

UTAH STATE FAIRPARK & WHITE BALLPARK LAND USE STUDY

Final Report July 3, 2014

Prepared for: Utah Department of Administrative Services
Division of Facilities Construction & Management

Prepared by: CRSA, Zions Bank Public Finance, Integra
Realty Resources, Ensign Engineering & Landmark Title.



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Dennis J. Faris

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Kyle LaMalfa
James Rogers

Salt Lake City Planning

Nick Norris
Nick Britton
Molly Robinson
Michael Maloy
Carl Leith

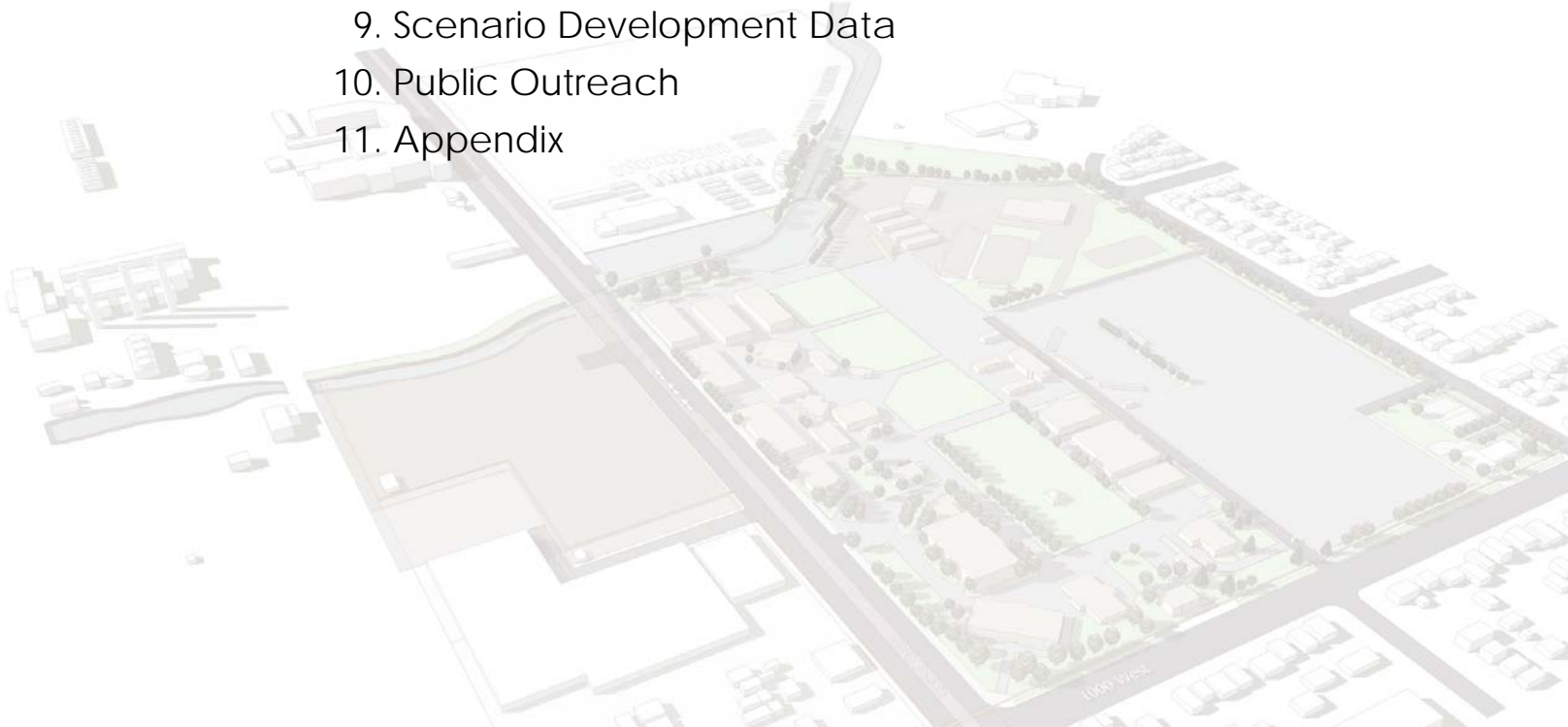
Neighborworks

Maria Garciaz
Sonya Martinez
Tham Soekotjo
Ana Valdemoros

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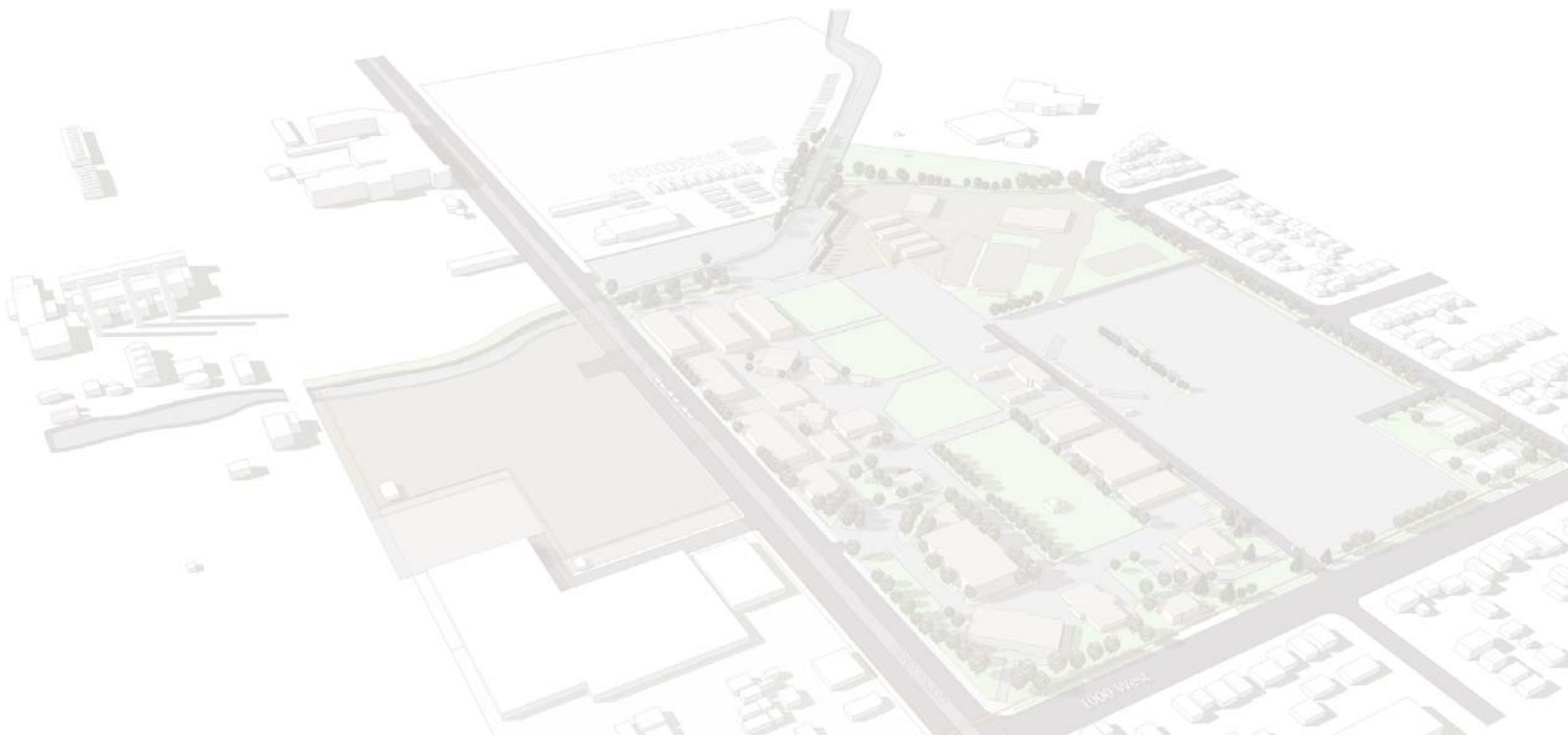
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UTAH STATE FAIRPARK & WHITE BALLPARK LAND USE STUDY

1. Executive Summary



UTAH STATE FAIRPARK LAND USE STUDY

The CRSA team was asked analyze Fairpark conditions, research peer institutions, appraise land use values and develop long term planning scenarios to determine future options for the Utah State Fair and Fairpark property. In order to document this work the CRSA team produced these key deliverables during the 90-day, three phase process:

Phase One:

- Project Goals and Objectives
- Existing Conditions Analysis
- Universe of Options Matrix
- SWOT Analysis
- Outreach Results
- Existing Infrastructure Summary Matrix
- Upgrade Recommendations
- Land Appraisals
- Facility Program

Phase Two:

- Scenario Plans
- Private Sector Analysis
- Scenario Economic Viability

Phase Three:

- Fair Park Profitability
- Fair Park Relocation Viability

KEY FINDINGS AND RECOMMENDATIONS

- Even if the Fairpark is not relocated, the **State will need to spend upwards of \$33 million over the next twenty years** on capital improvements to maintain and upgrade the aging Fairpark facilities and site infrastructure.
- If the State decides to invest in the long term success of the Fairpark, construction of new commercial facilities, including rodeo grounds and arena, retail venues, convention center, and multi-sports arena could take **additional Legislative investment up to \$47 million**.
- If the State decides to relocate the Fairpark, **it will need to spend upwards of \$160 million to replace the Fairpark in kind**, or it can step back and determine what the next century will look like for the Utah State Fair, including alternative approaches including a traveling fair or offsite County partnership.
- If the State decides to relocate the Fairpark, **the State must decide if the highest and best value of the Fairpark property is to use it to accommodate State office space needs or sell it and invest elsewhere based upon land appraisal value included in this study.**

**FAIRPARK AND WHITE BALL PARK LAND USE STUDY
PROJECT APPROACH**

CRSA has been contracted by DFCM to provide planning and programming services for the purpose of reporting to the Utah State Legislature on the potential future use of the State of Utah property known as the Utah State Fairpark and White Ballpark (typically written just as Fairpark). All existing documentation that has been commissioned by the Utah State Fairpark previously has been reviewed and utilized as an initial step in the process. However, it was not the specific intent of this study to evaluate the day-to-day operations of the Fairpark as a lease holder from the State of Utah at the Fairpark property. Rather, this study has evaluated the overall vision of the State property, with the Fairpark operations included as one of the options considered. The following outline briefly describes the scope of work that has been completed for this project including phases and tasks.

Refer to the project definitions in the project Goals and Objectives of this Executive Summary section for additional information concerning this approach process.

For the purposes of this study, a primary study area has been defined. See the map included in the Goals and Objectives of this Executive Summary. This study will consider land owned by the State of Utah under the title Utah State Fairpark and White Ballpark. Four separate parcels defined by the title reporting documentation make up the primary study area and include approximately 67 acres.

Consultant Team

In order to successfully complete the mission and tasks associated with this project, CRSA assembled the following design & planning team members, specific roles and responsibilities are listed:

CRSA

- Land use planning
- Public and agency outreach
- Agency space analysis & planning
- Final recommendations

Zions Bank Public Finance

- Economic feasibility
- Relocation viability
- Private sector/broker communication

Ensign Engineering

- Existing infrastructure analysis
- Infrastructure recommendations

Integra Realty

- Land appraisal

Landmark Title

- Land title research

Process Summary & Completion Dates

Phase One: Existing Conditions Analysis April 30th 2014

Phase One of this study primarily focused on the review of existing documentation as well as a review of the options available at the primary study area.

