

# How will the Olympics affect Utah?

## Economic, demographic and fiscal impacts of the 2002 Olympic Winter Games



The 2002 Olympic Winter Games will generate a significant amount of employment, earning, and output in the Utah economy prior to and during 2002. State economic, demographic, and financial models indicate that the Olympics will generate the following impacts from 1996 through 2003:

**• Output: \$4.5 billion in economic output or sales**

This is the broadest measure of economic activity and includes all sales (both final and intermediate) that are estimated to occur because of the Games.

**• Employment**

Olympic-related employment is small compared to the size of the total economy. It is only 0.2% of total jobs in the state in 1997 and peaks at 0.5% of total jobs in 2001. However, Olympic-related jobs are an important source of new job growth. Olympic related jobs represent 5.1% of projected employment growth in 1998 and 33.4% of projected employment growth in 2001.

**• Earnings: \$1.5 billion in earnings to Utah workers**

The people who are employed because of the Olympics will receive these earnings, which, in addition to wages and salaries, include health and retirement benefits and proprietor's income.

**• Net revenue to state and local governments: \$75.9 million**

Net revenues is revenue less expenditure. The Olympics will generate gross state and local government tax revenue of approximately \$450.1 million, but will require an estimated \$374.2 million in additional expenditures because of services provided by state and local governments. This leaves an estimated \$75.9 million in net revenues to state and local governments.

**• Net revenue to state government: \$55.5 million**

The Olympics will generate an estimated \$330.2 million in state revenue including sales tax, income tax, departmental collections, and federal funds to the state.

**• Net revenue to local government: \$20.4 million**

The Olympics will generate an estimated \$119.9 million in local revenue including additional property tax, sales tax, charges, indirect federal funds and redirected revenues from Salt Lake Organizing Committee to the Utah Olympic Public Safety Command.

**• Visitors: Net increase of 50,000 per day during the Games**

The Wasatch Front typically has around 20,000 out-of-state visitors per day in the winter months. During the Olympics, 70,000 visitors per day are expected. Therefore, the net increase because of the Olympics is estimated to be 50,000 visitors per day.

**• Population: 17,000 peak population increase during 2002**

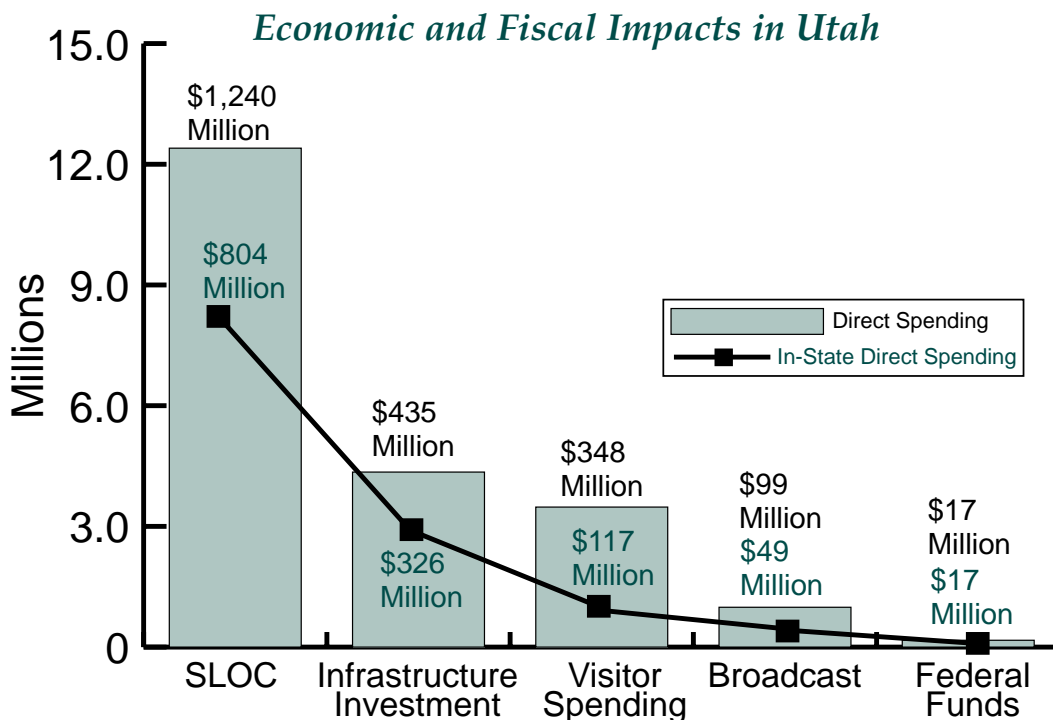
Olympic related jobs will expand the population in the years leading up to and during 2002. Once Olympic related jobs end, many of the people who held these jobs will eventually leave the state. This out-migration offsets the population increases. In terms of the state's population, the Olympic related population impact is small.

