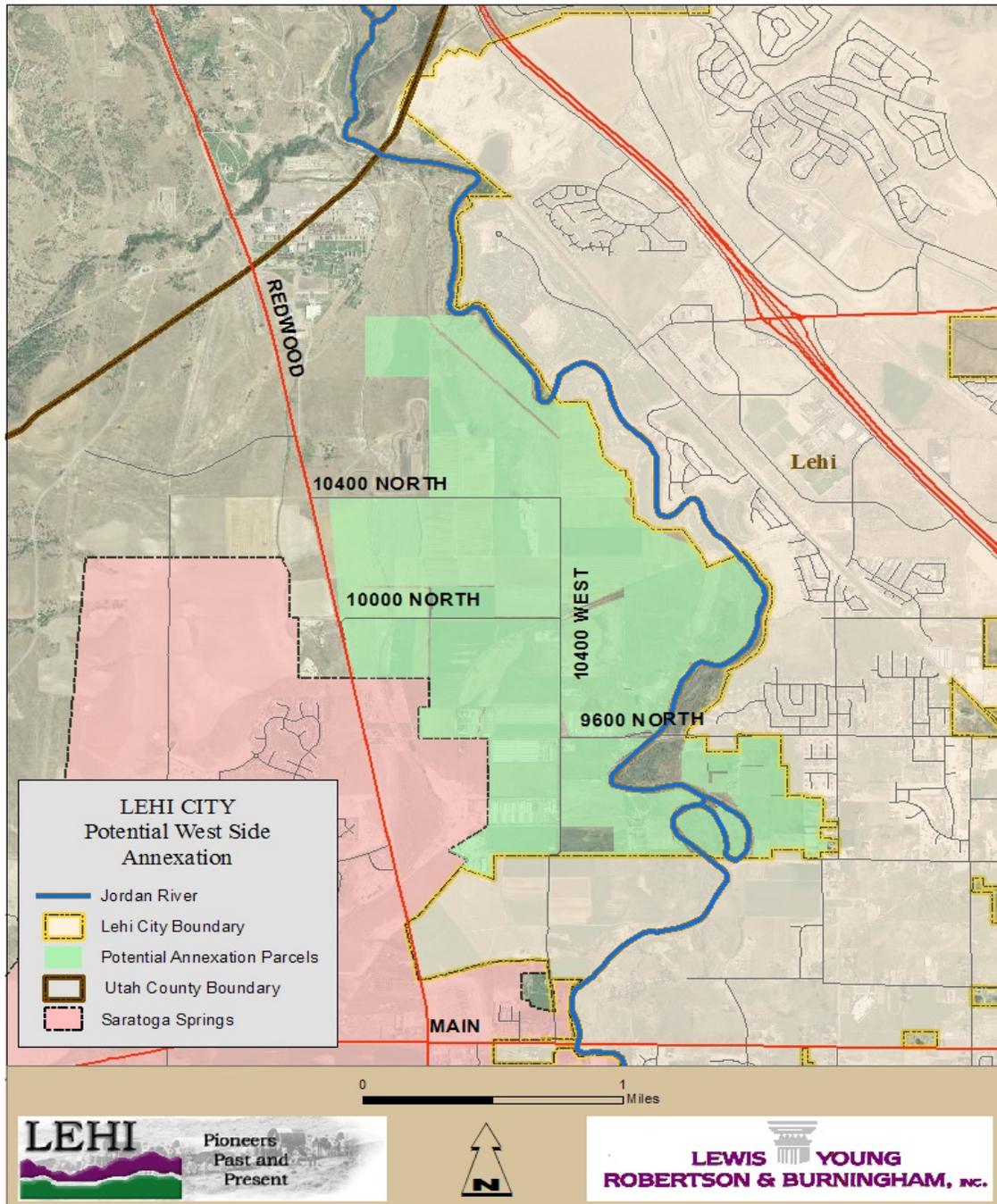
Neighborhood retail generally serves a population between 3,000 and 40,000 persons, covers three to ten acres, includes a supermarket, and has between 30,000 and 100,000 square feet of building space. In addition to the community-scale retail suggested along the Mountain View Corridor, neighborhood-scale retail would be feasible, clustered at appropriate intersections along 3600 West. Neighborhood retail features goods and services that shoppers need and desire on a regular, repeated basis – where convenience is of prime importance. Typical tenants in a neighborhood center include: grocery stores, nail salons, fast food, restaurant, pizza stores, etc.

## **SUMMARY**

Some industrial/business park development may be feasible on the northern edge of this area, and would make a good buffer between Camp Williams and residential development. The area would have exceptionally good transportation access from Redwood Road and from the Mountain View Corridor which would facilitate business park development. Retail development should be encouraged at access points along the Mountain View Corridor and along Redwood Road, as it has the greatest potential to increase the tax base of Lehi City. This retail will have the ability to draw from Cedar Valley (i.e., the area west of Utah Lake), Lehi City, and, to a lesser extent, the southwestern portion of the Salt Lake Valley.

The City should identify and zone land along Redwood Road and the Mountain View Corridor for commercial development in order to preserve this land until there are sufficient rooftops in the area for commercial development to occur.

MAP 1.25: POTENTIAL WEST SIDE ANNEXATION





## SECTION XII: CONCLUSIONS

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A sustainable economic development plan includes a balanced approach of promoting employment with good-paying jobs, strengthening the property tax base, increasing the sales tax base, and providing top-quality recreational and other amenities that support a vibrant community culture. Such a plan is also deeply aware of the geographic and demographic strengths and limitations of a particular area, as well as the opportunities and constraints of market forces. Economic infrastructure components, including transportation, access to fiber-optic technology, and workforce availability, are also key factors in assessing economic development potential.

With these factors in mind, this report concludes that Lehi City is poised to become the regional retail, employment and entertainment destination of northern Utah County, dependent on the City's willingness to put the proper policies in place that will maximize the use of key development sites. Lehi has excellent access from I-15 and is strategically located at the northern gateway of Utah County, with easy access from the Salt Lake Valley. The addition of Mountain View Corridor will provide increased access from the west, including Eagle Mountain, Saratoga Springs, and the southwest portion of the Salt Lake Valley.

Demographic factors are extremely favorable in northern Utah County, which can draw on a well-educated workforce and two universities within the County. Incomes in Alpine and Highland, where residents must travel through Lehi to access I-15, are some of the highest in the State. Northern Utah County has been one of the most rapidly-growing areas in the nation, providing housing at somewhat lower prices than in the Salt Lake Valley, and thereby attracting a large number of entry-level, first-time homebuyers, where households will generally increase in size and provide additional demand for local goods and services.

In recognition of the fact that different areas of Lehi City have unique characteristics that impact the type of economic development most likely to be successful in these areas, this report has addressed five economic districts in the City in order to better identify potential economic development strategies.

- North SR92
- Thanksgiving Point Area
- Millpond
- State Street/Main Street
- West Annexation Area

All areas are important in order to achieve a balanced approach for the City. However, the northern portion of Lehi City, including the Thanksgiving Point and North SR92 Districts are the key districts for attracting regional retail, employment and entertainment to the City. While the Western Annexation Area may be able to provide additional office and community-scale retail development, it will not have the strong regional appeal as the other two districts.