Phase Two: Scenario Development and Option Screening May 30th 2014

Phase Two of this study primarily focused on the development of potential scenarios for the use of the property within the primary study area. This phase screened the universe of options down to those most likely to be successful, screened by the projects Goals and Objectives.

Phase Three: Long Term Recommendations July 3rd 2014

The CRSA team consolidated the results of the scenario planning to develop alternatives for use of the Fairpark Property for consideration by the Utah State Legislature. The CRSA team provided professional judgment and analytics to provide reasonable recommendations to the State, however all decisions concerning the data provided will be made by the DFCM and the Utah State Legislature.

Interim Presentations

The CRSA team was invited twice to present to the Natural Resources, Agriculture, and Environment Interim Committee. These presentations occurred on May 21st and June 18th. A progress report of findings available on those dates was presented.

Process Scope of Work

Phase One: Existing Conditions Analysis

Phase One of this study primarily focused on the review of existing documentation as well as a review of the options available at the primary study area.

The following key tasks were completed in this phase to support the overall scope of work:

Existing Documentation Review and Property Analysis

The CRSA team coordinated closely with DFCM and Salt Lake City to prepare a thorough land use analysis of the project study area. An initial step for the project was the definition of the project Goals and Objectives, found in this section. Another initial step was the review of existing documentation that has been prepared for the Fairpark over the past 10 to 12 years. These have been used to guide the project process as well as to guide the screening of potential options. A summary of existing documents is listed in the Section 2, Existing Documentation Findings.

This phase also included outreach to community organizations, local businesses, public agencies and other stakeholder groups to understand existing conditions of the property and surrounding context as well as to gather ideas for investigation during the subsequent phases. For a list of the groups contacted by the design team, please see Section 10, Public Outreach. Outreach to the general public, community councils, and other stakeholders continued into Phase Two.

Peer Review

The CRSA team investigated the relative success of Fairpark facilities in other communities across the Country. Led by Zions Bank Public Finance we sought

to identify those facilities that are similar to the Utah Fairpark under a variety of categories, and sought to understand what makes them succeed or fail. A summary matrix of this effort is found in Section 05, Peer Review Findings.

Comprehensive Utility Impact and Connections

The CRSA Team, led by Ensign Engineering has reviewed existing information available for utilities at the Fairpark site, and obtained additional field information as required, to develop a complete understanding of the existing utility infrastructure in the study area. The resulting Analysis Summary is found in this section, while a more exhaustive analysis is in Section 11, Appendix which outlines the deficiencies and lists recommendations for improvements.

Land Appraisal of the Fairpark Property and White Ballpark

The CRSA team contracted with Integra Realty Resources to generate a certified land appraisal for the subject property. This process did not begin until a vision for the property in the primary study area was conceptually established. This vision was in the form of three scenarios for study. Factors such as existing vs. proposed zoning can influence the value of a commercial parcel and thus realistic development outcomes needed to be developed prior to beginning the land appraisal effort in earnest.

Facility Programming

The CRSA team coordinated with multiple agencies of the State of Utah to develop an understanding of the long term needs of State Agencies that may find relocation to the subject property/primary study area as a viable option. CRSA developed a baseline understanding for these agencies, extrapolated growth and baseline conditions, and recommended a potential future configuration for State office use within the primary study area.

Phase Two: Scenario Development and Option

Screening

Phase Two of this study primarily focused on the development of potential scenarios for the use of the property within the primary study area. This phase screened the universe of options down to those most likely to be successful, screened (or removed) by the project goals and objectives.

The following key tasks were completed in this phase to support the overall scope of work.

Scenario Planning; Land Use & Facility Planning

The CRSA team used the universe of options as a baseline to develop potential programs for the property in the study area. Three to four programs were developed, each with a different reasonable ratio of potential land uses (including the use of the property by the Fairpark Corporation) that may be tested on the property within the study area. These development assumptions were provided by Zions Bank Public Finance, and the complete research and basis for the assumptions can be found in Section 9, Scenario Development Data.

This task also considered the use of the existing structures at the Fairpark. The structural and/or programmatic viability of each is not the primary concern of this study, but rather the conceptual use of each in an overview of the study area. The historic considerations of existing structures was also considered.

Scenario Planning Economic Feasibility

The CRSA team provided an economic analysis for each of the land use scenarios developed under this phase for the primary study area. The analysis took place in tandem with the land use scenario development as one factor in the screening process. Those scenarios that exhibit failure as compared to the project goals and objectives will result in options screened (or removed) from the universe of options.

The economic feasibility analysis considered the strengths and weaknesses of each of the scenarios including potential revenues generated by various

development options, job creation in a low-to-moderate income area, hurdles for some types of development (i.e., infrastructure needs, density of surrounding development, compatibility with neighboring uses, parking needs, saturation of market area), impacts to fair operations, potential to capitalize on mass transit, etc.).

The CRSA team studied the feasibility of converting a portion of, or all of, the property within the primary study area to private development. The initial investigation considered land use planning and zoning, as well as market suitability of the various portions of the study area property. A land appraisal has taken place as a portion of this analysis, which considers the fair market value of the property under various scenarios, including simply selling the property as development, or “shovel ready”. In all scenarios, the actual current value includes appropriate discounts to accommodate for development risk and long term absorption rates. For example, if a developer will need to spend time and money to tear down structures and clear up easements, the price that may be paid to the State will be reduced. The development scenarios are presented later in this Executive Summary.

This task also included a market analysis of viable development options by the private sector that should be compatible with existing uses in the area. The analysis includes a review of comparative studies – other fairparks and their complementary, surrounding uses, as well as a competitive analysis. The competitive analysis will look closely at the local market area and will evaluate potential development options.

Scenario Planning; State of Utah Building Needs

This task utilized the programming completed in Phase One to study the future needs of the State of Utah. Potential configurations for new facilities were explored as part of the scenario planning. This effort looked at various locations within the study area for fulfilling the State needs, as well as different configurations of the facility itself in each potential location.

Phase Three: Long Term Recommendations

The CRSA team consolidated the results of the scenario planning to develop recommendations to answer the following key questions, outlined as tasks in Phase 3.

The following key tasks have been completed in this phase to support the overall scope of work:

Fair Park Viability and Opportunity Costs

The CRSA team will consider the effects of each scenario tested on the overall ability of the Fairpark to complete its mission at this location. Existing documentation available on Fairpark operations, as well as potential Fairpark upgrades, will be reviewed as part of this recommendation process. It is understood that the Fairpark currently has limited options for generating revenue. This task will note if a particular scenario changes this revenue generating ability (positively or negatively).

In order to fully evaluate this component, the following data was generated:

- Opportunity cost to the State if the Fairpark Property, or portions of the property, are retained in Fairpark operations. This is outlined as the likely development ready value of selling the property, found in the Scenario Overview portion of this Executive Summary.
- Opportunity loss/gain to the State if the Fairpark Property, or portions of the property, are not retained in Fairpark operations. This is outlined as the likely cost to relocate the Fair to another location, found in the Scenario Overview portion of this Executive Summary.
- Analysis of what it may cost the State in capital funds to keep the Fair in operation at this location. This is outlined as the improvement costs that need to be allocated to bring the Fair up to good working condition, see Section 6, Upgrade the Existing Fairpark.

- Analysis of what it may cost the State in capital funds to enhance the facilities so that additional activities can be hosted at the property will be explored. This is outlined as the potential costs that need to be allocated to add substantial facilities that may change operations at the Fairpark, see Section 6, Upgrade the Existing Fairpark.

Study Viability of Moving the Fair

The CRSA team has reviewed previous documents that explored the relocation of the Fairpark, as well as the results of the scenario planning to determine if additional relocation exploration is needed. Two scenarios considered the Fairpark relocating, resulting in financial and economic analysis. Herriman City approached CRSA with a presentation concerning their hope to host the Utah State Fair. This opportunity has been used as the baseline for the option to move the Fair, see Section 7, New Fairpark. While other locations may be suitable, an exhaustive analysis of locations has not taken place.

FAIRPARK AND WHITE BALLPARK PROPERTY VALUE

A key component of the project scope of work has been to determine the property value of the Utah State Fairpark. To develop a value, the CRSA team has methodically developed a process to calculate the value under two different definitions. The first definition is cultural/historic, the second is economic. Each definition lends an important discussion to the decision making process about how the property may be used in the future.

Cultural Value

While a specific dollar value cannot be placed on cultural value, a picture may be painted concerning the importance of the historic use of the Utah State Fairpark. This value may be weighed in comparison to the economic value. Through the stakeholder interview and public outreach process, which is explained in more detail in the Public Outreach section of this report, it became clear quickly that there is significant public support for the institution that is the Utah State Fair. Although the Fair may be hosted in some form at other locations, the historic location of the Fair at the Utah State Fairpark was repeatedly mentioned as a primary reason why the Fair is important. Regular fair goers, especially those who are associated with the Fair through programs such as 4-H report that the Fair is a special event because of the history, location, and available facilities.

Another important consideration that was heard in a number of interviews and outreach meetings is the public value that might be placed on the Fairpark Property for general public use. Again, although difficult to place a dollar figure to public value, many felt there is significant value to the State of Utah's residents to hold in public trust a property available for public use. This sentiment was felt for the following reasons:

- It can be rare in a downtown urban environment for a State to have public use land available.

- Other State properties, such as State office parks, the Capitol Complex, and public safety facilities simply are not available for the types of uses that can take place at the Fairpark.
- Other State recreation properties, such as State Parks, are not readily accessible from the Capitol City.

It is possible that additional State public facilities may be placed at the Fairpark property. The site, with close proximity to downtown and transportation systems, is well suited to host other uses that may energize the site or neighborhood. Ideas include museums and park spaces. Although there would be capital costs to this effort, the public value would likely increase and perhaps reduce the economic loss of the Fair. The transfer of property to another agency could also allow the public value of the property to remain intact.

Cultural value is a third consideration. The Utah State Fairpark, as a district, is listed on the National Register of Historic Places. The property was listed in 1981 based on the contributing facilities at the time. Additional contributing factors may exist today. Additionally, it is noted that additional significance is placed on the facts surrounding the State ownership of the property. The Fairpark represents a long term commitment to Utah's agrarian history. This, coupled with continued use of the property as a fair, in public use, creates significant cultural value.

Economic Value

The CRSA team has used a carefully prepared process to determine an economic value for the Utah State Fairpark property. First, it should be noted that property held in public trust by the State is typically not assigned an economic value. A market value is not easily placed on property that is not available for private development, especially as the bulk of the property is not zoned for development. In other words, it is unknown exactly what entitlements could be obtained on the property. Furthermore, the primary use of the Fairpark Property is a State Fair. If the Utah Fairpark Corporation earned a profit annually, it may be possible to partially assign a value to the property for economic use. However, the Fairpark Corporation is a nonprofit entity that does not earn a profit. Rather, the Fair operations are subsidized by the State of Utah. Thus, an alternative strategy is required to assign a value to the Utah State Fairpark.

