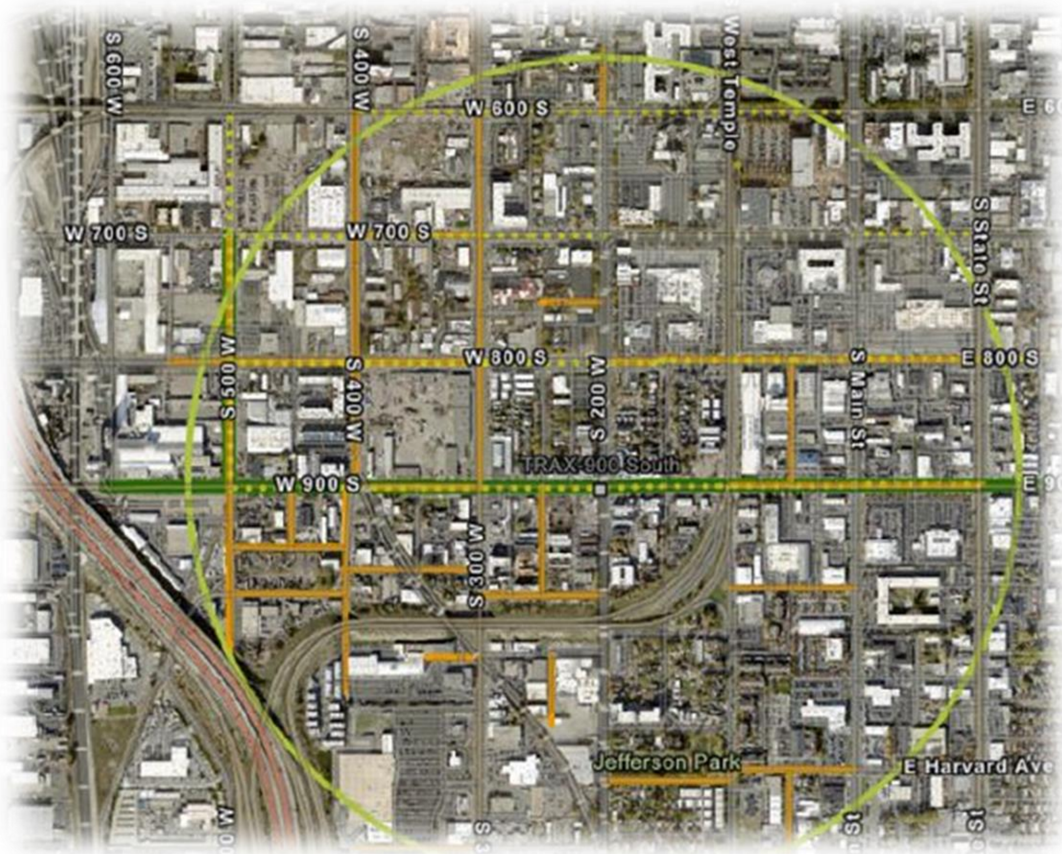

HTRZ Proposal Review

Governor's Office of Economic Opportunity
Salt Lake City 200 West 900 South HTRZ Review
September 2023

ZIONS PUBLIC FINANCE, INC.

REVIEW OF SALT LAKE CITY 200 WEST 900 SOUTH STATION HTRZ PROPOSAL

This independent review of the proposed Salt Lake City 200 West 900 South HTRZ by Zions Public Finance, Inc. (ZPFI) is prepared in accordance with Utah Code 63N-3-604(3)(b) which requires a gap analysis that includes the following elements:

(i) A description of the planned development;
(ii) A market analysis relative to other comparable project developments included in or adjacent to the municipality or public transit county absent the proposed housing and transit reinvestment zone;
(iii) An evaluation of the proposal to and a determination of the adequacy and efficiency of the proposal;
(iv) An evaluation of the proposed increment capture needed to cover the enhanced development costs associated with the housing and transit reinvestment zone proposal and enable the proposed development to occur; and
(v) Based on the market analysis and other findings, an opinion relative to the minimum amount of potential public financing reasonably determined to be necessary to achieve the objectives described in Subsection 63N-3-603(1).

Description of the Planned Development

The Salt Lake City anticipates the following development will occur within the areas shown in Figure 1 although no specific projects on individual sites are identified.

- 1,147,263 commercial sf
- 1,919,842 office sf
- 441 hotel rooms
- 3,596 structured parking stalls
- 10,214 housing units

The HTRZ is located within ½-mile of the TRAX stop at 200 West and 900 South in Salt Lake City and is located within an opportunity zone. The HTRZ parcels comprise 97.72 noncontiguous acres. According to the Applicant, residential development is likely on 54 percent of the developable acreage. Therefore, roughly 52.8 acres are slated for residential development. With 10,214 housing units planned, this results in a density of 193.56 units per acre on the 52.8 residential acres. The overall density on the 97.72 acres would be 104.52 units per acre.