The northern portion of Lehi is already home to three well-known regional destination points: Cabela's, Thanksgiving Point and IM Flash Technologies. It is imperative that the City build on these strengths by encouraging regional retail, lodging and entertainment surrounding Cabela's, regional retail and Class A office development at Thanksgiving Point and world-class high-tech employment near IM Flash. In order to do this, the City should provide for appropriate zoning in these areas, should be willing to create community development areas (CDA's) and special assessment areas (SAA's) as needed that will provide tax increment funding to assist with land assemblage, infrastructure costs and attract top-quality businesses to the area, should be willing to streamline the development process for key developments, and should proactively recruit and seek after regional-scale development through an active marketing campaign. This marketing campaign should include working closely EDCUtah, GOED and with IM Flash

to identify the potential for complementary businesses; and initiating contacts with major national retail developers and attendance at major retailer conventions such as the ICSC convention in Las Vegas.

Community-scale retail (i.e, big box, power center, etc.) is appropriate and possible in the North SR92 and Thanksgiving Point areas, as well as at access points along the Mountain View Corridor. Lehi should also seek to encourage neighborhood-scale retail – “village centers” – as development occurs in the western annexation area. Higher-density housing near retail could provide added buying power, as well as serving as a transition area to other neighborhoods.

The Millpond area provides the City with a key site for a business park, and has excellent access and visibility off of I-15. Interviews with local brokers suggest that this site could be very competitive in the business park market of northern Utah County. Unfortunately, the existing redevelopment area in place at Millpond has not been successful. The City should consider terminating the redevelopment area, and replacing with a Community Development Area (CDA) that will provide increased flexibility in using tax increment for infrastructure and incentives that will be critical to success in this area. Currently, some property owners in this area want retail prices for their land which may delay the development of this area.

The State Street/Main Street district is the heart and historic core of the City. A light rail station at State Street will provide the opportunity for transit-oriented development (TOD) and should increase market values to the point that some buildings may be sold and replaced with newer facilities and uses. Changes in use in this area, however, will be more long-term in nature, and largely driven by market forces. In the interim, it is imperative that the City provide strict code enforcement that will at least visually improve the appearance of this major gateway into the City and that will make the area more attractive to potential TOD developers.

There is only a small area of Main Street (roughly two-three blocks) that has smaller-scale retail and professional office buildings. In order to support this area and build more of a critical mass of specialty retail, the City should follow the guidelines developed in its *Downtown Revitalization Plan February 2007* that provides for a Residential Business (RB) District, where homes in the area may have ground-floor retail, with upper-story residential. The City should also assist with providing some funding, or revolving loan funds, for renovation of store fronts along Main Street and State Street, as well as doing major streetscape improvements to these areas, as outlined in the *Downtown Revitalization Plan*.

Most importantly, Lehi City needs to embrace the vision that it can become a premiere destination along the Wasatch Front and move forward with confidence in the City’s unique strengths and opportunities. In short, Lehi is one of the most well-positioned cities in the State, both geographically and demographically, to achieve a strong, sound and sustainable economic base.

## APPENDICES

### SHOPPING CENTER APPENDIX

Super regional shopping centers generally have three or more anchors, and provide a full depth of shopping goods, including clothing and accessories, home furnishings, gifts and specialty items, and electronics. Increasingly, they also provide food, personal services, and entertainment. While traditionally anchors have been department stores, new-generation anchors include food courts, large off-price category killers, megaplex cinemas, and specialized, large-scale entertainment attractions.

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. The tables below provide industry data regarding the different shopping center categories including the median and gross leasable area (GLA), tenant classifications and the sales per square foot. This information was utilized to determine the needs of the City of Lehi.

TABLE 2.1: SHOPPING CENTER COMPARISON

	Super Regional		Regional		Community		Neighborhood		Convenience	
	Median GLA in square feet	Median Sales per Square Foot	Median GLA in square feet	Median Sales per Square Foot	Median GLA in square feet	Median Sales per Square Foot	Median GLA in square feet	Median Sales per Square Foot	Median GLA in square feet	Median Sales per Square Foot
General merchandise	141,992	\$169.93	99,828	\$157.71	19,616	\$163.20	8,000	\$128.01	7,250	\$-
Food	1,031	\$396.98	1,445	\$361.90	28,210	\$338.67	30,972	\$343.10	2,580	\$-
Food service	782	\$542.29	1,249	\$420.71	2,200	\$302.70	1,820	\$233.31	1,789	\$337.25
Clothing and accessories	3,680	\$347.17	4,000	\$312.48	4,616	\$221.89	3,600	\$168.39	4,160	\$-
Shoes	2,189	\$357.23	3,000	\$329.53	3,200	\$190.69	3,200	\$171.21	-	\$-
Home Furnishings	4,200	\$336.57	8,625	\$227.05	5,940	\$183.58	4,500	\$163.49	-	\$-
Home appliances/music	2,700	\$456.01	2,582	\$319.05	3,000	\$269.59	2,500	\$153.16	-	\$-
Building materials/hardware	-	\$-	-	\$-	10,356	\$314.85	5,000	\$-	-	\$-
Automotive	9,004	\$177.07	-	\$-	4,650	\$531.41	6,060	\$-	4,051	\$-
Hobby/special interest	2,194	\$331.01	3,424	\$224.34	3,200	\$206.62	2,288	\$146.70	1,640	\$-
Gifts/specialty	2,323	\$267.98	3,058	\$207.17	4,065	\$146.55	3,600	\$141.94	-	\$-
Jewelry	1,239	\$947.61	1,200	\$1,051.39	1,450	\$322.26	1,748	\$280.93	-	\$-
Liquor	-	\$-	-	\$-	2,856	\$363.50	2,400	\$-	2,200	\$-
Drugs	7,274	\$281.74	12,442	\$518.46	11,700	\$454.34	10,002	\$513.07	10,845	\$-
Other retail	1,000	\$495.00	1,542	\$386.49	2,056	\$241.76	1,764	\$165.98	1,720	\$260.24
Personal services	1,187	\$271.07	1,212	\$269.59	1,416	\$164.33	1,392	\$130.55	1,317	\$155.87
Entertainment/community	23,692	\$104.50	23,155	\$86.84	3,960	\$76.03	2,240	\$131.21	-	\$-

TABLE 2.2: SUPER REGIONAL

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
<b>Food</b>				
Health food	19	1.1	1,400	\$365.51
<b>Food Service</b>				
Restaurant without liquor	13	1.5	4,994	\$400.23
Restaurant with liquor	12	1.7	5,740	\$442.18
<b>Clothing and Accessories</b>				
Women's specialty	7	2.4	2,300	\$487.69
Women's ready-to-wear	1	7.5	4,290	\$285.85
Children's wear	6	2.5	3,720	\$340.84
Mixed apparel (women/men/children)	3	5.7	4,852	\$375.75
<b>Shoes</b>				
Family shoes	4	2.8	2,247	\$323.55
Women's shoes	18	1.2	1,489	\$386.02
Athletic footwear	9	2.0	3,770	\$340.66
<b>Home Furnishings</b>				
Home accessories	17	1.2	4,619	\$283.40
<b>Home Appliances/Music</b>				
Electronics - general	15	1.3	2,449	\$575.88
<b>Gifts/Specialty</b>				
Cards and gifts	11	1.8	2,804	\$241.51
<b>Jewelry</b>				

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
Jewelry	2	5.9	1,239	\$947.61
<b>Other Retail</b>				
Telephone store/telecom store	8	2.1	256	\$703.46
Eyeglass - optician	14	1.3	3,113	\$365.54
Cosmetics/beauty supplies	5	2.5	1,144	\$520.58
<b>Personal Service</b>				
Unisex hair	16	1.2	1,204	\$318.00
Nail salon	20	1.0	975	\$217.75
<b>Other</b>				
Traditional department store (unowned)	10	2.0	152,046	\$165.34