The alternative strategy for placing economic value also ignores some factors that in reality may be very useful. For example, as suggested by many stakeholders, adding a public use such as a State museum may be of value to the site. It would increase visibility of the site, energize the area and bring new energy to the site. However, if the facility is another public use it does not necessarily change the economic value of the site and thus is not specifically considered in the scenario planning. Thus, it remains important to balance the need for public uses against the economic value. Another plausible possibility is the sale or discounted sale of some property to another agency or perhaps to Salt Lake City. The State of Utah may wish to not fully maximize the value of the property, and transfer some public value. For example, Salt Lake City has expressed interest in constructing park space in the area.

The CRSA team, led by Integra Realty, followed the following methodology for assigning economic value to the property, which requires making assumptions that the State would make land available for lease or sale in order to determine market demand.

1. Investigate the suitability of development of the property from a legal perspective. This was cleared through a patent title search, found in the Appendix of this report.
2. Develop scenarios (see Scenario Concepts Overview in this section) which would make the Fairpark (or portions of it) available for development, and thus marketable to a developer.
3. Develop a universe of options matrix (see the Appendix of this report for a complete list) for consideration in the scenarios, including ideas from stakeholders, agencies, and neighborhood groups.
4. Study the market for various types of development in the vicinity of the Fairpark, and the likely income that such development might be generated by a developer. Screen out elements from the Universe of Options that are deemed non-viable or not relevant to the scenario planning process, other public uses for example that don't change the current public value.
5. Place in each of the four scenarios a different mix of development types, types feasible as per the market study. Two of the four scenarios retain Fairpark operations and other public uses.
6. Determine the market absorption rate for development under each of the scenarios. The longer the absorption rate, the higher the carrying costs for a developer resulting in the need to discount the value of the property over present day values.
7. Determine other likely costs that would represent additional discounting of the property values. Building demolition, and utility upgrades represent costs that must be discounted from property value that is likely to be paid by a developer.
8. Develop assumptions concerning likely entitlements that may be earned by a developer from Salt Lake City. An entitled site represents a potential increase in value, however the risk associated with the entitlement process will also represent a discount to the property.

Following this extensive process, Integra Realty developed an economic evaluation report for each scenario, which can be found in the Appendix of this report. It includes a more comprehensive Land Appraisal process and includes the values that have been developed for each scenario. A summary of the appraised market values is listed with the Scenario Concepts Overview in this section. Separate detailed appraisal reports have been authorized and are available at DFCM. A range of values has been developed as each scenario has a different mix of development options.

Additional Considerations

Although it is not possible to compare the economic value of the property to the State to the cultural and historic value, it is possible to make other types of comparisons. These additional comparisons are not of much value in making a decision on the value of the Fairpark remaining at its current location. Rather, they provide other points of context.

First, a recommendation has been made concerning the use of the property for alternative State use, namely as a location for State office buildings. Found in the State of Utah Office Needs in Salt Lake County section of this report, the document describes the likely cost to the State to construct facilities at this location. As the property is already owned by the State, the full cost of property purchase would not be incurred. This may be compared to the cost to purchase property in other locations either in Salt Lake City or elsewhere along the Wasatch Front.

Should the Fair no longer be hosted at the Utah State Fairpark, and should the State wish to continue to host a fair, a new location will be required. The New Fairpark section of this report outlines the alternatives and costs for this effort and contrasts the costs associated with upgrading the current Fairpark facilities. The State may wish to subtract from the economic value of the Fairpark property the costs required to move the fair or to upgrade the Fair. This analysis may change the perceived economic value of the Fairpark. It may also change the perceived cultural value of the Fairpark.

NATIONAL REGISTER OF HISTORIC PLACES

Listing(s)

Both the State Fairpark site and the surrounding Fairpark neighborhood are listed on the National Register of Historic Places. The National Register of Historic Places includes resources that have historic, cultural, archaeological, or architectural significance at the local, state, or national level.

The Fairpark site is listed on the National Register of Historic Places, under the historic name 'Utah State Fair Grounds'. The listing was approved in 1981. The significance of the Fairpark property is at the state level. At the time of the listing (1981), there were 42 buildings/structures documented on the site and 27 of these contributed to the historic and/or architectural significance of the site. The other 15 buildings were, at the time, considered out of period (less than 50 years old) and/or did not have historic or architectural significance. Most, if not all, of these buildings are now over 50 years of age and would be considered contributory to the historical and architectural significance of the site.

Additionally, other changes have happened to the site in the ensuing 33 years since it was listed on the National Register. This includes the demolition of some contributing historic structures. From an age and integrity standpoint, the State Historic Preservation Office believes nearly all of the current buildings on the site are contributing historic structures.

The surrounding Fairpark neighborhood is also listed on the National Register of Historic Places as part of the Salt Lake City Northwest Historic District. The historic district was listed in 2001 and consists of 28 blocks, roughly bounded by 1100 West, 600 North, 500 West, and North Temple (minus the Fairpark property, which is listed individually). This district consists primarily of single-family homes (90%), but also includes multi-family dwellings (7%), and commercial structures, public, and quasi-public/religious buildings (3%, collectively). It has a high level of integrity (77% of buildings are considered contributing to the District's historic nature).

About 15% of the buildings were considered out-of-period and thus, non-contributing at the time of listing. These are now likely eligible and contributing, which would increase the level of integrity further.

Benefits / Impacts

Listing on the National Register of Historic Places provides the opportunity for owners to receive Federal and/or State tax credits for costs related to rehabilitation of the property. While a government entity cannot benefit from the tax credits, a master lease structure can be established where the tax credits are passed through to the lessee of the rehabilitated property.

Listing on the National Register alone does not restrict what a property owner may do with a property. It does not protect historic properties from alteration or demolition. However, Utah law requires State agencies and developers using State funds to take into account how their expenditures or undertakings will affect historic properties. They must also provide the State Historic Preservation Office (SHPO) with a written evaluation of the project and an opportunity to comment. The Public Lands Policy Coordinating Office (PLPCO) is authorized under 9-8-404 to review comments made by SHPO and mediate disputes between a State agency and the SHPO.

From a historic preservation perspective, the buildings and site are valuable, physical manifestations of the agrarian history of the State of Utah. They are adaptable and retain eligibility for National Register listing. There is a high re-use potential for the historic buildings and additional new construction on the site would be an acceptable way to revitalize the area and make it more viable. To accomplish this, there may need to be a shift from the Fair as the primary occupant of the site that attempts to find compatible additional uses, to year-round uses as the primary occupant that can/will still accommodate the Fair those days of the year it is in operation.

PROJECT GOALS & OBJECTIVES

As outlined in the scope of work between CRSA and DFCM, a primary objective of the Fairpark project was to detail the goals and objectives that would guide the decision making process. The following section details the overall project goals and objectives that have been considered in the planning process, and referenced to make decisions in the recommendations process.

Definitions

The following definitions are offered to clarify terms in this section and elsewhere in this report.

- **Viable:** This term is offered to suggest options that may be logistically feasible. This is not meant to solely describe financial considerations.
- **Utah State Fairpark:** This term describes the land known as the Utah State Fairpark and White Ballpark. This land is approximately 67 acres and is described by the legal descriptions found in the full Title Report, see Section 11, Appendix.
- **Utah State Fair:** this term describes the 10 day event that is operated each year at the Fairpark.
- **Utah State Fair Corporation:** This term describes the public nonprofit entity that has been given authority to operate the Utah State Fair on the Utah State Fairpark property, which is owned by the State of Utah DFCM.
- **Fairpark Board:** This term describes the group of individuals who are by State Code responsible for overseeing the operations of the Utah State Fair Corporation and the Utah State Fair operations.
- **DFCM:** The Division of Facilities Construction and Management is the State agency that leases the Fairpark to the Utah State Fair Corporation.
- **Primary Study Area:** This term is offered to describe the portion study area that is owned by the State of Utah. While every effort has been made to illustrate this area properly in mapping materials, actual legal descriptions should be referenced for final confirmation. Recommendations of this study will apply to the primary study area (see map below).
- **Secondary Study Area:** This term is offered to describe the portion of the study area that may be indirectly affected by the decisions made by the State of Utah concerning its property ownership and its long term needs as a State. This property is understood to be privately held, and not directly affected by the State, however the State does own other properties in the general vicinity of the Fairpark.



Fairpark and White Ballpark Property Land Use Study primary and secondary study areas

Goals & Objectives

- A. Develop a long-term strategy for the property known as the Fairpark including White Ballpark. Strategy should present the State of Utah viable options for the future use of the property.
- Strategy considers options to allow the ongoing operations of the Utah State Fair by the Utah State Fair Corporation at the Utah State Fairpark.
 - Strategy considers the State's growing need for office space in the general vicinity of the Fairpark (State of Utah operates other office spaces in the general vicinity) and determine what role the Fairpark property may play in accomodating these needs.
 - Strategy considers input from multiple sources, including the following:
 1. Current market conditions for the primary and secondary study area
 2. Long term speculative market conditions for for the primary study area
 - Review of peer fairpark facilities in other states including:
 1. Physical attributes
 2. Programmatic elements
 3. Marketing strategies
 - Condition of and cost to upgrade infrastructure at the Fairpark for the use by the Utah State Fair Corporation or other entities to operate the Utah State Fair and/or other related uses.
 - Current appraised value, with associated patent title search, of the Utah State Fairpark and White Ballpark.
- B. Develop viable options to ensure State of Utah office growth needs can be met in the general vicinity of the Fairpark.
- Strategy considers potential needs of specific agencies to determine a reasonable expectation for future space needs in the general vicinity of the Fairpark.
 - Strategy will consider private partnering opportunities between the State, related agencies, and private partners, for the development of infrastructure at or near the Fairpark. This development may support the operations of the Utah State Fair as well as other State or private uses.
- C. Develop an understanding of the social impacts of the Utah State Fairpark may have on the local community, to guide the public policy discussion of the public value of the Fairpark.
- Strategy will seek to understand through robust public outreach, stakeholder agency outreach, and other data gathering techniques the public sentiment and related consideration surrounding the use of the Fairpark and White Ballpark.
 - Strategy will seek to capture the range of commments and concerns surrounding the Fairpark. A summary of comments will be provided along with other scenarios, to assist the State Legislature with the decision making process.

FAIRPARK SUBLEASING SUMMARY

Leases are currently in place that govern the use of the Utah State Fairpark by the Fair Corporation. The Fair Corporation, as outlined in its lease with DFCM, has the authority to sublease its facilities to other parties. This option is available year-round. Two long-term arrangements are in place that affect the property. These agreements are between the Fair Corporation and the State of Utah Division of Facilities and Construction Management, on behalf of the Driver License Office, and the State of Utah Division of Natural Resources.

The Driver License Office occupies a portion of what is known as the Conference Center Building, and is open for business year-round except for approximately 14 days when the Fair is in operation. DFCM pays the Fair Corporation a lease rate of \$96,079.24 per year. The lease is currently scheduled to end in April 2014, after approximately seven years. DFCM also covers 50% of the cost of the natural gas and electrical costs for the facility being leased, which is 10,489 square feet. A number of other clauses typical of this type of agreement are included in the lease agreement. It should be noted that the Driver License Office was previously located in a smaller building just to the east, which has sometimes been called the Old DMV Building.

