

## Idealized Economy System

### Problem Statement

The population of the counties surrounding the Central Wasatch is projected to grow by 500K (from 1.14M to 1.64M) by 2040. This is a 43% increase. Presently, the Central Wasatch accommodates an estimated 2.5M day visits and 3.2M ski visits, which will grow along with the population. Visits are expected to increase from the current 5.7M to about 7.2M (factoring in an increase of 1M day visits and at least 500K ski visits by the year 2040.) This anticipated growth in use and visitation provides tangible challenges and opportunities. Many choose to live, work, and build businesses in proximity to the Central Wasatch because of the quality of life, quality of experience, and the considerable amenities it provides. Without planning or action these growth dynamics will cause increased crowding, user conflicts, traffic and parking congestion, and will degrade the quality of experience for many mountain visitors and users.

Beyond recreation and visitor use, the Wasatch Front, Cottonwood Canyons, and Wasatch Back are interdependent economies with large daily workforce exchanges. Every day, Park City exports 60% of its white-collar workforce to jobs in the Salt Lake Valley and imports 60% of its tourism workforce from the Salt Lake Valley. These same workforce movements also occur in Big and Little Cottonwood Canyons. Automobile congestion and transportation system reliability are acute problems with economic consequences for the Cottonwood Canyons and the Wasatch Back (particularly between Park City and Kimball Junction). There is presently no convenient or reliable alternative to the automobile to support these needs. The growth of our regional economy will increase the potential for commerce and economic interactions between these areas substantially in the future, and regional planning is now essential.

The solutions we develop must ensure economic growth occurs within a program that protects and promotes the many values of the Central Wasatch Mountains. The economy system group has explored several ways to guide this new growth, commerce, and development thoughtfully, so that decisions achieve four key goals:

1. Increasing year-round destination tourism.
2. Maximizing the fiscal resources available for reinvesting in the Central Wasatch.
3. Improving the quality of experience for residents and visitors.
4. Improving the quality of life for residents.

### Idealized System Development

The idealized economy system was developed based on input from the economy system group, the best available data, and professional judgment. The system group has mapped and documented where investments should be made to support an ideal economic system for the future that connects the Front and Back and can achieve the four goals set forth above. Research was conducted to predict the likely success of our system using agreed-upon metrics.

#### Idealized System Maps

The following describes features on the economy system maps as well as some of the considerations used to develop them.

#### *Commerce/Transit Corridors:*

These corridors are the arteries for mountain commerce in the project area. They support the flow of people within our economy, and they help to attract and focus investment and development in desired locations. They reflect the places where we think transportation investment should be focused to achieve ideal outcomes. These corridors should create the ability to efficiently move workforce, recreationists, and destination visitors throughout the project area without an automobile. Some key features of this part of our system:

1. Connects many development “nodes” within the project area and makes key connections that reach westward into the SL Valley.
2. Includes an east valley corridor to service a significant new population.
3. Accommodates a high-quality transportation solution, although the type or mode of that transportation/transit has not been specified.
4. Creates a traveler experience that supports year round tourism and quality of life.

#### *Commercial/Mixed Use Nodes:*

The idealized commercial/mixed use nodes were selected based on existing and future residential and commercial development from data gathered by Envision Utah’s RCLCO, WFRC’s 2040 Traffic Analysis Zones, and individual communication with community development and planning experts. These are the areas where the most significant population growth is anticipated, and the heaviest development pressures will exist.

#### *Development Intensification Areas:*

Several sites in the project area were identified to support more intense land development or redevelopment. As the population adds 500K new residents, we want to ensure that denser, more efficient development patterns are supported. Virtually all of these intensification areas are already positioned, zoned, and considered appropriate for significant development investment. Development types are designated differently at each node with a mix of increased multifamily residential, commercial, office, and mixed use development; all of these areas are essential transit stops and we envision that most of the future hotel development in the project area would be focused in very close proximity.

#### *Other Specific Features:*

Several other features are depicted on the ideal system map. These features support important issues that the economy system thinks must be addressed. These include:

5. Over-the-snow connections. Deliberation on the value of connecting individual resort areas is part of our dialogue.
6. Character preservation areas. Any transit development within Park City or the Cottonwood Canyons should respect historic and community character objectives.
7. Ski area expansion. Significant increases in skier visits, and the evolution of ski areas to support developed summer recreation activities, may warrant key ski area expansions.
8. Development/exchange solutions. Opportunities to acquire or exchange some private lands in the Central Wasatch may protect aesthetics, environment, and quality of experience.