TABLE 2.3: SUPER REGIONAL

Tenant Classification	Median sales volume per square foot of GLA
Computer/software	\$1,013.94
Other Asian fast food	\$985.17
Sunglasses	\$964.67
Jewelry	\$947.61
Hamburgers	\$796.41
Hat shop	\$709.04
Steak/roast beef	\$705.99
Telephone store/telecom store	\$703.46
Beds/matresses	\$701.99
Game store	\$681.22

TABLE 2.4: SUPER REGIONAL

Tenant Classification	Median sales volume per square foot of GLA
Video arcade	\$102.04
Cinema - general (tickets and concessions)	\$104.50
Dollar store/novelty	\$139.06
Traditional department store (unowned)	\$165.34
Traditional department store (owned)	\$174.86
Automotive (TB&A)	\$177.07
Tailor	\$177.52
Nail salon	\$217.72
Shoe repair	\$218.48
Athletic wear	\$226.76

TABLE 2.5: REGIONAL

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
<b>General Merchandise</b>				
Traditional department store (unowned)	11	1.0	104,560	\$156.03
<b>Food</b>				
Health food	13	0.7	1,530	\$275.46
<b>Food Service</b>				
Restaurant with liquor	5	1.7	7,038	\$402.12
Chinese fast food	19	0.7	1,094	\$466.92
<b>Clothing and Accessories</b>				
Women's specialty	9	1.0	3,456	\$353.82
Women's ready-to-wear	1	2.8	4,482	\$297.87
Children's wear	16	0.7	3,591	\$318.74
Mixed apparel (women/men/children)	3	2.3	5,861	\$334.81
<b>Shoes</b>				
Family shoes	7	1.2	3,000	\$285.19
Athletic footwear	10	1.0	4,194	\$329.19
<b>Home Appliances/Music</b>				
Electronics - general	15	0.7	2,182	\$351.02
<b>Gifts/Specialty</b>				
Cards and gifts	8	1.0	2,940	\$183.44
Books	17	0.7	4,542	\$304.90
<b>Jewelry</b>				
Jewelry	2	2.7	1,200	\$1,051.39
<b>Other Retail</b>				
Telephone store/telecom store	4	2.1	650	\$445.59

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
Eyeglasses - optician	18	0.7	2,236	\$259.06
Cosmetics/beauty supplies	6	1.5	1,786	\$439.34
<b>Personal Service</b>				
Unisex hair	12	0.7	1,150	\$243.52
Nail salon	20	0.7	1,168	\$155.79
<b>Financial</b>				
Bank	14	0.7	3,350	

TABLE 2.6: REGIONAL

Tenant Classification	Median sales volume per square foot of GLA
Jewelry	\$1,051.39
Game store	\$1,005.06
Drinks/juice/lemonade	\$938.94
Sunglasses	\$902.80
Cafeteria	\$605.32
Candy and nuts	\$583.52
Mexican fast food	\$563.89
Drugstore/pharmacy	\$518.46
Optometrist	\$509.42
Hamburgers	\$492.73

TABLE 2.7: REGIONAL

Tenant Classification	Median sales volume per square foot of GLA
Cinema - general (tickets and concessions)	\$86.72
Dollar store/novelty	\$114.84
Video arcade	\$126.38
Hobby	\$126.75
Nail salon	\$155.79
Traditional department store (owned)	\$156.03
Decorative accessories	\$166.27
Cards and gifts	\$183.44
Home accessories	\$193.07
Sporting goods - general	\$194.53

TABLE 2.8: COMMUNITY

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
<b>Food</b>				
Supermarket	5	0.5	52,419	\$391.90
<b>Food Service</b>				
Restaurant without liquor	12	0.4	3,861	\$ 232.83
Restaurant with liquor	1	0.8	4,500	\$ 355.39
Sandwich shop	8	0.4	1,440	\$ 292.69
Pizza	17	0.3	1,758	\$ 230.74
Chinese fast food	20	0.3	1,800	\$ 217.02
<b>Clothing and Accessories</b>				
Women's ready-to-wear	4	0.6	4,200	\$ 176.25
Mixed apparel (women/men/children)	2	0.6	12,000	\$ 255.79
<b>Shoes</b>				
Family shoes	10	0.4	3,388	\$ 173.51
<b>Home Furnishings</b>				
Furniture	11	0.4	7,927	\$ 259.43
<b>Home Appliances/Music</b>				
Electronics - general	18	0.3	2,526	\$ 294.15
<b>Gifts/Specialty</b>				
Cards and gifts	19	0.3	4,422	\$ 25.48

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
<b>Jewelry</b>				
Jewelry	16	0.3	1,450	\$ 322.26
<b>Other Retail</b>				
Telephone store/telecom store	15	0.3	1,800	\$ 286.94
Cosmetics/beauty supplies	13	0.4	1,953	\$ 314.14
<b>Personal Service</b>				
Dry cleaner	14	0.3	1,608	\$ 138.37
Unisex hair	6	0.5	1,278	\$ 189.91
Nail salon	9	0.4	1,200	\$ 108.11
<b>Financial</b>				
Bank	7	0.5	3,800	
Offices (Other than financial)				
Medical and dental	3	0.6	1,652	

TABLE 2.9: COMMUNITY

Tenant Classification	Median sales volume per square foot of GLA
Service station	\$ 1,354.57
Computer/software	\$ 580.20
Gourmet grocery	\$ 535.42
Chicken/turkey	\$ 473.42
Drugstore/pharmacy	\$ 454.34
Game store	\$ 413.13
Hamburgers	\$ 397.92
Supermarket	\$ 391.90
Coffee/tea	\$ 386.17
Mexican fast food	\$ 380.62

TABLE 2.10: COMMUNITY

Tenant Classification	Median sales volume per square foot of GLA
Cinema - general (tickets and concessions)	\$ 61.97
Health club	\$ 75.53
Tanning salon	\$ 78.59
Fabric shop	\$ 97.02
Nail salon	\$ 108.11
Cards and gifts	\$ 125.48
Party store	\$ 129.80
Books	\$ 131.75
Dollar store/novelty	\$ 136.37
Dry cleaner	\$ 138.37

TABLE 2.11: NEIGHBORHOOD

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
<b>General Merchandise</b>				
Dollar store/novelty	14	0.2	8,000	\$ 132.91
<b>Food</b>				
Supermarket	1	0.5	38,472	\$ 349.41
<b>Food Service</b>				
Restaurant without liquor	12	0.2	2,800	\$ 157.51
Restaurant with liquor	3	0.4	2,965	\$ 253.20
Sandwich shop	8	0.3	1,400	\$ 276.00
Pizza	6	0.3	1,400	\$ 252.33
Chinese fast food	4	0.3	1,435	\$ 92.06
<b>Clothing and Accessories</b>				
Women's ready-to-wear	20	0.1	4,120	\$ 163.99

Tenant Classification	Rank	Average number of stores	Median GLA (Square feet)	Median sales volume per square foot of GLA
<b>Liquor</b>				
Liquor/wine	19	0.1	2,400	
<b>Drugs</b>				
Drugstore/pharmacy	9	0.3	10,002	\$ 513.07
<b>Other Retail</b>				
Telephone store/telecom store	16	0.2	1,286	\$ 96.19
<b>Personal Service</b>				
Women's hair salon	11	0.2	1,200	\$ 142.59
Dry cleaner	5	0.3	1,467	\$ 129.69
Unisex hair	7	0.3	1,224	\$ 204.65
Video/CD/DVD rentals	13	0.2	3,999	\$ 92.67
Mailing/packaging	17	0.2	1,360	\$ 226.99
Nail salon	2	0.4	1,200	\$ 75.96
<b>Financial</b>				
Bank	15	0.2	2,965	
Finance company	18	0.1	1,500	
<b>Offices (Other than Financial)</b>				
Medical and dental	10	0.2	1,600	