The Utah Department of Wildlife Resources (UDWR) uses the 1911 Wildlife Building (or DWR Building) to showcase the wildlife resources of the State of Utah to fair visitors, including a fishing pond. This use is allowed under a Memorandum of Agreement between the UDWR. The UDWR reimburses the Utah State Fairpark for the cost of annual landscape maintenance and cost to fill the pond behind the facility. At the time of this report, there is further clarification required regarding the responsibility for maintaining the Wildlife Building between DFCM and UDWR. A number of other clauses typical of this type of agreement are included in the lease agreement.

The Fairpark subleases other facilities to entities throughout the year, but are not considered leases that have significant impact on the long-term use of facilities or on the the operations of the Utah State Fair. Many of these uses are referenced in the previous Fairpark Master Plan completed by Populous in 2013. These lease holders are expected to vacate the facilities during the Fair operations.

The Fairpark Corporation is actively seeking additional opportunities to lease existing facilities, in short and long-term sublease agreements. Additionally, the Fairpark is seeking opportunities for tenants who may require long-term lease arrangements. At such time, DFCM may consider extending the lease for the Fairpark to the Utah State Fairpark Corporation to facilitate long-term sublease agreements.

RELEVANT STATUTES, BILLS AND RESTRICTIONS IMPACTING THE USE OF THE FAIRPARK PROPERTY & THE LOCATION OF THE STATE FAIR

This section briefly outlines several Legislative bills & Utah State Code which directly or indirectly impact the use of the Fairpark and White Ballpark property. The focus of this section will be on the site utilization; see Fairpark Subleasing Summary in this section for a discussion of lease agreements pertaining to the property and Utah State Fair Corporation.

Brief History of Provisions on the Location of the State Fair

When Utah achieved statehood in 1896, competition was reportedly intense among several cities in the Territory for state institutions. As such, the original constitution of the State of Utah contained Article XIX - Public Buildings and State Institutions, which had three sections.¹ The first transferred territorial institutions and property to the state; the second provided for the establishment of institutions for “the public good”, such as penal and reform institutions and those for the deaf and blind. The third section stipulated the permanent location of state institutions, including the State Fair. Specifically, “First: The Seat of Government, and the State Fair at Salt Lake City, and the State Prison in the County of Salt Lake.”. The rest of the section identified locations for the State Reform School (Ogden City), Institutions for the Deaf and Dumb, and the Blind (Ogden City), and the State Insane Asylum (Provo City).²

A constitutional amendment approved in 1946 removed the constraints on the location of all except the seat of government and the State Fair.³ In 1988, Senators Lyle W. Hillyard, Arnold Christensen, and Wilford R. Black Jr. sponsored Senate Joint Resolution number 4 intended to ‘clean up’ aspects of the constitution with miscellaneous changes, including the repeal of all three sections of Article XIX - Public Buildings and State Institutions, with the provision of

the seat of government in Salt Lake City transferred to Article XX11 - Miscellaneous. It passed and was sent to voters at the general election on November 8, 1988. The resolution was approved by voters and became effective January 1, 1989, removing any stipulations regarding where the State Fair is located.⁴

Brief History of the Creation of the Fairpark Corporation

The Compendium of Budget Information for the 2013 Session sheds light on the privatization of the State Fair.

“Utah’s first State Fair was held in 1856, just nine years after the pioneers arrived.

The Fairpark was privatized in 1995 based on the recommendations of a study committee directed to find a way to help the Fairpark become self-sufficient. However, the legislation allowed the new corporation to receive annual appropriations from the state until it could become self-sufficient.”

1997 Utah State House Bill 322 State Fairpark Requirements

In 1997 House Bill 322 proceeded to further define the powers and responsibilities of the newly-formed Utah State Fair Corporation.

The stated intent of this bill is: “An act relating to community and economic development; modifying lease term and requirements for state fair park; addressing maintenance of facilities; clarifying responsibility for state fair; and making technical corrections.”

It appears that the substance of this bill remains in force, and that a portion of it (Section 9-4-1103) has been relocated into State Code 63H-6-103 to outline responsibilities and powers of the Fair Corporation as a State statute.

1. White, Jean Bickmore. (2011). The Utah State Constitution, New York, New York: Oxford University Press

2. Utah State Constitution, 1895; accessed from Utah State Archives

3. Joint Resolution 4, 1946; accessed from Utah State Archives

4. Joint Resolution 4, 1988; accessed from Utah State Archives

Utah State Code 63h-6-103

This section of the Utah State Code outlines the legal status and powers of the Utah State Fair Corporation. It creates the Utah State Fair Corporation as an independent public nonprofit corporation, with all powers and authority given to nonprofit corporations. It outlines the controls given to the corporation including general management, supervision and ability to provide and publicize events, as well as potential funding sources to cover the costs of the various exhibitions.

Subsection (5) outlines some of the requirements of the Fair which have impacts for this land use study of the property.

(5) (a) The corporation shall:

- (i) use generally accepted accounting principles in accounting for its assets, liabilities, and operations;*
- (ii) seek corporate sponsorships for the state fair park and for individual buildings or facilities within the fair park;*
- (iii) work with county and municipal governments, the Salt Lake Convention and Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote expositions and the use of the state fair park;*
- (iv) develop and maintain a marketing program to promote expositions and the use of the state fair park;*
- (v) in cooperation with the Division of Facilities Construction and Management, maintain the physical appearance and structural integrity of the state fair park and the buildings located at the state fair park;*
- (vi) hold an annual exhibition that:*
 - (A) is called the state fair or a similar name;*
 - (B) includes expositions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral, and industrial products, manufactured articles, and domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah;*

It is our understanding that this bill establishes the Fair Corporation and requires it to hold an annual exhibition known as the State Fair, as well as outlining some of the expositions it should include. It does not seem to indicate that the Fair must take place at a specified location. However it does reference the State Fairpark and the duties and responsibilities of the State Fair Corporation and DFCM for the physical appearance and structural integrity of the buildings located there. While it does appear that the State Fair could be held anywhere, additional clarification may be required on this point for the purposes of this study.

Title Report Summary

CRSA retained Landmark Title to prepare a comprehensive patent search on the property owned by the State of Utah. This patent search, resulting in a Title Commitment Document, was requested to support the scenario planning process that has taken place for the property. To ensure that each scenario was realistic, the CRSA team required assurances that the results of each scenario would be feasible. The patent search sought to ensure that no encumbrances existed on any of the parcels that would limit development potential.

Early in the process, interviewed stakeholders cautioned that there was rumors of encumbrances on the property. The patent search sought to seek any encumbrances that were rumored to limit the Fairpark property to only agricultural-related uses. The patent search found no such limitation on any of the parcels that make up the property owned by the State of Utah. In CRSA's opinion, the rumors concerning use limitation at the Fairpark property can be traced to the lease agreement between the Utah State Fairpark Corporation and the State of Utah. This lease requires the Fairpark Corporation, while they are leasing the property, to host a fair on the property. As noted in the lease agreement, the nature of Fairpark Corporation Business: Annual State Fair Exhibition, public entertainment, displays, and exhibits. No specific limitation of uses exists in the lease concerning what may be encompassed under the definition of "Annual State Fair."

Title Status

The following disclaimers apply to this summary of the Title Report, as provided by Landmark Title. A full disclosure supporting the entire Title Commitment and all supporting documents is included with the documentation, found in Section 11, Appendix.

- A. The title company did not directly compute or ensure square footage as part of the work completed. While the title company has access to the Salt Lake County tax notices and plats, which in some cases contain acreage figures, they have no way of independently verifying the accuracy of those figures. To confirm this information the CRSA team recommends the State of Utah retain a registered land surveyor for information regarding square footage. The White Ballpark (Parcels 2 & 3) was recently surveyed as part of a potential parking lot project, which is available from Ensign Engineering. No survey is available for the remaining parcels of the Utah State Fairpark. See the map provided in the Site and Community Analysis section for more details regarding calculating the approximate acreage of each of the parcels.
- B. The title company has completed a full search of the tract indices applicable to the subject property. This search covered a period of time extending from May 9, 2014, to the relevant patents which were recorded in 1870 and 1872. This includes a complete examination of the recorded documents in the respective chains of title for the subject property.
- C. The final step in this process has been to compile the information disclosed in the title search in a form entitled Commitment for Title Insurance. This document, which is referenced throughout this document, constitutes the official summary of the Title Report and is available in this report, Section 11, Appendix.
- D. The Title Commitment Document references all parcels that are owned by the State of Utah in the primary study area. There are four parcels that comprise up the State ownership, and are outlined as parcels 1, 2, 3, & 4.
- E. Parcel 1: Utah State Fairpark
- F. Parcel 2: White Ballpark, south of North Temple Street
- G. Parcel 3: White Ballpark, south of North Temple Street
- H. Parcel 4: Parking lot, west of Jordan River
- I. All parcels, with legal descriptions outlined, are in fee simple ownership vested to the State of Utah Division of Facilities and Management. Parcel 3 is additionally vested to the Utah Department of Transportation.
- J. The Title Commitment Document considers the title clean, with exceptions. While any exception to a clean report will require some effort by the landowner to be completed cleared prior to any development process, the exceptions are considered fairly reasonable for the type of property in question.

The following is a brief sample of the types of exceptions which are included, review of the full list of 55 exceptions is required for a complete listing:

- Special assessments
- Warranty deeds
- Salt Lake City Ordinance references
- Utility easements
- Billboard leases
- Temporary construction easements
- Abandoned railroad right of way easements
- Mathematical parcel description conflicts