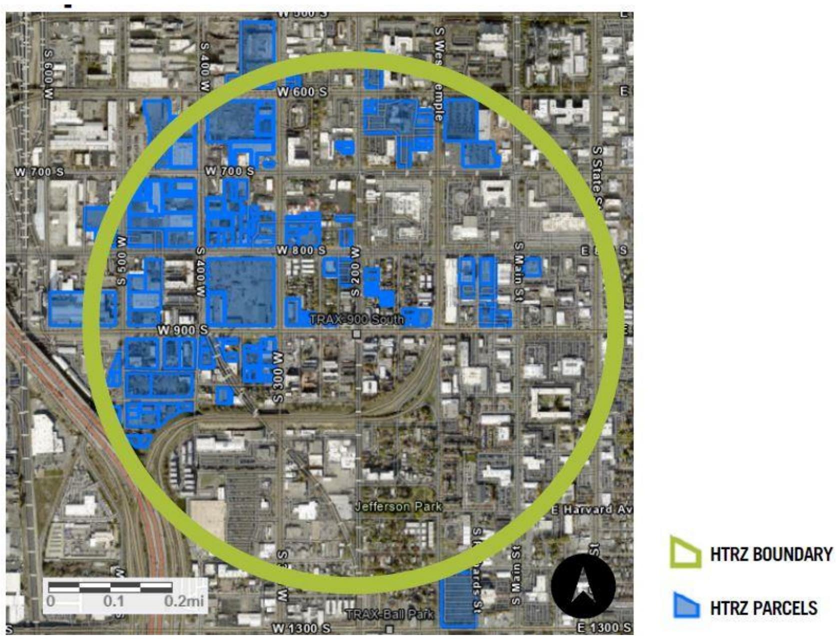

FIGURE 1: HTRZ PROPOSED BOUNDARIES

The Application states that 20 percent of the housing units (2,043units) will be affordable and targeted to households making 60% or less of AMI. Affordable housing is greatly needed near the Central Business District which hosts over 70,000 workers daily.

Market Analysis Relative to Other Comparable Project Developments Included in or Adjacent to the Municipality or Public Transit County Absent the Proposed Housing and Transit Reinvestment Zone

The Salt Lake City RDA has provided examples of projects near the subject site that required RDA support to move forward in the marketplace. One of particular relevance is Liberty Corner, located at 300 West and 1300 South, which requested public assistance for 200 units of affordable housing, with many of the units being deeply affordable.

- 78 units at 61-80% of AMI
- 67 units at 41-60% of AMI
- 55 units at <40% of AMI

Cowboy Partners, the developer of Liberty Corners, requested the following amounts:

- $2,000,000 from Olene Walker HOME
- $2,000,000 from Olene Walker NHTF
- $1,000,000 from Salt Lake County
- $3,000,000 from Salt Lake City RDA

Other benefits would include Low-Income Housing Tax Credits (LIHTC).

Further examples of Salt Lake City support for higher-density mixed-use projects are as follows:

- **RDA Examples of Higher Density Mixed-Use Projects:**
    - The Aster: 265 S State Street
        - https://www.sltrib.com/news/2023/05/03/see-inside-aster-downtown-salt-lake/
        - RDA Support: Received a reduced land acquisition cost, seller's note, and construction to permanent low interest loans.
    - Spark: 1490 W North Temple
        - https://ksltv.com/528837/former-north-temple-motel-location-transforms-into-affordable-apartments/
        - RDA Support: Received a reduced land acquisition cost, seller's note, and construction to permanent low interest loans.
    - Harvest at Marmalade: 550 North 300 West
        - RDA project including: townhomes, apartments, a library, commercial space and a large plaza/park space.
        - RDA Support: The RDA provided reduced land acquisition costs and is constructing the plaza/park (set to open Fall 2023).
    - West Quarter: 300 W @ 105 S
        - RDA Support: $15 million via a tax increment reimbursement agreement
        - https://thewestquarter.com/

- Liberty Corner: 1265 South 300 West
  - Mixed use including commercial space and 200 units with family-sized and deeply affordable units. See attached summary sheet for more information.
  - RDA Support: Approved for a gap financing low interest construction to permanent loan through the RDA's HDLP in January 2023.
- Art Space:
  - Received a tax Increment reimbursement agreement
  - https://www.artspaceutah.org/
- Paperbox Lofts: 340 West 200 South
  - RDA Support: $3.2 million land write-down
- The Exchange: 340 East 400 South
  - RDA Support: $3 million
- Diamond Rail: 535 West 300 North
  - RDA Support: $1 million

The Application uses a vacancy rate of 3.6 percent and average rent of $1,623 based on CBRE 2022. These assumptions are becoming increasingly conservative as Marcus & Millichap's Mid-Year Multi-Family Housing Report projects a vacancy rate of 6.1 percent by year end. While rents increased significantly over the previous two years (31 percent gain), rent growth has slowed in 2023 with average rents reaching $1,647 per month.