TABLE 2.12: NEIGHBORHOOD

Tenant Classification	Median sales volume per square foot of GLA
Tobacco	\$ 529.29
Drugstore/pharmacy	\$ 513.07
Supermarket	\$ 349.41
Coffee/tea	\$ 285.81
Jewelry	\$ 280.93
Sandwich shop	\$ 276.00
Other fast food/carry out	\$ 266.25
Cosmetics/beauty supplies	\$ 259.97
Restaurant with liquor	\$ 253.20
Pizza	\$ 252.33

TABLE 2.13: NEIGHBORHOOD

Tenant Classification	Median sales volume per square foot of GLA
Other services	\$ 57.84
Nail salon	\$ 75.96
Chinese fast food	\$ 92.06
Video/CD/DVD rentals	\$ 92.67
Telephone store/telecom store	\$ 96.19
Variety store	\$ 124.40
Tanning salon	\$ 126.03
Cards and gifts	\$ 128.91
Dry cleaner	\$ 129.69
Other retail	\$ 132.74



Utah County has a very tight industrial market. Vacancy rates throughout the entire County are below five percent, and at one percent in northern Utah County. Manufacturing is a major driving force in Utah's economic growth, and Utah County is centrally located to accommodate much of this demand. However, space is difficult to find due to little new construction in recent years – land and construction costs are both high. While lease rates are climbing, there is still little new product on the horizon. LYRB analyzed the current Utah County business parks to determine the market trends and the development needs of Lehi City. The following table provides a summary of the data collected by LYRB.

TABLE 2.14: UTAH COUNTY BUSINESS PARKS

Name	Address	City	Square Feet Currently Built	Vacant sf or percentage	SF at Buildout	Major Tenants	Rent Rates per SF	Acres
810 N. Business Park								250
820 North Research & Business Park	820 North Business Park					DHI Computing, Burrelle's Press Clipping, Credit Union, Provo College		250
Aerospace Park								80
Alvey								18
American Fork Commercial Center		American Fork						200
Birch Tree								33
Bunker Industrial Park								73
Canyon Park								16
Canyon Park Technology Center	1600 N. Technology Way	Orem	1,023,000					86
Canyon River Corporate Center	727 North 1550 East	Orem	85,000					
Cedar Hills								40
Eagle Mountain Industry Park		Eagle Mt.						400
East Bay Business Park		Provo				Novell, NuSkin, Natures Sunshine, Sportsman Warehouse, Sam's Club		450
Fox Ridge Business Park								580
Franklin Covey Riverwoods	300-350 West 4800 North	Provo	120,000				14.85/sf	
Gateway Technology Center	North Carolina							100
Jim Alvey Business Park								40
Mount Vista Business Park (Ironton Rd.)								300+
MS Business Park								40
North Pointe Business Park	752 E 1180 S	American Fork						45
North Pointe Business Park								45
Orem Center Business Park		Orem						100
Payson Business Park		Payson						250
Pleasant Grove Gateway								50
Riverwoods Business and Research Park	5200 N. Edgewood Dr.	Provo	1,400,000	Retail: 5491	Retail: 186,667	Myfamily.com, Tahitian Noni, Universal Campus Credit Union, National Applied Computer Technologies	Retail: \$24 per squar foot per year	112
Spring Have								65
Springville Industrial Park	815 Raymond Klauck Way	Springville		none		Nestle, FlowServe, Nature's Way, Little Giant Ladders	40,000 sf building sold for 3.7 million	360
Summit Ridge								230
Swenson Industrial Park								500



Name	Address	City	Square Feet Currently Built	Vacant sf or percentage	SF at Buildout	Major Tenants	Rent Rates per SF	Acres
Thanksgiving Point Business Park	3098 North Executive Park Way	Lehi						80
Thanksgiving Point Business Park								80
The Grove Business Park	490 West 700 South	Pleasant Grove						200
Timpanogos Technology Park								109
Traverse Mountain Tech								25
Triumph -- Traverse Mountain (in development)		Lehi						
Utah Valley Business Park	727 E. Utah Valley Drive	American Fork	276,790					95
Utah Valley Business Park								95
Vintage Office Park	South of Riverwoods	Provo						
Westview Industrial Park								60

**LEHI ECONOMIC DEVELOPMENT STRATEGIC PLAN  
 (PowerPoint February 2008)**



# Lehi Economic Development Strategic Plan

February 2008

Lewis Young Robertson & Burningham, Inc.

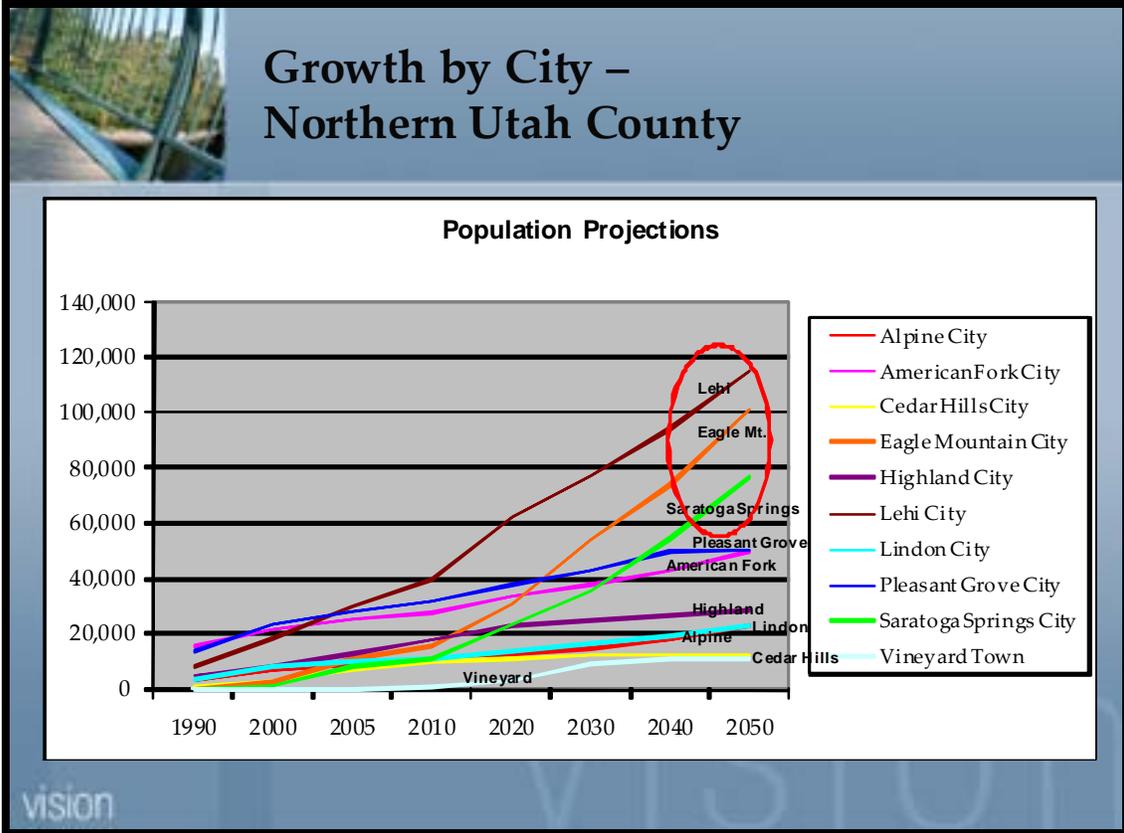
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## Population Shift in Utah County