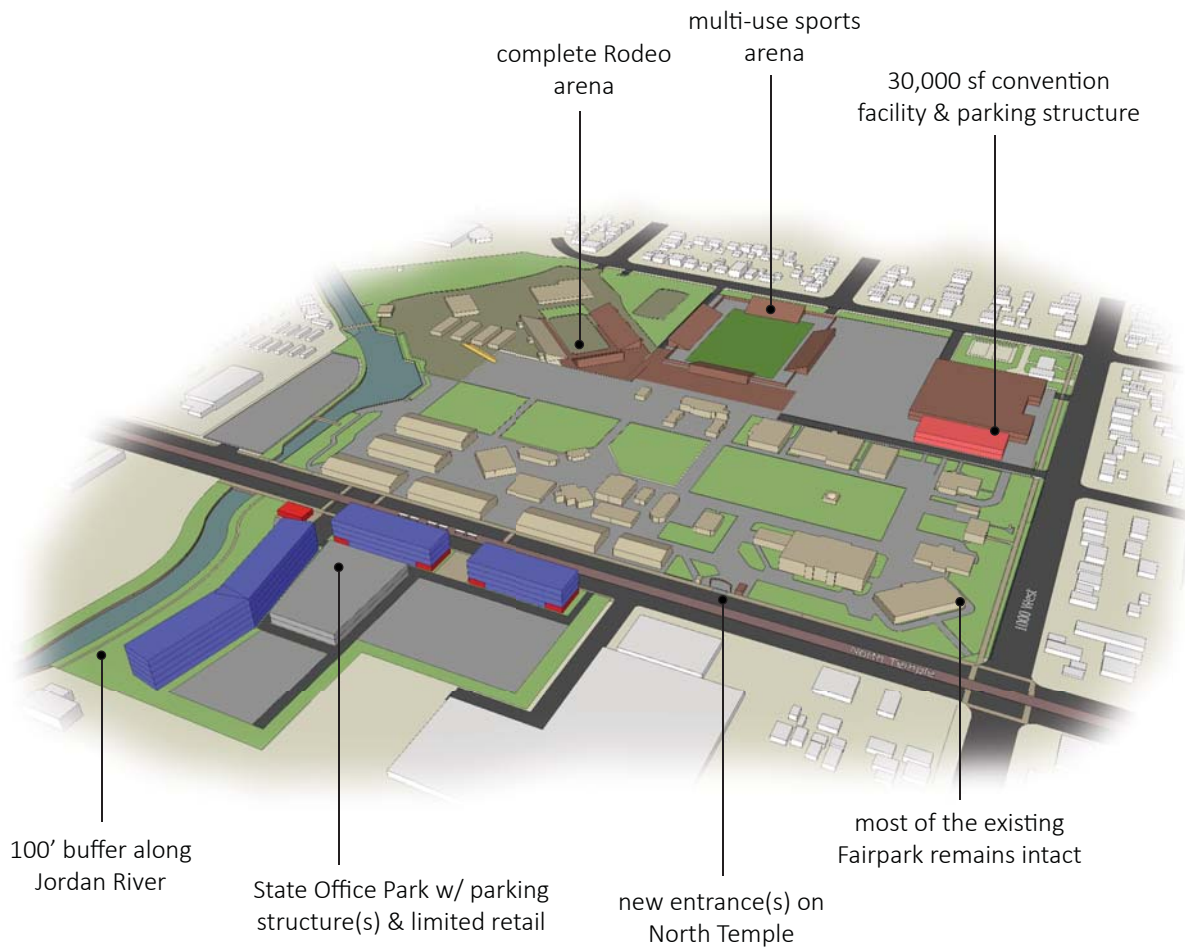
SCENARIO OVERVIEW

The bulk of the effort by the CRSA team in Phase Three was the administering of the scenario planning process. The scenario planning exercise took various ideas and tested their viability as a potential use of the site. In some cases, certain ideas were tested in multiple scenarios. In some cases, the idea outlined is too specific to be tested. For example, it was beyond the scope of work to determine if a specific type of museum was viable. However, it was possible to study placing a commercial use such as a hotel on the site. This section outlines the general framework that has been developed for each scenario, and tested marketability. This report includes a robust discussion of each scenario, outlines the market analysis opportunities, historic and cultural impacts and consider potential costs, or opportunity costs to the State of Utah. Illustrative graphics have been generated to provide a representation of what the property may look like if a scenario was chosen and implemented.

Each scenario that has been outlined is designed to test certain ideas (see the Appendix section for the complete Universe of Option Matrix) which respond to the site opportunities and constraints analysis (see Section 3, Site and Community Analysis) and a plan for State space needs (see Section 8, State of Utah Office Needs in Salt Lake County). It is very possible that aspects of each scenario could be mixed with other scenarios. As the CRSA team is unable to test all potential scenarios, three representative scenarios have been devised to account for as many opportunities as possible within a streamlined review process. The key aspects of each scenario have been considered and are outlined as follows, including a brief introduction to financial aspects.

Table - Scenario Planning Overview

Scenario Name	Fairpark Remains	Fairpark Relocates	Historic Buildings Retained	State Office Space Accommodated
1A - Baseline	x		x	x
1B - Enhance Existing Fair	x		x	x
2 - Office Center		x	x	x
3 - Transit-Oriented Development (TOD)		x		x



SCENARIO 1A BASELINE

The purpose of this scenario is to study the option of the Utah State Fairpark remaining as the primary use of the study area. Facility upgrades to support the Fair are considered. Secondary uses are introduced in the study area to provide additional revenue to the Fairpark Corporation, as well as to meet specific needs of the State of Utah.

The most likely addition to the site to support the Fair operations is a new structure that would host additional convention space on the site throughout the year. This has been referenced in previous studies as “expo space.” Expanding the rodeo arena to 7,000 seats is also proposed in this scenario, which would allow for hosting more rodeos throughout the year as well as other events. Finally a new multi-use sports arena would provide another opportunity for the Fairpark to host a wide variety of sporting events.

These new uses to the site would be on the northern portion of the Fairpark site which is currently used primarily as surface parking. Thus, a new parking structure would be built to be shared by these new uses and with the Fair when it is in season. Also a new entrance on North Temple would provide greater permeability and access between the Fair and the gateway to downtown – North Temple.

Other secondary uses are also being considered. These uses, as follows, are not designed to primarily support Fairpark operations, but will add revenue to the Fair and/or mitigate for space that is no longer available to the Fair.

- State office building(s)
- Parking structure(s)
- Additional sublease opportunities that may be negotiated by the Fairpark Corporation

The most likely secondary use that may be added to coexist with the Fairpark is a State office building. The office space may be configured in multiple buildings, but all are anticipated at the White Ballpark site, on the south side of North Temple. This location will have limited effect on the operations of the Utah State Fair (with the important exception of permanent loss of parking) and can be easily accessed by the adjacent TRAX station. A parking structure to support the office building, transit station access, and Fair operations, will mitigate the loss of parking at White Ballpark. A State office facility could be developed by the State or a private developer who leases to the State. The second option could result in additional tax increment for Salt Lake City whereas State ownership may not.

Currently there are numerous events hosted by the Fairpark throughout the year, however these subleases with the Fairpark are primarily considered short-term. A certain number of longer term subleases with the Fairpark exist (See Existing Leases in this section), but lease holders must vacate the premises during operation of the Utah State Fair (with exception of the Utah Division of Wildlife and the State of Utah DMV). The Fairpark Corporation is actively seeking additional sources of revenue that may result in new long-term subleases, some potentially could occupy large portions of property year-round. To date, no specific additional tenants have signed sublease agreements for use of property at the Utah State Fairpark.

Existing facilities on the site, including historic structures, would be retained under this scenario, with upgrades considered as some are in poor condition or unsuitable for commercial operations. Existing utility infrastructure on site, as has been noted in previous studies, is in poor condition. It is anticipated that for the development of this scenario many utilities will likely require replacement, including upgrades to the site drainage. With the exception of recent upgrades in limited areas, there is a significant backlog of major maintenance and replacement projects.

Land Appraisal

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinions of value are as follows:

The value conclusions here are associated with the Redevelopment scenario 1 Enhance Existing Fair. It assumes as is market value - bulk sale value to a single purchaser.

Interest Appraised	Date of Value	Value Conclusion
Fee simple	June 10, 2014	\$11,200,000

Please see the Land Appraisal Appendix of this report for a full list of extraordinary assumptions and hypothetical conditions.

Utility Impact & Cost

The existing Utility systems around and within the property have been sized based on historical and current usage of the property. As governing codes have changed these codes have required higher demands of the utility systems. Some of the utility systems have been upgraded over time to meet demand requirements. However, it is apparent, based on the size of some of the utilities, that they are quite old and would not meet the current design requirements.

The inadequate utility systems are more apparent within the property. The use of the Fairpark has been very dynamic overtime. Several times, the utilities were master planned. However, for a variety of reasons, the master planned infrastructure was never completely implemented. The resulting incomplete infrastructure is what is currently in place on the Fairpark property.

The most recent study, outside of this report, identified some immediate needs to improve service problems and more closely meet current design codes. These immediate needs have been identified on the Overall Proposed Utility Map U-1 (found in the Appendix of this report), and the cost estimate for those utility upgrades follows. These upgrades would be critical for Scenario 1A.

Two utility systems would provide adequate service for all scenarios. The Water and Sewer infrastructure on the north side of North Temple and within 1000 West provides adequate service. A 12-inch water line exists on the north side of North Temple and west side of 1000 West from North Temple to 300 North. There is a large sewer line in 1000 West Street and 300 North Street.

However, on the south side of North Temple the water line is only 6-inches across most of the length of the property. With the proposed office buildings shown in all of the scenarios on the White Ball Field property this waterline will need to be upgraded to 12-inch diameter. Along 1000 West at 200 North the 12-inch water line ends. There is a 6-inch water line existing on the east side of 1000 West and north side of 200 North, but this would not be large enough to service scenarios 2 or 3. A new 12-inch culinary water system would be required on the Fairpark side of the road.

Opinion of Probable Cost for Improvements

The immediate priority improvements recommended by Ensign Engineering if the Fair is to remain in place include upgrades to the Sanitary sewer system, storm drainage system, culinary water system, electrical utility system and natural gas system.

Description	Total Cost
Sanitary Sewer	\$127,820
Storm Drainage	\$133,400
Culinary Water	\$52,200
Electrical Utility	\$3,000
Natural Gas	\$20,000
Construction Subtotal	\$336,420
Engineering Design	\$88,241
TOTAL ESTIMATE	\$425,000

The following costs are associated with the necessary upgrades in order to develop the White Ballpark property as State Office buildings as shown in this scenario:

Description	Total Cost
Mobilization	\$5,000
Culinary Water System	\$156,700
Miscellaneous	\$79,200
TOTAL ESTIMATE	\$240,900

For a complete review of proposed utility upgrades including immediate and long-term needs, see Section 6, Upgrade the Existing Fairpark. For a detailed breakdown of both of these cost estimates, see Section 11, Appendix.

Development Assumptions

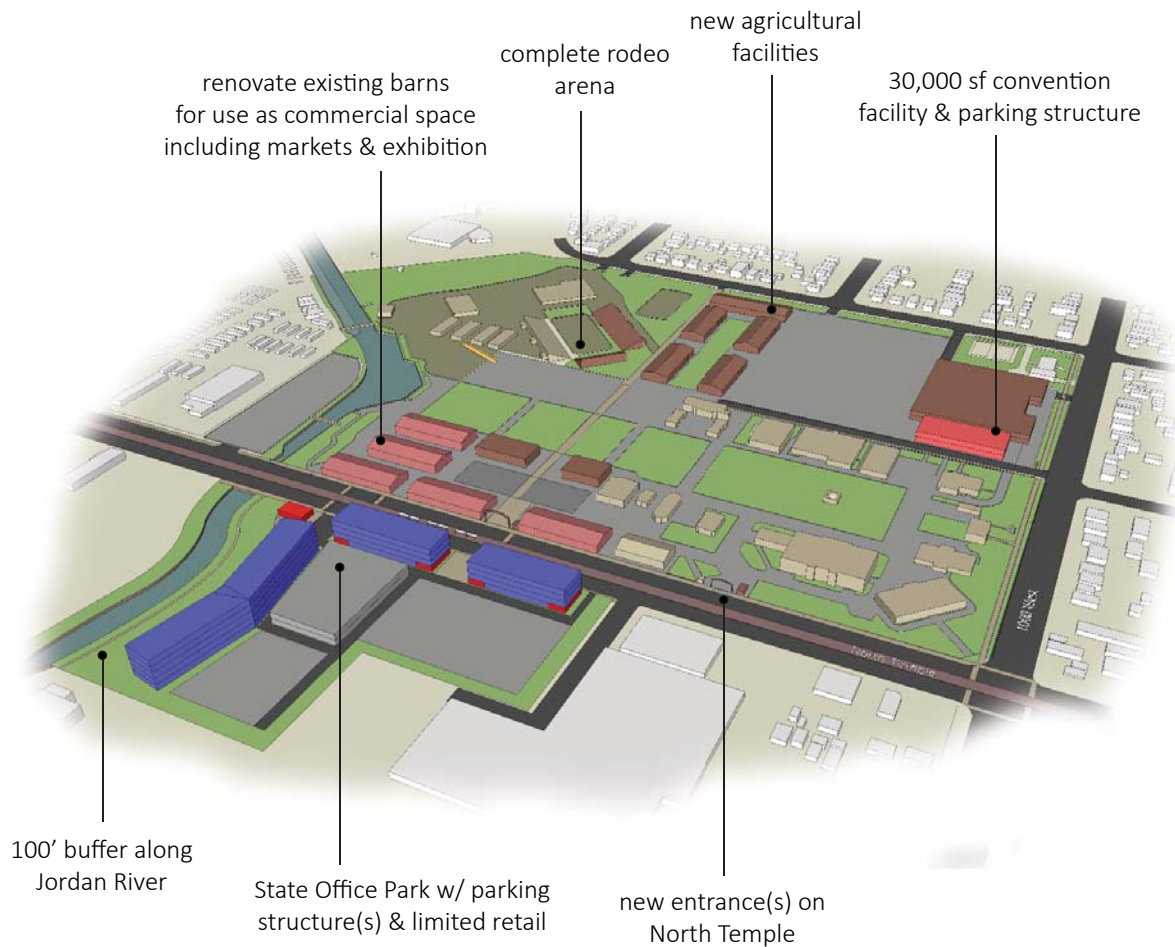
If the Fair remains at the current Fairpark site, and if space needs can be more efficiently arranged or parking structures built so that some additional space is available for development, the most likely development scenario is for State office space to collocate with the Fair.