An Evaluation of the Proposal to and a Determination of the Adequacy and Efficiency of the Proposal

This section evaluates whether or not the Proposal has met all of the requirements of Utah Code 63N-3-604(a) which requires the following elements:

(i) Demonstrates that the proposed housing and transit reinvestment zone will meet the objectives described in Subsection 63N-3-603(1);

(ii) Explains how the municipality or public transit county will achieve the requirements of Subsection 63N-3-603(2)(a);

(iii) Defines the specific transportation infrastructure needs, if any, and proposed improvements;

(iv) Defines the boundaries of:
  a. The housing and transit reinvestment zone; and
  b. The sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section 63N-3-610;

(v) Includes maps of the proposed housing and transit reinvestment zone to illustrate:
  a. The proposed boundary and radius from a public transit hub;
  b. Proposed housing density within the housing and transit reinvestment zone; and
  c. Existing zoning and proposed zoning changes related to the housing and transit reinvestment zone;

(vi) Identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one;

(vii) Describes the proposed development plan, including the requirements described in Subsections 63N-3-603(2) and (4);

(viii) Establishes a base year and collection period to calculate the tax increment within the housing and transit reinvestment zone;

(ix) Establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone;

(x) Describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the housing and transit reinvestment zone;

(xi) Includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;

(xii) Evaluates possible benefits to active and public transportation availability and impacts on air quality;

(xiii) Proposes a finance schedule to align expected revenue with required financing costs and payments; and

(xiv) Provides a pro-forma for the planned development including the cost differential between surface parked multi-family development and enhanced development that satisfies the requirements described in Subsections 63N-3-603(2), (3) and (4

The following section briefly summarizes how the Proposal has adequately responded to each of these elements as required by law.

*(i) **Demonstrates that the proposed housing and transit reinvestment zone will meet the objectives described in Subsection 63N-3-603(1)***

(a) Higher utilization of public transit:

This is a very connected transit station with two additional stops located within 1-2 miles. The 9-Line Trail, which the City is currently working to improve, runs through the HTRZ. The mixed-use development, with nearly 3.1 million sf of commercial and office space, will bring many employees to the area. Plus, the hotel rooms and over 10,214 residential units will create additional use of transit.

(b) Increasing availability of housing, including affordable housing;

The Proposal includes 20 percent affordable units (2,043) and is targeting households making 60% or less of AMI.

(c) Improving efficiencies in parking and transportation, including walkability

The Applicant estimates that 30 percent of the developable land would be used for parking under market conditions. This would be reduced to 15 percent with higher-density development.

(d) Overcoming development impediments and market conditions

The Applicant discusses the cost of adding public infrastructure in an area transforming from industrial uses to more mixed use and residential development. There is currently a lack of sufficient infrastructure in the area which is seeing changing uses and increased densities.

(e) Conservation of water resources through efficient land use;

The higher-density development will reduce the amount of individual green space requiring irrigation. The RDA's Sustainable Development Policy also requires projects receiving funding to earn an ENERGY STAR score of at least 90, significantly reducing water consumption through the use of water efficient appliances like washing machines and dishwashers.

(f) **Improving air quality by reducing fuel consumption and motor vehicle trips;**
The number of vehicle trips will be reduced through the increased use of transit. Further, the RDA's Sustainable Development Policy requires projects receiving funding to earn an ENERGY STAR score of at least 90 and be all electric. Projects that receive a tax increment reimbursement must utilize on-site renewable energy to supply at least 50% of the building's annual energy consumption to reduce use of fossil fuels and improve air quality.

(g) **Encouraging transformative mixed-use development and investment in transportation and public infrastructure in strategic areas;**
This area, known as the Granary District, was formerly a manufacturing, processing and distribution area which is being transformed into mixed-use development including, residential, office, hotel and other commercial uses.

(h) **Strategic land use planning in major land use investment corridors;**
The proposed HTRZ intersects three light rail stations and is within a mile of the FrontRunner Station at approximately 300 South and 500 West, as well as within ¾ mile of I-15 interchanges. It includes 600 South – the "grand entryway" into Salt Lake City. Further, UTA is proposing the extension of TRAX in this area.