	2000	2005	2010	2020	2030	2040	2050
<b>Northern</b>	27%	33%	35%	40%	43%	46%	49%
<b>Central</b>	53%	46%	42%	35%	31%	27%	23%
<b>Southern</b>	20%	21%	23%	25%	26%	27%	28%

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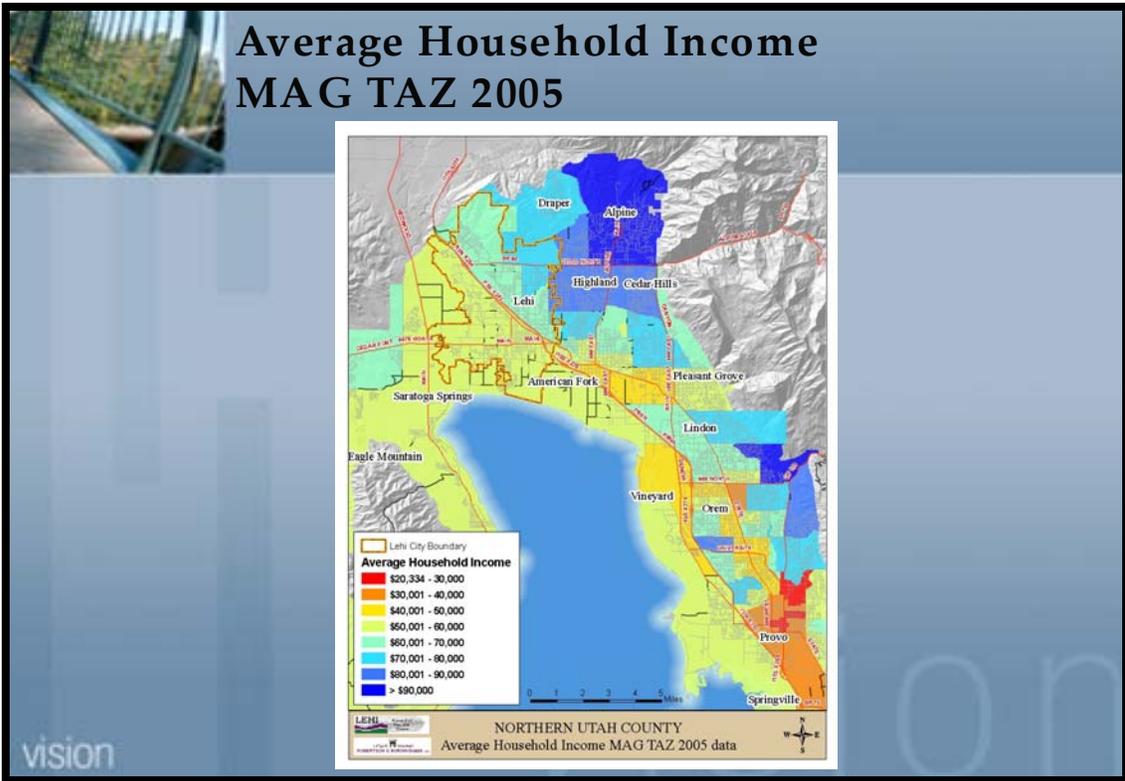


## Growth by City – Northern Utah County

### NORTHERN UTAH COUNTY BUYING POWER

Year	2007	2010	2020	2030
Population	237,584	275,057	403,830	516,462
<b>INCREASE FROM PREVIOUS PERIOD:</b>				
Population Growth (from previous period)		37,474	128,773	112,632
Growth in Buying Power (\$2006)*		432 M	1,484 M	1,298 M
Retail Square Footage Growth**		1.4 M	4.9 M	4.3 M

\*Assumes average retail sales of \$11,524 per capita  
 \*\*Assumes average retail sales of \$300 per sf



## Comparative Market Capture Rates CY 2006

State/Main

	American Fork	Lehi	Lindon	Orem	Pleasant Grove	Provo
Building & Garden	201%	49%	1134%	158%	NA %	98%
Food Stores	85%	58%	NA %	92%	108%	101%
Motor Vehicle Dealers	330%	52%	297%	128%	37%	111%
Apparel & Accessory	105%	2%	NA %	276%	NA %	124%
Eating Places	169%	41%	62%	105%	26%	121%
Miscellaneous Retail	70%	191%	47%	142%	15%	80%
Personal Services	171%	34%	NA %	90%	35%	122%
Business Services	36%	8%	377%	48%	36%	48%
Auto & Miscellaneous Repair	131%	45%	308%	84%	39%	74%
Entertainment & Amusement	113%	32%	NA %	49%	27%	100%

## Guidelines for Retail Types

### PRIMARY TRADE AREA GUIDELINES

Type of Center	Minimum Population Support Required	Radius	Driving Time
Super Regional	300,000 or more	12 miles	30 minutes
Regional	150,000 or more	8 miles	20 minutes
Community	40,000 - 150,000	3-5 miles	10-20 minutes
Neighborhood	3,000 - 40,000	1.5 miles	5-10 minutes

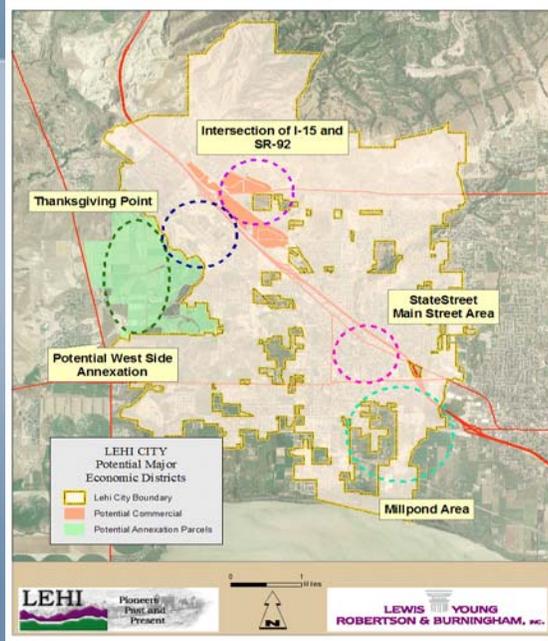
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## Economic Districts

1. North SR 92
2. Millpond
3. State Street Corridor/Main Street
4. West Annexation/Redwood Road
5. Thanksgiving Point

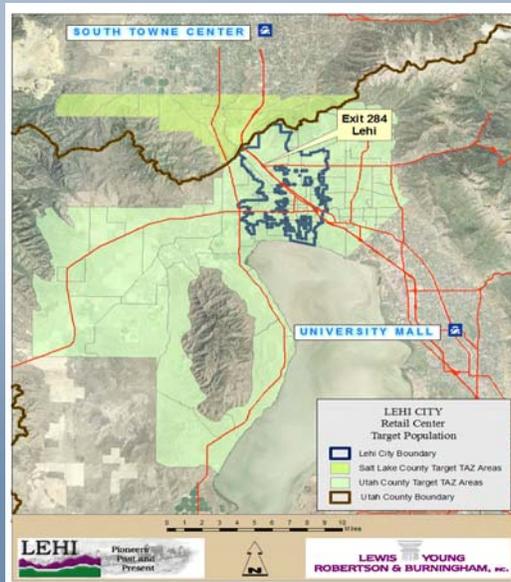
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## Economic Districts



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## Primary Market Area Regional Retail Analysis



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North SR92

## Population Regional Retail Analysis

POPULATION WITHIN 8-MILE RADIUS						
	2005	2010	2015	2020	2025	2030
Salt Lake County	76,663	97,881	106,911	115,698	125,308	129,849
Utah County	103,857	133,545	157,707	180,514	201,629	224,538
<b>TOTALS</b>	<b>180,520</b>	<b>231,426</b>	<b>264,618</b>	<b>296,212</b>	<b>326,937</b>	<b>354,387</b>