Points of High Consensus:

1. “Loop System” – a transit investment that connects SLC to Park City via Little Cottonwood Canyon and Parleys Canyon. The investment should connect economies of the front/back for workforce, business, tourism, and recreation.
2. Multiple connections are desirable – investments for 9000 South to LCC; 7200 South to BCC; Parleys Canyon; and an interior corridor (e.g., Highland Drive) that supports mountain commerce for locals and visitors.
3. Focus primary development in valleys and cities, and not in sensitive mountain environments. Strongly focus hotel development at appropriate transit stops.
4. Ensure compatibility with historic/cultural integrity objectives of PC.
5. Develop fiscal tools to capture tax revenue for reinvestment in the Central Wasatch. Prioritize this reinvestment within specific projects.
6. Create fair-market land development/exchange/purchase solutions that support key aesthetic and natural protection opportunities.
7. Transit should be attractive, fast, unique, and marketable. It should be outfitted to hold recreation equipment, as well as have large viewing windows.

Points of Deliberation:







1. Expanding ski area boundaries would minimize future crowding at resorts, and increased skier days are desirable to provide jobs, income, and economic growth. However, ski area expansion may degrade the quality and diversity of experience for growing numbers of non-resort recreationists (e.g., backcountry skiers).
2. Limited development opportunity is available for most of Cottonwood Canyon areas (Snowbird is the exception) and some prefer this. But along with the concept of transit investment others would like to see minor intensification of development opportunity at the locations of possible transit stations (e.g., Alta Town and Brighton/Solitude).
3. Connecting LCC/BCC/Park City areas with fast transit using tunnels in key segments is generally agreeable, but there is disagreement about “over the snow” development, whether it is aerial tram or chair lift. Most agree that connecting the areas would increase overall economic benefits, but not all think both “over” and “under” options are needed, and some think “over” options would degrade the quality of experience.

## Proposed Actions

Proposed Actions	Goals Served*			
	1	2	3	4
<b>Connect development nodes with high-quality transit solutions</b>	X	X	X	X
Intent: Connect development nodes in valley to encourage the flow of commerce. The ideal transit solution would be fast, attractive, and affordable for residents and visitors. The system connects key origins and destinations to maximize ridership and system utility.				
<b>Intensify development at key nodes</b>	X	X	X	X
Intent: Change or intensify the current development pattern at 13 key nodes. Hotels are located at all transit nodes to ensure that each functions as a destination base for visitors, and to minimize the negative aspects of switching modes. Specific planning and zoning at these sites would support additional residential and commercial density as appropriate.				
<b>Development/Exchange solutions in Little Cottonwood and Big Cottonwood Canyons</b>	X		X	X
Intent: Preserve open space, environmental integrity, overall aesthetics, and the backcountry experience by focusing development in certain canyon areas.				
<b>Fixed Guideway and/or chairlift connection between LCC and BCC, and BCC and Park City.</b>	X	X	X	X
Intent: To increase quality of visitor experience and to incentivize more tourism by highlighting efficient movement among all seven Central Wasatch resort areas.				
<b>Character protection measures throughout Central Wasatch</b>	X	X	X	X
Intent: Future development should be consistent with historic and community character in mountain communities. Moreover, development should not degrade the aesthetics of the Central Wasatch. An appropriate mix of development standards, infrastructure siting, land and viewshed protections, and other measures would protect the quality of experience.				
<b>Policy: Increase fiscal resources available for reinvestment in the natural and built environments in the Central Wasatch. The reinvestment should approximate 10 percent of TTR revenue and be established legislatively.</b>				
<b>Policy: Establish policy and fiscal tools and resources to resolve land-use and property conflicts.</b>				
<b>Policy: Coordinate decisions to ensure compatibility with the character objectives of communities. This includes the design, location, orientation of any visible infrastructure.</b>				
<p>* Economy System Goals</p> <ol style="list-style-type: none"> <li>1. Grow the year-round, destination-based travel, tourism, and recreation economy.</li> <li>2. Maximize financial resources available to reinvest in improving and protecting Central Wasatch assets.</li> <li>3. Improve the quality of experience for residents and visitors.</li> <li>4. Improve quality of life for residents.</li> </ol>				