(i) **Increasing access to employment and educational opportunities;**
With 2.8 million square feet of commercial and office space, the proposed HTRZ will host significant job opportunities within its boundaries. In terms of education, the University of Utah has also partnered with the Stena Center for Financial Technology to establish an entrepreneur center in the HTRZ.

(j) **Increasing access to childcare.**
While the Proposal does not directly address access to childcare, the proximity of educational and employment opportunities likely also offer access to childcare.

(ii) Explains how the municipality or public transit county will achieve the requirements of Subsection 63N-3-603(2)

(a) **At least 10 percent of the proposed dwelling units are affordable**
The Proposal includes 20 percent affordable units (2,043).

(b) **At least 51 percent of the developable area includes residential uses with an average density of 50 units or greater**
Approximately 52.77 acres are designated residential, or 54 percent of the 97.72 total developable acres in the HTRZ. With a total of 10,214 residential units spread over 97.72 acres, the average density is 104.52 units per acre and 193.56 units per acre on the 52.77 residential acres.

(c) **Includes mixed-use development**
The Proposal includes 10,214 residential units, 3.1 million square feet of commercial and office space and hotel rooms. The RDA anticipates mixed-use development with active ground floor uses.

(d) A mix of dwelling units to ensure that a reasonable percentage of units has more than one bedroom.

The Proposal states that this issue will be addressed with each proposal for development in the area to ensure that State Code is met and further mentions that current development in the area has a good mix of units of all sizes. The Applicant anticipates a mix of studio, 1, 2, 3 and 4-bedroom units and townhomes.

(iii) ***Defines the specific transportation infrastructure needs, if any, and proposed improvements;***

While the Proposal does not specifically state that any of the increment will be used for specific transportation projects, it does identify 25,700 feet of streetscape improvements that are needed in the area. It also identifies support for public transit improvements that would expand the network along the Ballpark Spur to 400 West and extend the University's Line west of Main Street along 400 South at a total cost of $123,940,000. The burial of electric power lines along 600 South is estimated to cost $50 million.

(iv) ***Defines the boundaries of:***

a. The housing and transit reinvestment zone; and

The Proposal includes a map of the proposed boundaries. The map is included as Figure 1 in this Review.

b. The sales and use tax boundary corresponding to the housing and transit reinvestment zone boundary, as described in Section 63N-3-610;

The Proposal clearly sets forth the boundaries, as well as listing the parcels to be included in the HTRZ. The HTRZ boundary and sales and use tax boundary are the same.

(v) ***Includes specified maps***

Boundary maps have been included, and housing density discussed, although no housing density map was included. No existing and proposed zoning change maps were included.

(vi) ***Identifies any development impediments that prevent the development from being a market-rate investment and proposed strategies for addressing each one;***

The Proposal identifies the following market impediments to the planned development being a market rate investment including:

1) Prior development in the HTRZ as industrial and manufacturing provides limited infrastructure including sewer, water, storm drains and roadways that is not sufficient to support new development of a higher-density mixed-use nature.

2) Anticipated construction costs with higher-density development:

TABLE 1: COMPARISON OF CONSTRUCTION COSTS

	Typical Market-Driven Development	Higher-Density TOD
Commercial FAR	0.3	1-1.5
Office FAR	2.72	3-4
Residential Units per Acre	50	104.5
Cost of Development	$1,915,663,148	$5,476,926,678

3) Reduced rents and profit margins from the inclusion of affordable housing.

(vii) *Describes the proposed development plan, including the requirements described in Subsections 63N-3-603(2) and (4);*

These requirements were met and discussed under (ii) above.

(viii) *Establishes a base year and collection period to calculate the tax increment within the housing and transit reinvestment zone;*

The Proposal includes a tax increment budget as Exhibit E in the Application. The base year value is identified, as well as a collection period of 15 years for each parcel, with a total of 17 years for the entire project area as all parcels are anticipated to be absorbed within the first 3 years. Exhibit A to this document contains a re-creation of tax increment projections given the development proposed in the Application.

(ix) *Establishes a sales and use tax base year to calculate the sales and use tax increment within the housing and transit reinvestment zone;*

The Applicant includes sales and use tax projections in a spreadsheet included as Exhibit G.

(x) *Describes projected maximum revenues generated and the amount of tax increment capture from each taxing entity and proposed expenditures of revenue derived from the housing and transit reinvestment zone;*

Appendix E to the Application shows the amount of anticipated tax increment generated by each taxing entity. Tax increment calculations have also been performed by ZPFI and included in Appendix A and are similar to those provided by the Applicant.

(xi) *Includes an analysis of other applicable or eligible incentives, grants, or sources of revenue that can be used to reduce the finance gap;*

The Application includes other potential revenue sources such as LIHTC, Salt Lake City Economic Development Loan Fund, Salt Lake City Neighborhood Improvement Program, EPA Brownfields Revolving Loan Fund, C-PACE and Redevelopment Agency of Salt Lake City Housing Development Loan Program.