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North SR92

## Population Regional Retail Analysis

POPULATION 12-MILE RADIUS						
	2005	2010	2015	2020	2025	2030
Salt Lake County	234,511	282,880	315,096	341,354	365,372	386,529
Utah County	147,293	183,600	217,940	251,166	282,773	318,012
<b>TOTALS</b>	<b>381,804</b>	<b>466,480</b>	<b>533,036</b>	<b>592,520</b>	<b>648,145</b>	<b>704,541</b>

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North SR92

## Primary Market Area Regional Retail Analysis

Year	2005	2010	2015	2020	2025	2030
Population	131,793	173,954	210,279	248,306	288,689	328,998

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North SR92

## Primary Market Area Regional Retail Analysis

RETAIL SQUARE FOOTAGE COMPARATIVE ANALYSIS	
UTAH COUNTY	
UT County retail sf 2006	9,035,347
UT County 2006 population	467,813
SF per capita	19.31
SALT LAKE COUNTY	
Salt Lake County retail sf	28,265,469
SL County 2006 population	986,716
SF per capita	28.65
DAVIS COUNTY	
Davis County retail sf	6,209,222
Davis County 2006 population	281,784
SF per capita	22.04
WEBER COUNTY	
Weber County retail sf	5,141,446
Weber County 2006 population	216,086
SF per capita	23.79

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North SR92

## Primary Market Area Regional Retail Analysis

RETAIL BUYING POWER ANALYSIS						
	2005	2010	2015	2020	2025	2030
Population	131,793	173,954	210,279	248,306	288,689	328,998
Supportable regional sf - 4 sf per person	527,172	695,816	841,116	993,224	1,154,756	1,315,992
Acres required - .15 FAR	81	106	129	152	177	201
Acres required - .2 FAR	61	80	97	114	133	151

*Source: GOP; Shopping Center Handbook; LYRB*

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North SR92

## Strategies

- Position SR 92 area as the regional retail/entertainment destination of northern Utah County
- Community-scale retail to recapture lost sales tax leakage
- Image, branding, building on and connecting with Thanksgiving Point
- Capitalize on Micron/IM Flash development

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Thanksgiving Point

## Thanksgiving Point

OFFICE MARKET ABSORPTION								
	2001	2002	2003	2004	2005	2006	Q2 2007	Change 2001 - 07
<b>Utah County North</b>								
Class A	717,743	823,035	850,871	893,671	885,780	674,780	674,780	42,963
Class B	346,800	499,124	499,124	536,744	518,254	868,754	868,754	521,954
Condo	97,620	97,620	97,620	168,620	127,220	127,220	127,220	29,600
<b>Overall</b>	<b>1,162,163</b>	<b>1,419,779</b>	<b>1,447,615</b>	<b>1,599,035</b>	<b>1,531,254</b>	<b>1,670,754</b>	<b>1,670,754</b>	<b>508,591</b>
<b>Total County</b>								
Class A	2,618,080	3,017,479	3,066,666	3,147,466	3,471,565	3,276,045	3,378,786	760,706
Class B	1,869,571	2,236,425	2,316,923	2,875,126	2,663,673	3,012,574	3,035,899	1,166,328
Condo	871,218	987,798	1,008,798	1,062,262	1,177,565	1,295,365	1,382,547	511,329
<b>Overall</b>	<b>5,358,869</b>	<b>6,241,702</b>	<b>6,392,387</b>	<b>7,084,854</b>	<b>7,312,803</b>	<b>7,583,984</b>	<b>7,797,232</b>	<b>2,438,363</b>

Source: Commerce CRG; LYRB

- Thanksgiving Point
- ## Thanksgiving Point
- Become the Class A regional office center of northern Utah County
  - Mountain View Corridor alignment
  - Educational and cultural opportunities
  - Commuter rail
  - Lodging and conference center opportunities
- vision



Millpond

## Millpond District

- Neighborhood-friendly business park district
- Infrastructure and amenities
- Connections with downtown
- Connections with surrounding neighborhoods
- Incentives

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Main/State

## Mixed Use Development

- Transit-oriented development near light rail
- Smaller-scale, specialty retail, pedestrian friendly
- Primary focus is infill and renovation of properties facing State Street
- Connections between State and Main
- Streetscapes

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## West Annexation Analysis

- Larger-scale industrial uses near Camp Williams
- Neighborhood town centers
- Capitalize on growth in Saratoga Springs and Eagle Mountain
- Control key gateways

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## GLOSSARY

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**Absorption:** A term used to describe the rate at which the market can absorb additional units of supply. Often it refers to the ability of the real estate market to absorb new housing units or the office market ability to absorb new office square feet.

**Average Annual Growth Rate (AAGR):** An illustration of the annual change in data, generally presented as a percentage.

**BID (Business Improvement District):** A public-private partnership designed to promote infrastructure improvements and economic development within a certain area. Usually funded through special taxes assessed to the businesses within the district.

**Buying Power:** A representation of the overall ability to purchase goods and services within a community.

**BYU (Brigham Young University):** A private university offering courses in 11 colleges, continuing education, a graduate studies. BYU was established in 1875 and focuses on providing an atmosphere consistent with the ideals and principles supported by the Church of Jesus Christ of Latter-day Saints (LDS).

**Camp Williams:** A 28,000 acre National Guard Training Site operated by the Utah Army National Guard located 26 miles south of Salt Lake City. It is the main training site for the Utah National Guard, including artillery, engineers, academies and other units.

**CDA (Community Development Area):** A redevelopment agency focused on development activities within a community, including the encouragement, promotion, or provision of development. The CDA must include show a relationship between the development and the anticipated public benefit to be derived from the community development.

**Class A Office Space:** The highest class office space available. Generally characterized by the Urban Land Institute's *Office Development Hand Book* as buildings that have excellent location and access, attract high quality tenants, and are managed professionally. Building materials are high quality and rents are competitive with other new buildings.

**Commerce CRG:** A real estate brokerage firm, headquartered in Salt Lake City, with offices in Provo, Clearfield, St. George, Park City and Las Vegas.

**EDA (Economic Development Area):** A redevelopment agency focused on development activities for the promotion of economic growth, specifically job growth. An EDA is based on, among other things, establishing the rationale for use of tax increment. This includes analyzing the ability of private investment to achieve similar outcomes without tax increment. In addition, an EDA must demonstrate the anticipated public benefit to be derived from the economic development, including benefits to the tax base of the community, increased business and economic activity and the potential for job creation.

**EDCUtah (Economic Development Corporation Utah):** A public/private partnership designed to promote economic development and recruit high-value companies to Utah. EDCUtah provides business assistance and statistical resources to local businesses.

**EIS (Environmental Impact Statement):** A document that outlines the human environmental impact of any major action being undertaken that may impact said environment. Required by the National Environmental Policy Act.

**FAR (Floor Area Ratio):** The ratio of the total building floor area (generally in square feet) to the total land area of the building location.

**GIS (Geographic Information Systems):** Any system used for capturing, storing, analyzing, managing and presenting spatial data and associated attributes.

**GOED (Governor's Office of Economic Development):** A State agency designed to provide business resources for the creation, growth and recruitment of companies to Utah. GOED also focuses on tourism development and increasing film production in the state.

**Governor’s Office of Planning and Budget (GOPB):** A State Agency established to provide data related to the State budget, planning issues, demographics and economic information, and strategic management.