# Economy Metrics and Targets


## Economy

Metric	Existing Conditions	2040 Baseline Trend	Idealized Scenario
<i>Goal 1: Grow the year-round, destination-based travel, tourism, and recreation economy.</i>			
1. Total annual skier spending (\$)	\$751M	\$870M (+15.8)	\$1.003B (+33.5%)
2. Annual Hotel Visits	5.3M	11M (+116%)	12.6M (+137%)
Annual Hotel Occupancy	57%	65%	65%
Average Annual REVPAR	\$79	\$80	\$100
Annual Hotel Revenue	\$419M	\$915M	\$1.26B
<i>Goal 2: Maximize the financial resources available to reinvest in improving and protecting Central Wasatch assets.</i>			
3. Annual tourism-related tax revenue (\$)	\$185M	\$400.5M	\$503.5M
4. Assessed value of all property within 0.25 mile of key Mountain Accord transit stops (\$)	\$6.73 Billion (\$54M Ann Prop Tax)	\$8.07 Billion (\$65M Ann Prop Tax)	\$11.1 Billion (\$89M Ann Prop Tax)
5. System ensures a targeted increase in fiscal resources available for reinvestment in the natural and built environments of the Central Wasatch (current dollars). This reinvestment should exceed 10 percent of TTR revenue and be established legislatively. (\$)	\$11.6M <sup>1</sup>	\$11.6 M	\$50+
<small>1 Including maintenance, service, and safety improvements; conservation investments (UDOT, SLCO, SLC)</small>			
<i>Goal 3: Improve the quality of experience for residents and visitors.</i>			
6. Total day use visits accommodated; perceived quality of visitor experience (Qualitative Rating).	2.5M 	3.5M 	4M 
7. Visitors that can reach key destinations without an automobile in less than an hour (Visitors)	Park City: 93,550 Alta: 69,451 Brighton: 34,455 U of U to LCC: Not Possible	Park City: 110,884 Alta: 86,741 Brighton: 46,985 Total: 244,610	Assuming the selected mode would reach key origins/destinations in < one hour. Total: 744,364
<i>Goal 4: Improve quality of life for residents.</i>			
8. People want to live here; attractive for employers/employees			

## Policies

*Goal 4 policy:* System integrates effective policy and fiscal tools and resources to resolve land-use and property-rights conflicts

*Goal 4 policy:* Mountain-Accord decisions are coordinated to ensure compatibility with the character objectives of communities. This includes the design, location, and orientation of any visible infrastructure


  
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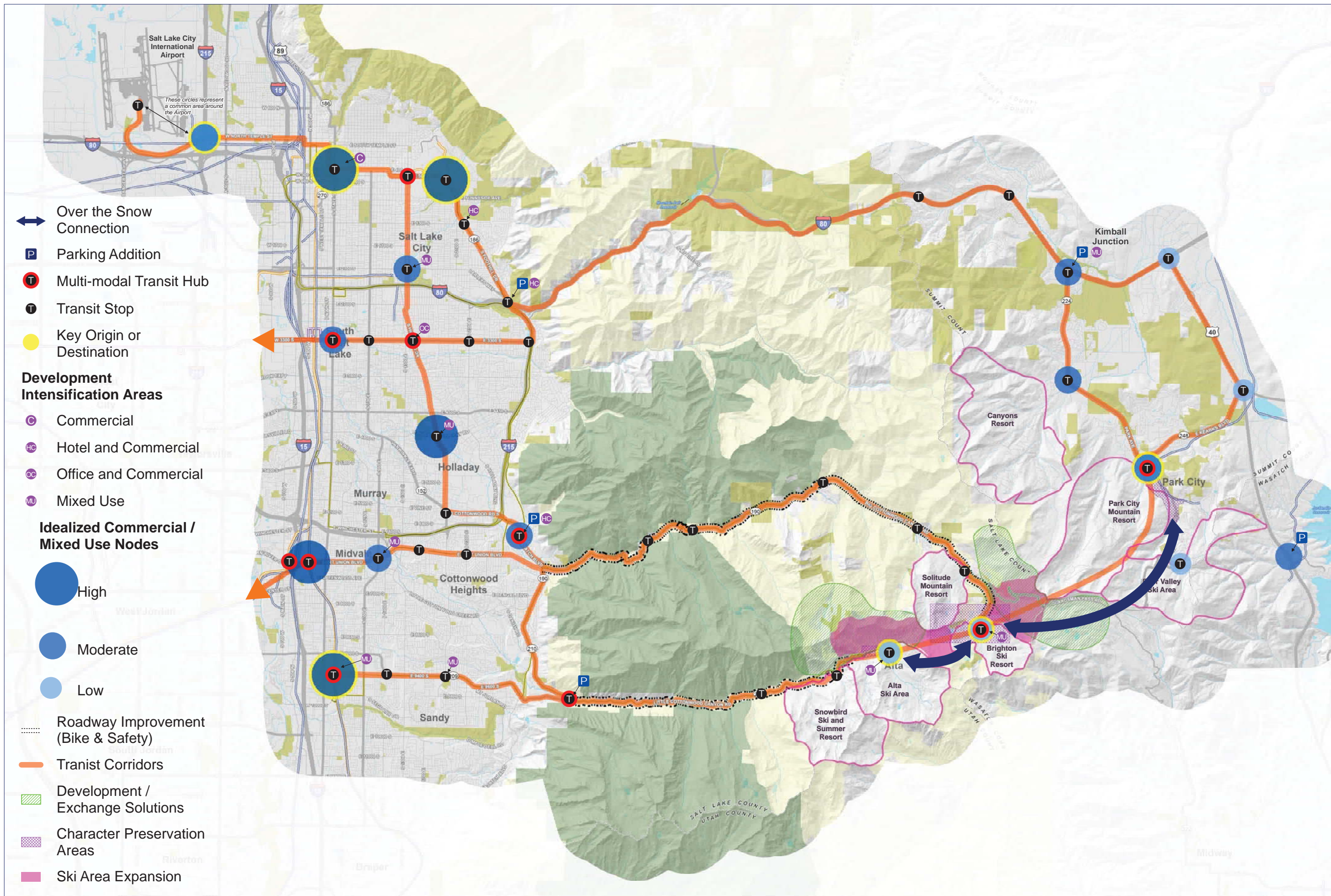