(xii) *Evaluates possible benefits to active and public transportation availability and impacts on air quality;*

The opening paragraph of the Application states that improved air quality and access to public transportation are primary objectives of the Application and specifically states that the RDA may partially support $127.8 million in sustainable building construction as a means to reduce carbon emissions and improve the region's air quality.

(xiii) *Proposes a finance schedule to align expected revenue with required financing costs and payments; and*

The Application doesn't include a specific financing schedule but Exhibit E does include a spreadsheet that shows the anticipated amounts spent on public and private projects per year.

(xiv) *Provides a pro-forma for the planned development including the cost differential between surface parked multi-family development and enhanced development that satisfies the requirements described in Subsections 63N-3-603(2), (3) and (4)*

A specific pro forma has not been included although the Applicant estimates an absorption schedule, pricing, tax increment projections, and increased costs for parking.

An Evaluation of the Proposed Increment Capture Needed to Cover the Enhanced Development Costs Associated with the Housing and Transit Reinvestment Zone Proposal and Enable the Proposed Development to Occur

This section discusses added costs to development in this area from parking structures, construction costs with higher-density structures, affordable housing units (lower rent returns) and public infrastructure costs.

Parking Structures

The Application includes 3,596 structured parking stalls with an average cost of $24,256 per stall, creating a cost differential of $21,256 per stall, assuming a cost of $3,000 per surface parking stall. The Applicant then calculates that structured parking therefore creates an additional cost of $76.4 million in the HTRZ.

However, there are some land cost savings with structured parking as well. The Applicant suggests that 30 percent of the total land area in the HTRZ would need to be reserved for parking if surface parking is put in place. With structured parking, the Applicant states that the total land area could be reduced to 15 percent, thereby suggesting half the land costs, per stall, with structured parking. It is assumed that these costs are taken into account in the overall costs of parking.

Affordable Housing Units

Developers need to be incentivized to build affordable housing units because a developer receives lower rents for affordable units as compared to market rents and incurs additional costs for administration and bookkeeping. Based on HUD guidelines, a household should not spend more than 30 percent of total household income on housing costs, including utilities, in order to be considered affordable.

The Applicant proposes that 20 percent of residential units will be affordable for households making less than 60 percent of the Area Median Income (AMI). Based on information in the Application, the average rent in Salt Lake County is $1,623 per month, based on 2022 CBRE.[1] This was confirmed by our research of Marcus & Millichap's 2023 Multifamily Market Report which lists an average rent rate of $1,647 per month.

In order to identify the gap between market rents and "affordable" rents at 60 percent of AMI, the Applicant used NOVOGRADAC's Salt Lake County's 60 percent AMI rent of $1,152, thereby identifying a gap of $471 per month in rent over CBRE's average rent. The Applicant makes an initial jump in market rent to $1,722 per month, followed by annual increases of 3 percent per year thereafter. Zions has recreated a housing spreadsheet in Appendix B which shows a slightly smaller gap. The Applicant calculated a loss of over $430 million in rent over 25 years with a net present value loss of $215 million. Appendix B shows a total loss of nearly $406 million over 25 years with a net present value of $207 million.

The reduced rents will result in a loss of property valuation for the developer. However, because no specific projects have been identified in the Application, no loss in property value can be calculated for individual properties.

[1] In the analysis, the Applicant increases the market rent in the base year to $1,722 per unit, an increase of 6.1 percent from the $1,623 in CBRE's 2022 Report.

Construction Costs

The Applicant estimates an increase of nearly $3.6 billion in construction costs with higher-density development. Higher density development was defined as increases in density as follows:

- Residential - from 50 to 104.5 residential units per acre
- Commercial – from a floor area ratio (FAR) of 0.3 to 1-1.5
- Office – from a FAR of 2.72 to 3-4

With market-driven construction, the Applicant assumes total construction costs of $1,915,663,148 on the 97.72 acres. However, we do not know how many residential units and how many commercial square feet would be built under a base case scenario. Therefore, we cannot calculate a "base" market-driven cost per square foot of development from the information provided and therefore cannot easily calculate the gap created by higher-density development.

For the higher-density development, the Applicant proposes 10,214 residential units, 441 hotel rooms and 3,067,105 square feet of nonresidential space. Assuming an average size of 900 sf per residential unit results in approximately 12.4 million sf of development (residential, hotel and nonresidential combined). With total costs of $5,476,926,678 (as provided by the Applicant), the average cost per square foot is about $440. Is this reasonable? This cost would assume a mix of Type V Wrap, Type 3A Podium and perhaps a few buildings of even greater height. Based on other recent HTRZ applications in the Salt Lake Valley and northern Utah County, construction costs for buildings of 5-6 stories in height have averaged between $350 and $400 per square foot. The cost for buildings of greater height (concrete or steel frame construction), can reach up to $600 per sf.