Based on information provided by the State of Utah, with leases due to expire within the next few years, the State could use 320,000 to 420,000 square feet of office space at the Fairpark site. Retail at the site would be limited to sandwich shops and lunchtime-eating establishments. Convention space would be added, based on the Populous Study, as well as 4,000 seats in the rodeo arena.

For a more complete description of the development assumptions and market research pertaining to this scenario, please visit Section 9, Scenario Development Data.

Table - Baseline Fair Scenario Development Assumptions

Scenario 1A - Fairpark Remains	Acres	Units / SF	Units / SF per acre	Floor Area Ratio
State Office Buildings	8.9	320,000	35,955	0.83
Retail (sandwich shops, etc.)	1	10,000	10,000	0.23
Convention Space	NA	30,000	NA	NA



SCENARIO 1B ENHANCE THE EXISTING FAIR

The purpose of this scenario is to study the option of the Utah State Fairpark remaining as the primary use of the study area, however with some major site reorganization. Facility upgrades to support the Fair are considered. Secondary uses are introduced in the study area to provide additional revenue to the Fairpark Corporation, as well as to meet specific needs of the State of Utah.

Scenario 1B assumes that the Fair remains at the current site with expanded facilities similar to Scenario 1A. Once again the rodeo arena is expanded to accommodate up to 7,000 seats, and the convention building is also included, as well as the parking structure to replace the parking lost to these new facilities. This scenario also assumes that State office buildings would be built on the White Ballpark site including a limited amount of retail space and a parking structure.

In this scenario the barns along North Temple (which are used for housing animals during the Fair) are renovated for commercial use and replaced with 75,000 square feet of replacement Fair facilities adjacent to the rodeo arena. This places the agricultural facilities adjacent to one another, while allowing the Fair to capitalize on its frontage along North Temple with commercial uses. These new commercial spaces leverage the historic charm and ambiance of the Fairpark buildings, by creating a hub of activity or destination space that could be busy year-round with a wide range of uses such as international markets, flea markets, technology/innovation marketplace, festivals, etc. With access via personal automobile, TRAX and the Jordan River Parkway, potential exists for this type of active destination space that reflects the diversity of the local community and respects the heritage of the State.

Further site reorganization includes two new entrances along North Temple, and a midblock pathway that offers controlled access through the site when the Fair is not in season. It also raises the visibility of the Fairpark, while enhancing the sense of arrival for those traveling along North Temple.

Existing facilities on the site, including historic structures, would be retained under this scenario, with upgrades considered as some are in poor condition or unsuitable for commercial operations. Existing utility infrastructure on site, as has been noted in previous studies, is in poor condition. It is anticipated that for the development of this scenario many utilities will likely require replacement, including upgrades to the site drainage. With the exception of recent upgrades in limited areas, there is a significant backlog of major maintenance and replacement projects.

Land Appraisal

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinions of value are as follows:

The value conclusions here are associated with the Redevelopment scenario 1 Enhance Existing Fair. It assumes as is market value - bulk sale value to a single purchaser.

Interest Appraised	Date of Value	Value Conclusion
Fee simple	June 10, 2014	\$11,200,000

Please see the Land Appraisal Appendix of this report for a full list of extraordinary assumptions and hypothetical conditions.

Utility Impact & Cost

The existing Utility systems around and within the property have been sized based on historical and current usage of the property. As governing codes have changed these codes have required higher demands of the utility systems. Some of the utility systems have been upgraded over time to meet demand requirements. However, it is apparent, based on the size of some of the utilities, that they are quite old and would not meet the current design requirements.

The inadequate utility systems are more apparent within the property. The use of the Fairpark has been very dynamic over time. Several times, the utilities were master planned. However, for a variety of reasons, the master planned infrastructure was never completely implemented. The resulting incomplete infrastructure is what is currently in place on the Fairpark property.

The most recent study, outside of this report, identified some immediate needs to improve service problems and more closely meet current design codes. These immediate needs have been identified on the Overall Proposed Utility Map U-1 (found in the Appendix of this report), and the cost estimate for those utility upgrades follows. These upgrades would be critical for Scenario 1B.

Two utility systems would provide adequate service for all scenarios. The Water and Sewer infrastructure on the north side of North Temple and within 1000 West provides adequate service. A 12-inch water line exists on the north side of North Temple and west side of 1000 West from North Temple to 300 North. There is a large sewer line in 1000 West Street and 300 North Street.

However, on the south side of North Temple the water line is only 6-inches across most of the length of the property. With the proposed office buildings shown in all of the scenarios on the White Ball Field property this waterline will need to be upgraded to 12-inch diameter. Along 1000 West at 200 North the 12-inch water line ends. There is a 6-inch water line existing on the east side of 1000 West and north side of 200 North, but this would not be large enough to service scenarios 2 or 3. A new 12-inch culinary water system would be required on the Fairpark side of the road.

Opinion of Probable Cost for Improvements

The immediate priority improvements recommended by Ensign Engineering if the Fair is to remain in place include upgrades to the Sanitary sewer system, storm drainage system, culinary water system, electrical utility system and natural gas system.

Description	Total Cost
Sanitary Sewer	\$127,820
Storm Drainage	\$133,400
Culinary Water	\$52,200
Electrical Utility	\$3,000
Natural Gas	\$20,000
Construction Subtotal	\$336,420
Engineering Design	\$88,241
TOTAL ESTIMATE	\$425,000

The following costs are associated with the necessary upgrades in order to develop the White Ballpark property as State Office buildings as shown in this scenario:

Description	Total Cost
Mobilization	\$5,000
Culinary Water System	\$156,700
Miscellaneous	\$79,200
TOTAL ESTIMATE	\$240,900

For a complete review of proposed utility upgrades including immediate and long-term needs, see Section 6, Upgrade the Existing Fairpark. For a detailed breakdown of both of these cost estimates, see Section 11, Appendix.

Development Assumptions

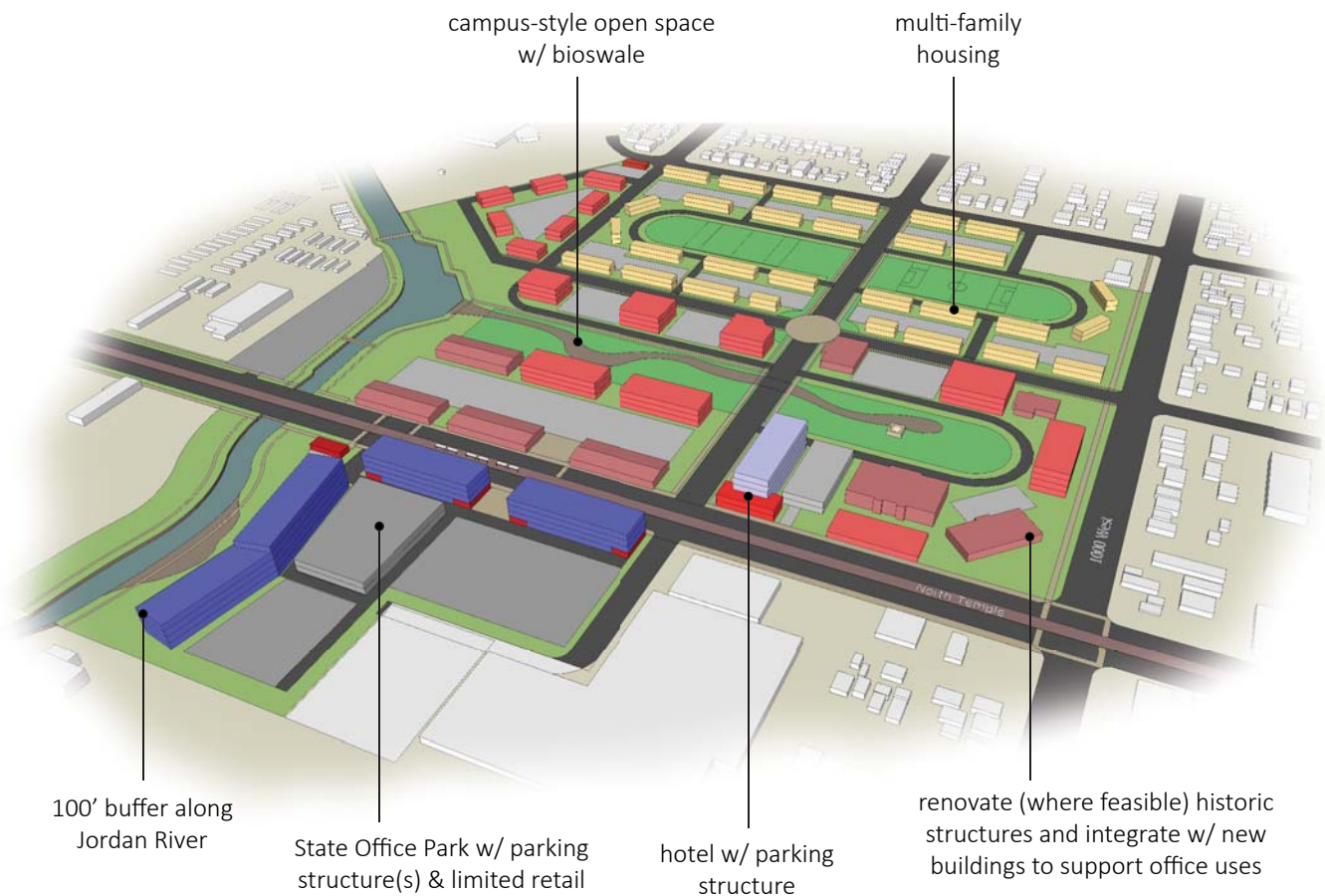
Scenario 1B assumes that the Fair remains at the current site, but that it has expanded facilities, including a 30,000 square foot convention facility, and that the rodeo arena is expanded by 4,000 seats - similar to scenario 1A above. This scenario also assumes that the State office buildings would all be built on the White Ballfield site. However, this scenario also adds 75,000 square feet of additional commercial space.