## Economy Metrics and Targets

**Calculation Notes:** 2040 baseline trend assumptions: 500K new population; 1M new local day-use visits; 500K ski destination visits; 5.6M non-ski destination visits (not all of these will visit the Central Wasatch).

1. **Skier Spending: Baseline Trend-** a linear projection from RRC estimates without intervention (ski visitation increases ~15.8% from 3.17M to 3.67M). **Idealized System** assumes two factors for increase. First, better connection of the resorts induces 10% (370K) of destination visitors to stay an extra day. Second, improved accessibility, reliability, convenience, retail locations and opportunities, and marketing of ski opportunity induces increased local visitation by 10% (127K). Increased per-skier spending is not calculated.
2. **Hotel Utilization: Baseline Trend-** a 3% long-term annual increase is applied (SLCO/VisitSL Metric). This accounts for anticipated destination ski visits and corresponding quarterly successes in year-round tourism attraction. Requires development of 24K rooms by 2040 based on 65% occupancy target. **Idealized System** USTA 2013 documents 12.5% occupancy and 48.6% ADR bumps within ¼ mile of rail transit stops. Metric assumes future hotel development is focused at new transit stops. Calculations assume that occupancy increases 8% and that ADR increases by 25% over baseline 2040.
3. **Tourism Tax Revenue: Baseline Trend** is calculated using current TTR revenue (approximately \$35/visitor night from all sources). Does NOT include property tax revenue. **Idealized System** assumes \$40 tax revenue per visitor night from all sources based upon transit-driven rent premiums.
4. **Assessed Property Values: Baseline Trend** assumes that no transit investment is made and new development follows market conditions. Assessed valuations stay stable in current dollars but market-driven growth occurs naturally. **Idealized System** assumes a 10% increase in value per structure and a 25% increase in density in the ¼ mile buffers. Assumes 70% of commercial is built within ¼ mile of stops, and 20K hotel rooms are focused at nodes.
5. **Reinvestment Policy: Policy Target** assumes that investment will be indexed to tourism tax revenue in the 3-county area. Budgets for Yellowstone/Yosemite National Parks, which have 3-4M visitors, are approximately \$35M. Central Wasatch also has land preservation costs.
6. **Day Visits & Quality of Experience: Baseline Trend** assumes that 1M new day visits will be accommodated by 2040 (extrapolated from WC2040). **Idealized System** assumes that increased accessibility and improved facilities and event programming would induce an additional 500k day visits (based upon infrastructure analogs in PSP, BC, Alps). Qualitative estimate by Consultant; group should vote to validate.
7. **Key Destinations in <Hour: Baseline Trend** assumes no new transit infrastructure will be constructed, and no density increases will occur in proximity to key destinations. **Idealized System** assumes new transit and 25% density increase near transit stops over the long-term.
8. **Property Conflict Policy:** This metric has been converted to a policy.
9. **Community Character Policy:** This metric has been converted to a policy.
10. **People want to live here; Attractive for employment:** Qualitative estimate by Consultant; group should vote to validate.



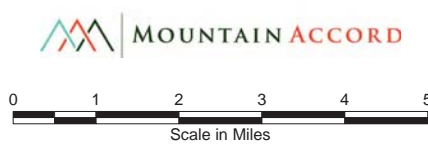


- ↔ Over the Snow Connection
- P Parking Addition
- T Multi-modal Transit Hub
- T Transit Stop
- Key Origin or Destination

- Development Intensification Areas**
- C Commercial
  - HC Hotel and Commercial
  - OC Office and Commercial
  - MU Mixed Use

- Idealized Commercial / Mixed Use Nodes**
- High
  - Moderate
  - Low

- ⋯ Roadway Improvement (Bike & Safety)
- Transit Corridors
- ▨ Development / Exchange Solutions
- ▨ Character Preservation Areas
- ▨ Ski Area Expansion



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- ▭ Resort Area
- Ski Bus Route
- Interstate
- ▨ City, County and Private Open Space
- Bus Rapid Transit
- Highway
- ▨ Uinta-Wastach-Cache National Forest
- Light Rail
- Arterial
- ▨ Wilderness
- Commuter Rail
- Collector
- Local

**Map Series: Economics Concept**