Depending on the mix of development types and heights, the Applicant's calculations are plausible.

Public Infrastructure Costs

The Applicant has provided a good understanding of and vision for public infrastructure and amenities in the area. Amenities can be costly and prohibitive to development. These amenities are described in the Application as follows:

- Sustainable building construction – RDA support estimated at up to $127.8 million
- Public art – 1.5% of the $5.48 billion in construction costs
- Acquisition of property for public uses - $15-20 million
- Environmental remediation – no amount provided
- Utility improvements - $50 million
- Streetscape and safety improvements – no amount provided
- Public transit support - $124 million

Based on the Market Analysis and Other Findings, an Opinion Relative to the Minimum Amount of Potential Public Financing Reasonably Determined to be Necessary to Achieve the Objectives Described in Subsection 63N-3-603(1)

The gap analysis for structured parking and affordable housing alone are estimated to reach about $482 million given the number of affordable housing units shown in the Application. Potential enhanced construction costs could add an estimated $3.5 billion although no specific projects are identified at this point in time.

TABLE 2: SUMMARY OF GAP ANALYSIS

Parking Gap	$76,436,576
Affordable Housing	$405,802,311
Enhanced Construction Costs	$3,561,263,530
Sum	**$4,043,502,417**

Tax increment projections, at 80 percent contribution for 15 years per parcel, 30-year maximum, are projected to reach roughly $357 million. The cost of affordable housing and structured parking alone will reach $482 million - $125 million more than the projected increment.

The RDA estimates that 60 percent of tax increment received by the Agency would be spent to support private projects that are not feasible under market conditions without public support (i.e., structured parking, affordable housing units and higher construction costs for higher-density housing). The remaining increment would be spent 39 percent on public infrastructure projects, with 1 percent reserved for administrative costs.

Other costs for amenities and public infrastructure could add costs as follows according to the Applicant:

- Sustainable building construction – RDA support estimated at up to $127.8 million
- Public art – 1.5% of the $5.48 billion in construction costs
- Acquisition of property for public uses - $15-20 million
- Environmental remediation – no amount provided
- Utility improvements - $50 million
- Streetscape and safety improvements – no amount provided
- Public transit support - $124 million

The area is lacking in public infrastructure because original industrial uses are transitioning into more office spaces and residential development.

The additional costs associated with the Application easily exceed the $357 million projected 80 percent of tax increment for a period of 15 years per parcel.

APPENDIX A

Year		TOTAL	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Assessed Value			$667,643,333	$1,853,304,062	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$3,064,580,432	$2,396,937,099	$1,211,276,370
Base Year Value			$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833	$212,262,833
Incremental Value			**$455,380,500**	**$1,641,041,229**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,852,317,599**	**$2,184,674,266**	**$999,013,537**
100% of Increment																			
Salt Lake County	0.001459	$61,803,588	$664,400	$2,394,279	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$4,161,531	$3,187,440	$1,457,561
Multicounty Assessing & Collecting	0.000015	$635,404	$6,831	$24,616	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$42,785	$32,770	$14,985
County Assissing & Collecting	0.000160	$6,777,638	$72,861	$262,567	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$456,371	$349,548	$159,842
Salt Lake City School District	0.004347	$184,139,956	$1,979,539	$7,133,606	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$12,399,025	$9,496,779	$4,342,712
Salt Lake City	0.003158	$133,773,633	$1,438,092	$5,182,408	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$9,007,619	$6,899,201	$3,154,885
Salt Lake City Library	0.000618	$26,178,627	$281,425	$1,014,163	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,762,732	$1,350,129	$617,390
Salt Lake Metro Water District	0.000212	$8,980,371	$96,541	$347,901	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$604,691	$463,151	$211,791
Salt Lake Mosquito Abatement	0.000168	$7,116,520	$76,504	$275,695	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$479,189	$367,025	$167,834
Central Utah Water Conservancy	0.000400	$16,944,095	$182,152	$656,416	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$1,140,927	$873,870	$399,605
TOTAL	**0.010537**	**$446,349,831**	**$4,798,344**	**$17,291,651**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$30,054,871**	**$23,019,913**	**$10,526,606**
80% Contribution	80%																		
Salt Lake County	0.001459	$49,442,870	$531,520	$1,915,423	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$3,329,225	$2,549,952	$1,166,049
Multicounty Assessing & Collecting	0.000015	$508,323	$5,465	$19,692	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$34,228	$26,216	$11,988
County Assissing & Collecting	0.000160	$5,422,111	$58,289	$210,053	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$365,097	$279,638	$127,874
Salt Lake City School District	0.004347	$147,311,965	$1,583,631	$5,706,885	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$9,919,220	$7,597,423	$3,474,169
Salt Lake City	0.003158	$107,018,906	$1,150,473	$4,145,927	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$7,206,095	$5,519,361	$2,523,908
Salt Lake City Library	0.000618	$20,942,902	$225,140	$811,331	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,410,186	$1,080,103	$493,912
Salt Lake Metro Water District	0.000212	$7,184,296	$77,233	$278,321	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$483,753	$370,521	$169,433
Salt Lake Mosquito Abatement	0.000168	$5,693,216	$61,203	$220,556	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$383,351	$293,620	$134,267
Central Utah Water Conservancy	0.000400	$13,555,276	$145,722	$525,133	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$912,742	$699,096	$319,684
TOTAL	**0.010537**	**$357,079,865**	**$3,838,675**	**$13,833,321**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$24,043,896**	**$18,415,930**	**$8,421,285**