**Lifestyle Center:** Contain 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).

**MATC (Mountain Land Applied Technology College):** The Mountainland Applied Technology College (MATC) was originally established in November 1989. MATC has established numerous programs granting certificates and two programs granting Associate of Applied Technology (AAT) degrees. MATC awards certificates of skill competency, proficiency, and completion and in January 2004 awarded its first AAT degree. MATC is under the direction of the statewide Utah College of Applied Technology (UCAT) established by the Legislature in 2001.

**Mountain View Corridor:** A proposed highway in west Salt Lake County and northwest Utah County. More specifically, its north-south parameters are I-80 in Salt Lake County to the Pleasant Grove Interchange in Utah County. East-west parameters are Bangerter Highway (east) to U-111 in Salt Lake County and 11800 West in Saratoga Springs to I-15 for the Utah County portion.

**Off-Price Centers:** A retail center that focuses 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.

**Outlet Center:** 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.

**Power Center:** A power center contains somewhere around 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.

**Property Tax:** A tax levied on real property (land and improvements) usually assessed by local government, at the municipal or county level. A basic “rule of thumb” governing property tax is residential property is assessed based on 55 percent of the assessed value and commercial property is assessed at 100 percent of value.

**RDA (Redevelopment Agency):** A taxing entity created for the purpose of undertaking or promoting urban renewal, economic development, or community development.

**Regional Mall:** 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.

**Retail Sales Tax:** a tax on all retail sales within the state.

**SAA (Special Assessment Area):** An area established for the purpose of financing the costs of improvements, operation and maintenance, or economic promotion activities that benefit property within the area.

**Sales Leakage:** An analysis that identifies economic development opportunities for a community. 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.

**SIC (Standard Industrial Classification) Code/Category:** a United States government system for classifying industries by a four-digit code.

**Super Regional Center:** Shopping centers generally with three or more anchors, and provide a full depth of shopping goods, including clothing and accessories, home furnishings, gifts and specialty items, and electronics. Increasingly, they also provide food, personal services, and entertainment. While traditionally anchors have been department stores, new-generation anchors include food courts, large off-price category killers, megaplex cinemas, and specialized, large-scale entertainment attractions.

**Tax Increment Financing:** A tool to use the future tax revenues gained from a specific development to finance the current improvements that will create those gains. TIF capitalizes on the potential increased value due to new development by channeling the increase into a financing mechanism to build the improvements that will create the increase. As improvements or new development occurs, the value of surrounding real estate increases and there is a potential for new investment, which can lead to increased tax revenues. The increased tax revenues are the "tax increment", which is used to finance debt issued to pay for current projects. It is generally applied toward improvements in distressed or underdeveloped areas where development would not occur without the financing stimulus.

**Town Center:** 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.

**Transit-Oriented Development (TOD):** TOD focuses on planned development near bus, light rail or commuter rail transit. It includes a mix of uses, with higher-density residential, office and retail uses interspersed throughout the area.

**Utah TRAX (Light Rail):** Utah's Transit Express light rail system. Light rail is a form of urban rail public transportation that generally has a lower capacity and lower speed than heavy rail and metro systems.

**UDOT (Utah Department of Transportation):** the State department that is responsible for over 6,000 miles of highways within Utah. UDOT is responsible for snow removal, signage, bridges, repairs, building, and maintenance for these roads and operates the Traffic Operations Center.

**ULI (Urban Land Institute):** ULI—the Urban Land Institute is a 501(c) (3) nonprofit research and education organization. ULI provides industry information and strategic direction related to the responsible use of land and in creating and sustaining community development.

**UTA (Utah Transit Authority):** A transit development agency serving over 1,400 square miles and covering six counties: Box Elder, Davis, Salt Lake, Tooele, Utah and Weber. UTA's main purpose is to improve public transit along the Wasatch Front.

**UVU (Utah Valley University):** The official name of Utah Valley State College beginning July 1, 2008. UVU is an educational institution that provides (or will provide when university status is finalized on the above date) undergraduate, graduate and continue education to students.

**Vacancy Rate:** A term used to describe the availability of housing or rental stock within an existing market through any given period of time.

**Wasatch Front:** An urban area consisting of cities and towns that stretches along the Wasatch Mountain Range from approximately Santaquin in the south to Brigham City in the north. Roughly 80% of Utah's population resides in this region.

## DESIGN CHARETTE

On February 11, 2008, a group of community leaders, developers and agencies attended a design charette in Lehi City to provide input for this economic development strategic plan. Their priorities are shown below:

### I. STRATEGIES

#### NORTH STATE ROUTE

Strategies	Number	Percentage
<b>1. Position the SR92 area to become the regional retail/entertainment destination of Northern Utah County.</b>		
1st	8	89%
2nd	1	11%
3rd	0	0%
4th	0	0%
5th	0	0%
<b>2. Develop appropriate community scale retail, including big-box development(s) in order to recapture sales tax leakage to neighboring communities.</b>		
1st	1	11%
2nd	5	56%
3rd	2	22%
4th	0	0%
5th	1	11%
<b>3. Capitalize on the high incomes, large family sizes, and other demographic factors in the northeastern portion of Utah County that will support lifestyle centers, outlet malls, dining out, cultural and entertainment attractions.</b>		
1st	3	33%
2nd	2	22%
3rd	0	0%
4th	2	22%
5th	2	22%
<b>4. Create visual, physical, transportation, marketing, and other connections between Thanksgiving Point and SR92 using design elements such as streetscape enhancements and coordinated promotional materials by the different entities.</b>		
1st	1	11%
2nd	3	33%
3rd	3	33%
4th	2	22%
5th	0	0%
<b>5. Use streetscape elements that are complementary to the design and nature of the two individual areas and that will serve to enhance</b>		

Strategies	Number	Percentage
<b>the connection between the two.</b>		
1st	0	0%
2nd	2	22%
3rd	4	44%
4th	1	11%
5th	2	22%

#### THANKSGIVING POINT

Strategies	Number	Percentage
<b>1. Promote connections between Salt Lake County and Utah County - "two counties growing together."</b>		
1st	4	50%
2nd	4	50%
3rd	0	0%
<b>2. Encourage the development of conference/convention space at Thanksgiving Point that will not only serve the business in the local area, but that will also attract visitors from Salt Lake County and other areas of the State.</b>		
1st	8	89%
2nd	1	11%
3rd	0	0%
<b>3. Encourage hotel/lodging development in the Thanksgiving Point area.</b>		
1st	0	0%
2nd	4	44%
3rd	5	56%

#### MILLPOND

Strategies	Number	Percentage
<b>1. Enable a flexible and creative business park development that will be a neighborhood asset through appropriate zoning regulations.</b>		
1st	2	25%
2nd	2	25%
3rd	4	50%
4th	0	0%
5th	0	0%
6th	0	0%
7th	0	0%
8th	0	0%
<b>2. Provide appropriate incentives to businesses in order to initially attract development with high property values (i.e.,</b>		

<b>personal property as reflected in plant equipment), which will set the tone for future development in the business park.</b>		
1st	2	25%
2nd	0	0%
3rd	1	13%
4th	2	25%
5th	0	0%
6th	1	13%
7th	2	25%
8th	0	0%
<b>3. Provide appropriate public assistance to developers in order to assist with infrastructure within the business park and to enable developers to retain land for business park development (where absorption may take place over a much longer timeframe than other types of development).</b>		
1st	1	13%
2nd	1	13%
3rd	1	13%
4th	0	0%
5th	1	13%
6th	0	0%
7th	1	13%
8th	3	38%
<b>4. Provide an overall plan for the area to direct growth of the business park in an orderly, cohesive manner.</b>		
1st	2	29%
2nd	1	14%
3rd	2	29%
4th	2	29%
5th	0	0%
6th	0	0%
7th	0	0%
8th	0	0%
<b>5. Provide for the highest-quality technology infrastructure.</b>		
1st	0	0%
2nd	0	0%
3rd	0	0%
4th	2	25%
5th	1	13%
6th	5	63%
7th	0	0%
8th	0	0%
<b>6. Work with the Economic Development Corporation of Utah (EDCUtah) to identify business relocation opportunities.</b>		
1st	0	0%
2nd	1	14%
3rd	0	0%