This scenario adds 75,000 square feet of commercial space, which may include a wide range of uses such as international markets, flea markets, technology/innovation marketplace, etc.

For a more complete description of the development assumptions and market research pertaining to this scenario, please visit Section 9, Scenario Development Data.

Table - Enhance Existing Fair Scenario Development Assumptions

Scenario 1B - Fairpark Remains	Acres	Units / SF	Units / SF per acre	Floor Area Ratio
State Office Buildings	8.9	320,000	35,955	0.83
Retail (sandwich shops, etc.)	1	10,000	10,000	0.23
Commercial	NA	75,000	NA	NA
Convention Space	NA	30,000	NA	NA



SCENARIO 2 OFFICE CENTER

The purpose of this scenario is to study the option for leasing the Utah State Fairpark and White Ballpark by the State of Utah to private and/or public office/research uses. Discussions with potential tenants suggests that over time there may be demand for this type of use. Whether the property is configured as a research park, or perhaps a corporate office park, the property could support a fairly large complex of facilities.

Under this scenario, the main Fairpark property (subtract a 100 foot buffer along the Jordan River) would host the office/research use as well as residential housing. The White Ballpark property would be developed as State office including a parking structure for their use. A medium range hotel with limited retail is feasible at this location to support the office/research use. This option introduces some low to medium residential options as a buffer between the existing neighborhoods and the office park uses.

This option is being considered as a long-term land lease. Initial market analysis suggests that an office/research park would not be considered, from a financial aspect the highest and best use. Thus, this option considers the State retaining the land and partnering to develop the property. This scenario may create opportunities to retain certain portions of the land for public use, such as park or museum space. It may also be the best option for integrating the site into the Jordan River Parkway and Trail as well as adjacent community center and park facilities. This scenario may generate tax increment for Salt Lake City, depending on the nature of the development. Research park use may generate limited tax revenue, but could generate long-term lease revenue for the State. Business park uses may be more beneficial for tax increment.

Some of the existing Fairpark buildings could be repurposed under this scenario, and may be viable as office space if mixed with new structures of similar use. Existing utility infrastructure on site, as has been noted in previous studies, is in poor condition. All utilities will likely require replacement for the development of this scenario. No utilities exist at White Ballpark and will need to be extended across North Temple to make appropriate connections.

Land Appraisal

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinions of value are as follows:

The value conclusions here are associated with the Redevelopment scenario 2 Office Center. It assumes as is market value-bulk sale value to a single purchaser.

Interest Appraised	Date of Value	Value Conclusion
Fee simple	June 10, 2014	\$17,100,000

Please see the Land Appraisal Appendix of this report for a full list of extraordinary assumptions and hypothetical conditions.

Utility Impact & Cost

The Fairpark property is generally surrounded by public streets. These public streets contain utilities that currently serve the Fairpark property and adjacent properties. The utility infrastructure on the perimeter of the site(s) becomes the real backbone of any potential site improvements. The future utility planning will incorporate this perimeter-first philosophy even in the short term renovation projects needed to sustain the Fairpark operation. However, as additional through streets are added to the property (as shown in some of the scenarios) utilities need to be installed within these streets. The cost for the through streets and utility systems within them is not included as part of this study. Those costs will be the responsibility of the developer of the property.

Where major renovations are proposed such as the new office complex on the White Ballfield and Scenarios 2 and 3 a more global review of the utility system was completed. These scenarios require new utility systems within the property, specifically through the new road corridors that are shown. Our recommendations are only for the perimeter utilities that connect to these new corridors. The perimeter backbone utility systems are within North Temple, 1000 West, 300 North. Because of the proximity to the Jordan River, the river would act as the backbone infrastructure for the storm drain system. All other scenarios would be required to install new storm drain systems, including detention ponds that would discharge into the Jordan River.

Two utility systems would provide adequate service for Scenarios 2 or 3. The Water and Sewer infrastructure on the north side of North Temple and within 1000 West provides adequate service. A 12-inch water line exists on the north side of North Temple and west side of 1000 West from North Temple to 300 North. There is a large sewer line in 1000 West Street and 300 North Street.

However, on the south side of North Temple the water line is only 6-inches across most of the length of the property. With the proposed office buildings shown in all of the scenarios on the White Ball Field property this waterline will need to be upgraded to 12-inch diameter. Along 1000 West at 200 North the 12-inch water line ends. There is a 6-inch water line existing on the east side of 1000 West and north side of 200 North, but this would not be large enough to service scenarios 2 or 3. A new 12-inch culinary water system would be required on the Fairpark side of the road.

The following costs would be associated with the necessary upgrades to develop the White Ballpark property as State Office buildings as shown in this scenario:

Description	Total Cost
Mobilization	\$5,000
Culinary Water System	\$156,700
Miscellaneous	\$79,200
TOTAL ESTIMATE	\$240,900

For a detailed breakdown of this cost estimate, see Section 11, Appendix.

Development Assumptions

Scenario #2 assumes that the Fair is relocated and is replaced by a combination of housing and office, but at slightly lower densities than scenario #3. As with the other scenarios, it assumes 320,000 square feet of State office space. It also assumes some support retail space, similar to Scenario 3, as well as including development of a hotel.

Some interviews with other entities had suggested that the Fairpark site, with its TRAX location, would be

a convenient extension to the existing research park, also located on TRAX.

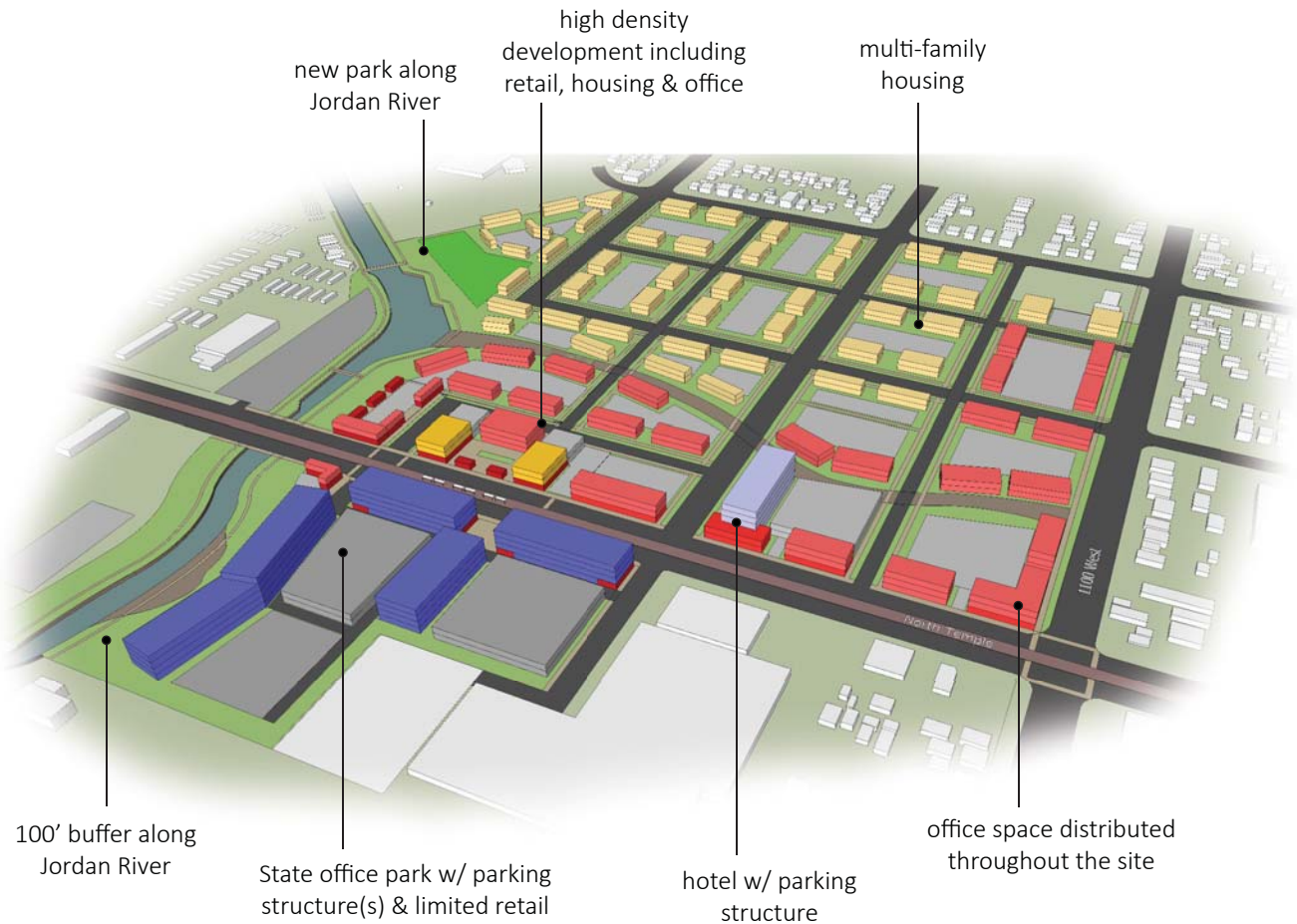
If a technology park is desired, the State may need to hold portions of the land for a period of time. This model was used by the BDO development in Ogden, with Boyer Company taking down approximately 30 acres per year. However, because BDO was an industrial-type development, the takedowns were much larger than would be expected with office development.

Hotel development would likely be for a lower-service hotel, such as a Hampton Inn, Hilton Garden Inn or Marriott Courtyard. A full-service hotel would likely not be feasible on the site. Hotel development for a lower-service hotel would require about three acres and would include approximately 100 rooms. In comparison, a full-service hotel requires 6-7 acres. The hotel development would not occur until a significant amount of office development takes place.

For a more complete description of the development assumptions and market research pertaining to this scenario, please visit Section 9, Scenario Development Data.

Table - Office Center Scenario Development Assumptions

Scenario 2 - Office Center	Acres	Units / SF	Units / SF per Acre	Units / SF Absorbed per Year	Absorption Timeframe - Years
Hotel	3	100	NA	NA	10
Housing (condominiums)	26.5	662.5	25	120	5.5
State Office	8.9	320,000	35,955	NA	NA
Office	27	541,015	20,038	50,000	10.8
West Side Acres	1.5	NA	NA	NA	NA
Retail (hotel & office lower floor portion)	NA	50,000	NA	NA	10.0
TOTAL	66.9	NA	NA	NA	NA



SCENARIO 3 HIGHEST & BEST USE

The purpose of this scenario is to study the option for the sale of the Utah State Fairpark and White Ballpark for private development interests. Transit-oriented development (TOD) has been identified by various agencies and stakeholders as the best option for private redevelopment. Although it is possible that a private developer could save certain buildings on the site for historic value, it is not anticipated that any existing structures will remain financially viable on its own under this option. Thus, total replacement of all facilities is being proposed, including a mix of medium density residential and commercial/office use. Some retail will be considered, although a high-density of retail is not considered viable at this location.