APPENDIX B		1	2	3	4	5	6	7	8	9	10	11	12	13
Vacancy Rate	3.6%													
Inflation Rate	3.0%													
Discount Rate	5.0%													
Residential Units		2,704	6,976	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214
60% Units		541	1,395	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043
Market Rent per Unit per Month		$1,672	$1,722	$1,773	$1,827	$1,882	$1,938	$1,996	$2,056	$2,118	$2,181	$2,247	$2,314	$2,383
Market Rent per Unit per Year		$20,060	$20,662	$21,282	$21,920	$22,578	$23,255	$23,953	$24,672	$25,412	$26,174	$26,959	$27,768	$28,601
Affordable Rent per Unit		$1,187	$1,222	$1,259	$1,297	$1,335	$1,376	$1,417	$1,459	$1,503	$1,548	$1,595	$1,642	$1,692
Affordable Rent per Unit per Year		$14,239	$14,666	$15,106	$15,559	$16,026	$16,507	$17,002	$17,512	$18,037	$18,578	$19,136	$19,710	$20,301
Gap per Unit per Year		$5,822	$5,996	$6,176	$6,361	$6,552	$6,749	$6,951	$7,160	$7,375	$7,596	$7,824	$8,058	$8,300
Market Rental Units 100%		$54,242,997	$144,138,729	$217,373,848	$223,895,063	$230,611,915	$237,530,273	$244,656,181	$251,995,866	$259,555,742	$267,342,415	$275,362,687	$283,623,568	$292,132,275
Less Vacancies:		($1,952,748)	($5,188,994)	($7,825,459)	($8,060,222)	($8,302,029)	($8,551,090)	($8,807,623)	($9,071,851)	($9,344,007)	($9,624,327)	($9,913,057)	($10,210,448)	($10,516,762)
TOTAL Market Rents	**$6,991,689,499**	**$52,290,249**	**$138,949,734**	**$209,548,390**	**$215,834,841**	**$222,309,886**	**$228,979,183**	**$235,848,559**	**$242,924,015**	**$250,211,736**	**$257,718,088**	**$265,449,630**	**$273,413,119**	**$281,615,513**
NPV of TOTAL Market Rents	**$3,572,861,668**													
Market Rents at 80% of Units - Less Vacancies		**$41,832,199**	**$111,159,788**	**$167,638,712**	**$172,667,873**	**$177,847,909**	**$183,183,346**	**$188,678,847**	**$194,339,212**	**$200,169,389**	**$206,174,470**	**$212,359,704**	**$218,730,495**	**$225,292,410**
Affordable Rents at 20% of Units - 100%		$7,700,300	$20,461,838	$30,858,247	$31,783,994	$32,737,514	$33,719,639	$34,731,229	$35,773,166	$36,846,360	$37,951,751	$39,090,304	$40,263,013	$41,470,903
Less Vacancies:		($277,211)	($736,626)	($1,110,897)	($1,144,224)	($1,178,551)	($1,213,907)	($1,250,324)	($1,287,834)	($1,326,469)	($1,366,263)	($1,407,251)	($1,449,468)	($1,492,953)
Total Affordable Rents	**$992,535,589**	**$7,423,089**	**$19,725,212**	**$29,747,350**	**$30,639,770**	**$31,558,964**	**$32,505,732**	**$33,480,904**	**$34,485,332**	**$35,519,892**	**$36,585,488**	**$37,683,053**	**$38,813,544**	**$39,977,951**
NPV of Affordable Rents	**$507,201,065**													
TOTAL Market Only		$52,290,249	$138,949,734	$209,548,390	$215,834,841	$222,309,886	$228,979,183	$235,848,559	$242,924,015	$250,211,736	$257,718,088	$265,449,630	$273,413,119	$281,615,513
TOTAL Affordable +80% Market		$49,255,288	$130,884,999	$197,386,062	$203,307,643	$209,406,873	$215,689,079	$222,159,751	$228,824,544	$235,689,280	$242,759,958	$250,042,757	$257,544,040	$265,270,361
TOTAL Loss in Rents	**$405,802,311**	**$3,034,961**	**$8,064,735**	**$12,162,328**	**$12,527,198**	**$12,903,014**	**$13,290,104**	**$13,688,807**	**$14,099,471**	**$14,522,456**	**$14,958,129**	**$15,406,873**	**$15,869,079**	**$16,345,152**
NPV of Loss in Rents	**$207,371,269**													