4th	1	14%
5th	4	57%
6th	0	0%
7th	1	14%
8th	0	0%
<b>7. Use a street grid system to provide for easy access to downtown and to facilitate traffic flow from the business park area, and from neighborhoods located south of Main Street.</b>		
1st	2	29%
2nd	0	0%
3rd	0	0%
4th	1	14%
5th	0	0%
6th	1	14%
7th	1	14%
8th	2	29%
<b>8. Design a clustered orientation for the business park to allow for preservation of open space and the natural amenities of the Mill Pond surroundings.</b>		
1st	3	43%
2nd	3	43%
3rd	0	0%
4th	0	0%
5th	1	14%
6th	0	0%
7th	0	0%
8th	0	0%

**STATE STREET/MAIN STREET**

Strategies	Number	Percentage
<b>1. Encourage destination and specialty retail store clusters, in a walkable, pedestrian-friendly environment, along State Street and Main Street.</b>		
1st	0	0%
2nd	3	50%
3rd	1	17%
4th	1	17%
5th	1	17%
<b>2. Encourage and enhance the mixed-use aspect of State Street. Strengthen the housing component and unify the variety of uses through streetscape improvements.</b>		
1st	3	43%
2nd	0	0%
3rd	0	0%
4th	1	14%
5th	3	43%
<b>3. Improve the streetscape and ambiance of State Street and Main Street</b>		
1st	5	71%
2nd	1	14%

3rd	1	14%
4th	0	0%
5th	0	0%
<b>4. Locate important community buildings in the State Street/Main Street area.</b>		
1st	0	0%
2nd	1	17%
3rd	2	33%
4th	3	50%
5th	0	0%
<b>5. Provide and improve the physical and visual connections between State and Main Streets.</b>		
1st	0	0%
2nd	1	17%
3rd	2	33%
4th	1	17%
5th	2	33%

#### REDWOOD ROAD/WEST ANNEXATION

Strategies	Number	Percentage
<b>1. Take advantage of West Lehi's growth, as well as growth in Saratoga Springs and Eagle Mountain.</b>		
1st	5	71%
2nd	2	29%
3rd	0	0%
<b>2. Neighborhood town centers should be allowed in largely residential areas on the western portion of Lehi in order to provide convenience services to residents and in order to keep resident purchases (with accompanying sales tax revenues) within City boundaries.</b>		
1st	1	14%
2nd	3	43%
3rd	3	43%
<b>3. Provide zoning for larger-scale industrial uses at the northwest portion of the potential annexation area.</b>		
1st	1	17%
2nd	3	50%
3rd	2	33%

#### II. ACTION ITEMS

Must equal 24	Average	Median
Goal 1	4.6	4.5
Goal 2	3.6	4.0
Goal 3	5.1	5.0
Goal 4	4.4	4.0
Goal 5	3.8	4.0
Goal 6	1.6	2.0
Goal 7	3.5	3.5
Goal 8	3.1	2.0

#### NORTH STATE ROUTE

Action Items	Average	Median
<b>1. Position the SR92 area to become the regional retail/entertainment destination of Northern Utah County.</b>		
Action Item 1	5.8	6.0
Action Item 2	4.2	4.0
Action Item 3	3.3	3.5
Action Item 4	3.5	3.5
Action Item 5	3.1	3.0
Action Item 6	3.3	4.0
Action Item 7	4.0	4.0
<b>2. Develop appropriate community scale retail, including big-box development(s) in order to recapture sales tax leakage to neighboring communities.</b>		
Action Item 1	4.0	3.0
Action Item 2	4.2	4.0
Action Item 3	3.6	3.0
<b>3. Capitalize on the high incomes, large family sizes, and other demographic factors in the northeastern portion of Utah County that will support lifestyle centers, outlet malls, dining out, cultural and entertainment attractions.</b>		
Action Item 1	3.5	3.5

#### THANKSGIVING POINT

Action Items	Average	Median
<b>1. Promote connections between Salt Lake County and Utah County - "two counties growing together."</b>		
Action Item 1	3.3	3.0
Action Item 2	5.4	5.5
Action Item 3	4.2	4.0
Action Item 4	1.0	1.0
Action Item 5	2.5	2.5
<b>2. Encourage the development of conference/convention space at Thanksgiving Point that will not only serve the business in the local area, but that will also attract visitors from Salt Lake County and other areas of the State.</b>		
Action Item 1	4.1	4.0
Action Item 2	8.0	8.0
<b>3. Encourage hotel/lodging development in the Thanksgiving Point area.</b>		
Action Item 1	3.5	2.5
Action Item 2	8.0	8.0

**MILLPOND**

Action Items	Average	Median
<b>1. Enable a flexible and creative business park development that will be a neighborhood asset through appropriate zoning regulations.</b>		
Action Item 1	4.4	4.0
Action Item 2	2.9	3.0
<b>2. Provide appropriate incentives to businesses in order to initially attract development with high property values (i.e., personal property as reflected in plant equipment), which will set the tone for future development in the business park.</b>		
Action Item 1	4.9	3.0
<b>3. Provide appropriate public assistance to developers in order to assist with infrastructure within the business park and to enable developers to retain land for business park development (where absorption may take place over a much longer timeframe than other types of development).</b>		
<b>4. Provide an overall plan for the area to direct growth of the business park in an orderly, cohesive manner.</b>		
Action Item 1	3.3	3.0
<b>5. Provide for the highest-quality technology infrastructure.</b>		
Action Item 1	5.4	6.0
Action Item 2	4.1	3.0
<b>6. Work with the Economic Development Corporation of Utah (EDCUtah) to identify business relocation opportunities.</b>		
Action Item 1	3.7	3.0
<b>7. Use a street grid system to provide for easy access to downtown and to facilitate traffic flow from the business park area, and from neighborhoods located south of Main Street.</b>		
Action Item 1	3.2	3.0
<b>8. Design a clustered orientation for the business park to allow for preservation of open space and the natural amenities of the Mill Pond surroundings.</b>		
Action Item 1	3.7	4.0
Action Item 2	3.0	3.0

Action Item 3	3.0	3.0
Action Item 4	2.8	3.0

**STATE STREET/MAIN STREET**

Action Items	Average	Median
<b>1. Encourage destination and specialty retail store clusters, in a walkable, pedestrian-friendly environment, along State Street and Main Street.</b>		
Action Item 1	4.5	4.0
<b>2. Encourage and enhance the mixed-use aspect of State Street. Strengthen the housing component and unify the variety of uses through streetscape improvements.</b>		
Action Item 1	9.3	3.5
Action Item 2	3.0	3.0
<b>3. Improve the streetscape and ambience of State Street and Main Street</b>		
Action Item 1	4.8	4.0
Action Item 2	3.6	3.0
Action Item 3	3.0	3.0
Action Item 4	3.0	3.0
Action Item 5	3.2	3.0
Action Item 6	10.0	10.0
<b>4. Provide and improve the physical and visual connections between State and Main Streets.</b>		
Action Item 1	3.0	3.0
Action Item 2	2.8	3.0