Under this scenario, the main Fairpark (subtract a 100 foot buffer along the Jordan River) would become the TOD residential and commercial area. This scenario

also proposes the White Ballpark be used for State office uses including a parking structure. A medium range hotel with a parking structure, possibly shared by office use, will be included to support the office uses in this scenario. Some housing may be located in close proximity to the TRAX station, with the bulk of the housing located to the rear of the site, buffering existing residential from new commercial/office uses. The North Temple frontage would be populated mostly with commercial/office uses, with retail opportunities.

Maximizing opportunities for parks and open space will be important if a dense redevelopment scheme such as this scenario were to occur. Salt Lake City Parks and Public lands have expressed an interest in partnering on the creation a public park (or parks) at this site if redevelopment occurs.

This option is being considered as a land sale. Initial market analysis suggests that market rate housing, retail and commercial uses, from a financial perspective, represents the highest and best use for the property. This scenario is most likely to come to fruition if the property is controlled by a private developer(s). Although there may be some agencies or stakeholders that may partner with a private developer, it is not considered likely that the State of Utah would retain ownership interest in the property under this scenario. This scenario should generate tax increment for Salt Lake City, and property sale revenue for the State of Utah. The CRSA team has been interviewing private developers to gauge interest in development at the Utah State Fairpark. Although the full content of such interviews is considered confidential, the general results will be used to support the scenario planning exercise and the property appraisal process. For more information, see Section 10 Public Outreach.

This option provides the opportunity for integrating the site into the Jordan River Parkway by extending the trail into and through the site along a bioswale. It might also provide an option for other public uses, such as a museum, however, unless the State retains some control over portions of the property there is no guarantee the developer will choose these options. Residential development should be designed to create a positive connection to existing community center and park facilities along the Jordan River.

Most, if not all, of the existing facilities on the site would likely be removed under this scenario. Existing utility infrastructure on site, as has been noted in previous studies, is in poor condition. It is anticipated that for the development of this scenario all utilities will likely require replacement, including upgrades to the site drainage. Recent infrastructure improvements may also be replaced if they are not in the appropriate location for the new development.

Land Appraisal

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinions of value are as follows:

The value conclusions here are associated with the Redevelopment scenario 3 Transit-Oriented Development. It assumes as is market value - bulk sale value to a single purchaser.

Interest Appraised	Date of Value	Value Conclusion
Fee simple	June 10, 2014	\$18,100,000

Please see the Land Appraisal Appendix of this report for a full list of extraordinary assumptions and hypothetical conditions.

Utility Impact & Cost

The Fairpark property is generally surrounded by public streets. These public streets contain utilities that currently serve the Fairpark property and adjacent properties. The utility infrastructure on the perimeter of the site(s) becomes the real backbone of any potential site improvements. The future utility planning will incorporate this perimeter-first philosophy even in the short term renovation projects needed to sustain the Fairpark operation. However, as additional through streets are added to the property (as shown in some of the scenarios) utilities need to be installed within these streets. The cost for the through streets and utility systems within them is not included as part of this study. Those costs will be the responsibility of the developer of the property.

Where major renovations are proposed such as the new office complex on the White Ballfield and Scenarios 2 and 3 a more global review of the utility system was completed. These scenarios require new utility systems within the property, specifically through the new road corridors that are shown. Our recommendations are only for the perimeter utilities that connect to these new corridors. The perimeter backbone utility systems are within North Temple, 1000 West, 300 North. Because of the proximity to the Jordan River, the river would act as the backbone infrastructure for the storm drain system. All other scenarios would be required to install new storm drain systems, including detention ponds that would discharge into the Jordan River.

Two utility systems would provide adequate service for Scenarios 2 or 3. The Water and Sewer infrastructure on the north side of North Temple and within 1000 West provides adequate service. A 12-inch water line exists on the north side of North Temple and west side of 1000 West from North Temple to 300 North. There is a large sewer line in 1000 West Street and 300 North Street.

However, on the south side of North Temple the water line is only 6-inches across most of the length of the property. With the proposed office buildings shown in all of the scenarios on the White Ball Field property this waterline will need to be upgraded to 12-inch diameter. Along 1000 West at 200 North the 12-inch water line ends. There is a 6-inch water line existing on the east side of 1000 West and north side of 200 North, but this would not be large enough to service scenarios 2 or 3. A new 12-inch culinary water system would be required on the Fairpark side of the road.

the following costs would be associated with the necessary upgrades to develop the White Ballpark property as State Office buildings as shown in this scenario:

Description	Total Cost
Mobilization	\$5,000
Culinary Water System	\$156,700
Miscellaneous	\$79,200
TOTAL ESTIMATE	\$240,900

For a detailed breakdown of this cost estimate, see Section 11, Appendix.

Development Assumptions

If the Fair moves to another location, the site, located at a TRAX station, has the potential for transit-oriented, mixed use development. Easily accessible to the airport and downtown, TOD should thrive at this location. Because the site is so large and the potential is significant, the State can send out a Request for Proposal (RFP) or Request for Qualifications (RFQ) to major national developers, rather than rely solely on the local developer market for the redevelopment of this area. Funds raised from the sale of land under this scenario could be used to establish a State Fair at another location and to build the Fair with modern facilities that will require less in annual operations and maintenance costs. However, the initial capital contribution to a new site could be substantial.

Because the surrounding neighborhoods feel some affinity to the Fairpark site, perhaps a portion of the proceeds from sale of the land could be returned to the community through a recreation center, improvements to the Jordan River Parkway, or some other amenity desired by the local neighborhoods.

Housing

High-density housing (30-units per acre) would be apartments, with an average all-in cost per door ranging from \$90,000 - \$110,000. The apartments should be separated somewhat, if possible, from the condominiums.

Office

If the State adds some office space to the development, it will provide a good anchor tenant and will speed up the absorption timeframe for office space. The office absorption timeframe will depend on the rents charged for the office space. Based on discussions with local developers, this would not be Class A space, but would rather provide a lower-cost alternative to downtown, with close proximity to downtown. As such, it might be attractive to technology-oriented companies looking for a more casual environment than downtown, but with all of the conveniences of downtown.

Retail

The site is not a major retail destination, but could include support retail for the residential and office development in the area, including restaurants, coffee shops and potentially even a small market that could focus on the international flavor of the area – including the airport and the diversity of the surrounding neighborhoods. There is a relatively strong Hispanic and Latino population in this part of the City when compared with other areas countywide.

For a more complete description of the development assumptions and market research pertaining to this scenario, please visit Section 9, Scenario Development Data.

Table - Transit-Oriented Development (TOD) Scenario Development Assumptions

Scenario 3 - TOD	Acres	Units / SF	Units / SF per Acre	Units / SF Absorbed per Year	Absorption Timeframe - Years
Apartments	15	450	30	75	6.0
Condominiums	18.5	370	20	60	6.2
State Office	8.9	320,000	35,955	NA	NA
Office/Retail	20	400,752	20,038	40,000	10.0
Hotel	3	100	NA	NA	10.0
West Side Acres	1.5	NA	NA	NA	NA
Retail (lower front floor of office only)	NA	50,000	NA	5,000	10.0
TOTAL	66.9	NA	NA	NA	NA

POLICY CONSIDERATIONS

Creation of the Utah State Fair Corporation during the 1995 General Session (H.B. 343) codified that the Fair Corporation shall:

“hold an annual exposition that is called the state fair, includes the exposition of livestock, poultry, agriculture, domestic science, horticulture, floriculture, mineral, and industrial products, manufactured items, and domestic animals that, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah.”

Accordingly, the use of the existing State Fairpark property is not mandated by statute as the permanent home of the Utah State Fair. This allows the State of Utah and the Legislature the flexibility to assess the highest and best use of the Fairpark property and its value to the State of Utah, as well as what it means to “hold an exposition that is called the state fair”. The Utah State Fairpark holds cultural and historic significance that cannot be overlooked. The 71-acre site includes 12 National Register-listed historic buildings and there are others that currently qualify for listing. The lack of funding to maintain facilities over the past 20 years has been noted in all recent studies, and is paramount to the decision whether to retain the Fairpark in its current location. At a minimum, this study recommends an annual investment to address facilities conditions deficiencies, to return buildings to their historic standing and invest in creating market rate space. This investment will assist the Fairpark Corporation in becoming a self-sustaining non-profit, create a destination venue as a gateway feature to the Capital City and acknowledge that cultural and historic spaces have a value beyond their financial performance.

The State may also find that the economic value of the Fairpark property exceeds the cultural value. At that point the State is faced with two major decisions. First, the State must answer the question of whether the Fairpark property is more valuable to the State’s for its growing office space needs or for private development. Second, the State must address how it will meet its obligation “to hold an annual exposition that is called the state fair”.

Regarding private development, study findings indicate that the highest and best land use development value may net the State \$18 million. Under this development scenario the State would sell the Fairpark property and a private entity would construct multi-family housing and commercial office space. While the study did not ascertain State property holdings that may be able to accommodate future state facilities, it is clear that there is immediate and long term demand for state owner office space. Under any development option the State may decide to retain some portion of the property to accommodate State office space needs. By 2050, if the State of Utah continues to invest in constructing state office space in Salt Lake County as they do in 2014, there will be the need for a total of over 1.7 million square feet of office space, some or all of which could be accommodated through State development of the Fairpark property into an office park.

Once the decision to develop the Fairpark property has been made, there are a number of options available for the State to meet its obligations to “hold an annual exposition that is called the state fair”. These options range from creating a new permanent Fairpark to a permanent partnership with a County Fair to providing for a small scale traveling fair with no permanent venue. The cost of replicating the Fairpark in a new location with 344,000 sf of new facilities and site improvements is significant, but allows the State to define the size and scope of Fair facilities and services that serve the State in the 21st century.

While future land use of the Fairpark property is a worthy of a dedicated discussion, it has become clear that policy considerations regarding Utah State Fairpark Corporation organization should be addressed by the State Legislature. In crafting H.B. 343 the State has mandated a performance standard for the Fairpark Corporation as a non-profit. While it committed the Fairpark Corporation to a performance standard, it did not obligate the State to provide a reasonable level of support for this primarily cultural facility.

The non-profit corporation that operates the Utah State Fair has proven its ability to produce and manage a state fair responsibly. The fair, itself, generates sufficient income to be successful and sustainable. It attracts thousands of annual visitors and well represents the agricultural heritage of the State of Utah. The fairgrounds, however, cannot survive without an annual infusion of funds to upgrade and maintain its facilities. Because the nature of event-based non-profit activities is capital consumptive, that infusion cannot come from the non-profit corporation that manages the Fair.

The State is at a critical crossroads. The legislature must make a decision where it will produce its annual exposition. The following study details existing conditions, and analyzes four land use scenarios, their costs, and social implications, and possibly future outcomes. The State must first decide the value of the Fair and the level of investment it is willing to make to support the Fair in its current historic location or its desire to create a new Fairpark for the 21st century. Once a decision is made regarding the Fair and its future venue, the State can make the needed economic decisions about the future development of the Fairpark property.