APPENDIX B	14	15	16	17	18	19	20	21	22	23	24	25
Vacancy Rate												
Inflation Rate												
Discount Rate												
Residential Units	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214	10,214
60% Units	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043	2,043
Market Rent per Unit per Month	$2,455	$2,529	$2,604	$2,683	$2,763	$2,846	$2,931	$3,019	$3,110	$3,203	$3,299	$3,398
Market Rent per Unit per Year	$29,459	$30,343	$31,253	$32,191	$33,157	$34,151	$35,176	$36,231	$37,318	$38,438	$39,591	$40,778
Affordable Rent per Unit	$1,743	$1,795	$1,849	$1,904	$1,961	$2,020	$2,081	$2,143	$2,207	$2,274	$2,342	$2,412
Affordable Rent per Unit per Year	$20,910	$21,537	$22,183	$22,849	$23,534	$24,240	$24,968	$25,717	$26,488	$27,283	$28,101	$28,944
Gap per Unit per Year	$8,549	$8,806	$9,070	$9,342	$9,622	$9,911	$10,208	$10,514	$10,830	$11,155	$11,489	$11,834
Market Rental Units 100%	$300,896,243	$309,923,130	$319,220,824	$328,797,449	$338,661,372	$348,821,214	$359,285,850	$370,064,426	$381,166,358	$392,601,349	$404,379,390	$416,510,771
Less Vacancies:	($10,832,265)	($11,157,233)	($11,491,950)	($11,836,708)	($12,191,809)	($12,557,564)	($12,934,291)	($13,322,319)	($13,721,989)	($14,133,649)	($14,557,658)	($14,994,388)
TOTAL Market Rents	**$290,063,978**	**$298,765,898**	**$307,728,875**	**$316,960,741**	**$326,469,563**	**$336,263,650**	**$346,351,559**	**$356,742,106**	**$367,444,369**	**$378,467,701**	**$389,821,732**	**$401,516,383**
NPV of TOTAL Market Rents												
Market Rents at 80% of Units - Less Vaca	**$232,051,183**	**$239,012,718**	**$246,183,100**	**$253,568,593**	**$261,175,650**	**$269,010,920**	**$277,081,248**	**$285,393,685**	**$293,955,496**	**$302,774,160**	**$311,857,385**	**$321,213,107**
Affordable Rents at 20% of Units - 100%	$42,715,030	$43,996,481	$45,316,376	$46,675,867	$48,076,143	$49,518,427	$51,003,980	$52,534,100	$54,110,123	$55,733,426	$57,405,429	$59,127,592
Less Vacancies:	($1,537,741)	($1,583,873)	($1,631,390)	($1,680,331)	($1,730,741)	($1,782,663)	($1,836,143)	($1,891,228)	($1,947,964)	($2,006,403)	($2,066,595)	($2,128,593)
Total Affordable Rents	**$41,177,289**	**$42,412,608**	**$43,684,986**	**$44,995,536**	**$46,345,402**	**$47,735,764**	**$49,167,837**	**$50,642,872**	**$52,162,158**	**$53,727,023**	**$55,338,834**	**$56,998,999**
NPV of Affordable Rents												
TOTAL Market Only	$290,063,978	$298,765,898	$307,728,875	$316,960,741	$326,469,563	$336,263,650	$346,351,559	$356,742,106	$367,444,369	$378,467,701	$389,821,732	$401,516,383
TOTAL Affordable +80% Market	$273,228,472	$281,425,326	$289,868,086	$298,564,129	$307,521,052	$316,746,684	$326,249,084	$336,036,557	$346,117,654	$356,501,183	$367,196,219	$378,212,105
TOTAL Loss in Rents	**$16,835,506**	**$17,340,572**	**$17,860,789**	**$18,396,612**	**$18,948,511**	**$19,516,966**	**$20,102,475**	**$20,705,549**	**$21,326,716**	**$21,966,517**	**$22,625,513**	**$23,304,278**
NPV of Loss in Rents												