**• Olympic related infrastructure investments**

The Olympic games will accelerate the development of projects that would normally occur after the Games. It will also encourage new investment that would otherwise not occur. Both of these result in a large amount of construction before 2002. The end result is more economic activity from 1996 to 2002 than would otherwise occur.

[Source: Governor's Office of Planning and Budget, November 2000]

## 2002 Olympic Winter Games 1996 through 2003



[Source: Governor's Office of Planning and Budget, November 2000]

## Construction activity in balance — Downtown and southwest areas active

The vast majority of current and proposed 2001 construction will occur in the downtown and southwest areas of the valley. Initially, the downtown construction will largely accommodate

Olympic media and sponsors, while the additional units will fill demand in the active southwest corridor. Historically, only about 75% of proposed new units ultimately get constructed.

### Completed 2000 Construction (Please refer to the map)

Map	MLS	Project Name	Units	Class	Address/Location	Location	Developer
1	102	Holden Apts.	16	B	854 South 200 West, SLC	West	Gary Nordhoff
2	105	Sandpiper	30	B	1492 Spring Lane, Holladay	East	O'Brien Enterprises
3	109	Willow Cove Apts Ph VI	60	B	9300 South Redwood Rd, W Jordan	West	D&H Development
4	110	Carrington Square Ph II	96	B	5959 South Cougar Lane, Kearns	West	Bach Corporation
5	110	Elk Run	172	B	8525 West 3615 South, Magna	West	Pentalon
6	110	Heritage Apts - Magna	80	B	8177 West 3500 South, Magna	West	American Housing
7	111	Glendale Senior Apts	40	B	1239 South Glendale Drive, SLC	West	Utah Non-Profit Housing
<b>TOTAL</b>			<b>494</b>				

### Under Construction — as of December 2000 (Please refer to the map)

Map	MLS	Project Name	Units	Class	Address/Location	Location	Developer	Estimated Completion
8	102	Bridge Apts	71	B	200 South 500 West, SLC	West	Artspace Inc.	July 2001
9	102	Jefferson School Apts	84	B (OH)	1075 South West Temple, SLC	West	SLC Housing Authority	December 2001
10	102	Wilford Apts	14	B	932 South 200 West, SLC	West	Crownstone Dev.	March 2001
11	108	Silver Pines	144	B (SH)	10975 South 700 East, Sandy	East	Int. Dev. Group	May 2001
12	109	Ridge/Jordan Landing	264	*B	3800 West 7000 South, W Jordan	West	Prowswood	March 2001
13	109	Westgate/Jordan Landing 288	288	B	3850 West 7000 South, W Jordan	West	Miller Shupe	December 2001
3	109	Willow Cove Apts Ph VII	72	B	9300 South Redwood Rd, W Jordan	West	D&H Dev.	May 2001
14	110	Not Determined	26	B	1596 West 3395 South, WVC	West	Utah Nonprofit Housing	March 2001
<b>TOTAL</b>			<b>963</b>					

\* Tax Credit Units (SH) = Senior Housing (OH) = Olympic Housing

### Proposed 2001 Construction — as of December 2000 (Please refer to the map)

Map	MLS	Project Name	Units	Class	Address/Location	Location	Developer	Scheduled to begin
15	102	Northgate Apts	330	*B (OH)	500 West South Temple, SLC	West	Prowswood	January 2001
16	102	Winthrop Court Ph I	200	A	600 East 300 South, SLC	East	Not Determined	Fall 2001
17	108	Allegro/Comer Canyon	258	A	13300 S. Pony Express, Draper	West	SNK Development	Summer 2001
18	109	Not Determined	409	*B (SH)	4800 West 13400 South, Riverton	West	Development Assoc.	June 2001
19	109	Not Determined	400	B	Bangerter Hwy & Redwood Rd, Bluffdale	West	PSC Development	Summer 2001
20	109	Community Center Apts	340	*B (SH)	10800 S. Redwood Rd., SJordan	West	Development Assoc.	Summer 2001
21	109	Legacy Springs	204	B	12600 S. 4800 West, Riverton	West	Triton Investments	January 2001
22	109	Park/Jordan Landing Ph I*	143	A	7800 S. 3800 West, WJordan	West	Russell Grosse Dev.	April 2001
23	109	Sterling Village Ph II	300	A	11065 S. Sterling View Dr., SJordan	West	Pegasus Development	3rd Qtr. 2001
24	111	City Front Apts	155	*B (OH)	641 West North Temple, SLC	West	CDS Investments	January 2001
<b>TOTAL</b>			<b>2,739</b>					

\* Tax Credit Units (SH) = Senior Housing (OH) = Olympic Housing

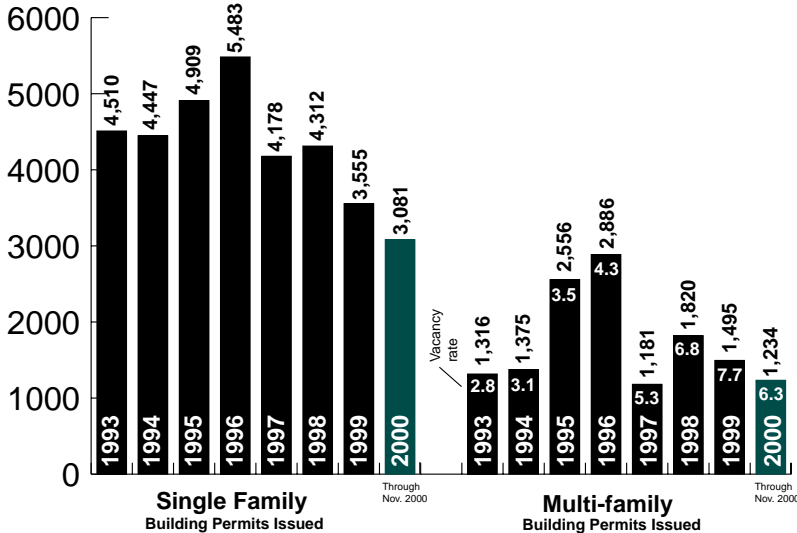
\*Note: Russell Grosse Development will build a total of 389 units in phases. Phase I will be completed by year-end 2001, with the remaining 246 units coming online by year-end 2002.

## Construction Summary

	Units under construction	East/West under construction	Proposed units for 2001
Class A Units	0	East Side Units 144	Class A Units 901
Class B Units	963	West Side Units 819	Class B Units 1,838
<b>Total</b>	<b>963</b>	<b>Total 963</b>	<b>Total 2,739</b>

## Permits Issued vs. Vacancy

Salt Lake County through November 2000  
(Permit source: Bureau of Economic and Business Research)



## History of Annual Construction Activity (year-end summaries)

### Salt Lake County

		Units Completed	Under Const.	Units Proposed
1996	Class A	524	1,521	0
	Class B	693	2,037	1,079
	<b>Total</b>	<b>1,217</b>	<b>3,558</b>	<b>1,079</b>
1997	Class A	1,221	300	750
	Class B	1,239	1,256	1,242
	<b>Total</b>	<b>2,460</b>	<b>1,556</b>	<b>1,992</b>
1998	Class A	300	0	590
	Class B	1,254	1,007	1,643
	<b>Total</b>	<b>1,554</b>	<b>1,007</b>	<b>2,233</b>
1999	Class A	0	76	100
	Class B	1,145	848	1,823
	<b>Total</b>	<b>1,145</b>	<b>924</b>	<b>1,923</b>
2000	Class A	0	0	901
	Class B	494	963	1,838
	<b>Total</b>	<b>494</b>	<b>963</b>	<b>2,739</b>



# Major Technology Employers:

## Manufacturing - Computer & Office Equipment

### # of employees

1,700	L3 Communications Corp.
1,485	IOMEGA Corp.
860	Evans & Sutherland Computer Corp.
700	Gateway
350	H K Systems
150	Gentner Communications Corp.

## Manufacturing - Electronic Components & Accessories

### # of employees

700	Compeq International Corp.
550	Bourns Networks, Inc.
450	Fairchild Semiconductor Corp.
400	Micron Technology, Inc.
360	Bourns Sensor Controls
330	TYCO Printed Circuit Group, Inc.
300	Unisys Corp.
205	EDO Western Corp.
60	KWM Electronics Corp.

## Manufacturing - Instruments & Related Products/Measuring & Controlling Devices

### # of employees

1,308	Abbott Critical Care Systems
989	Merit Medical Systems
987	Ballard Medical Products
300	OEC Medical Systems, Inc.
290	Utah Medical Products
265	Baxter Research Medical

### # of employees

190	Campbell Scientific, Inc.
121	Larson Davis Laboratories
115	Dynatronics Corp.
100	HGM Inc.

## Software Companies

### # of employees

4,000	Novell Inc.
1,000	Modus Media International, Inc.
990	Serito Innovations Corp.
860	Evans & Sutherland
744	Epixtech, Inc.
460	Channel Point

### # of employees

450	FlowServ
370	Digital Technology International
300	PowerQuest Corp.
240	3M Health Information Systems
230	Dentrix Dental Systems

## Utah Dot.Com's

### # of employees

2,000	Comm.Comm
800	1-800 Contacts, Inc.
270	Big Planet, Inc.
190	Campus Pipeline, Inc.
140	MyFamily.Com

### # of employees

140	NextPage, LC
120	Excite@Home
100	Webmiles.com
100	OnePipeline
100	Overstock.com

## New Company Openings in Salt Lake

Intel is finishing the 1st phase of its Research & Development campus in Riverton. Eventually, there will be 8-10,000 employees at this campus.

DLJ Direct, an on-line brokerage firm, will eventually employ 1,000 in Sandy.

Goldman Sachs, an investment brokerage based in New York City, is moving its on-line brokerage center to Utah. There will be approximately 350 employees located at the University of Utah's Research Park.

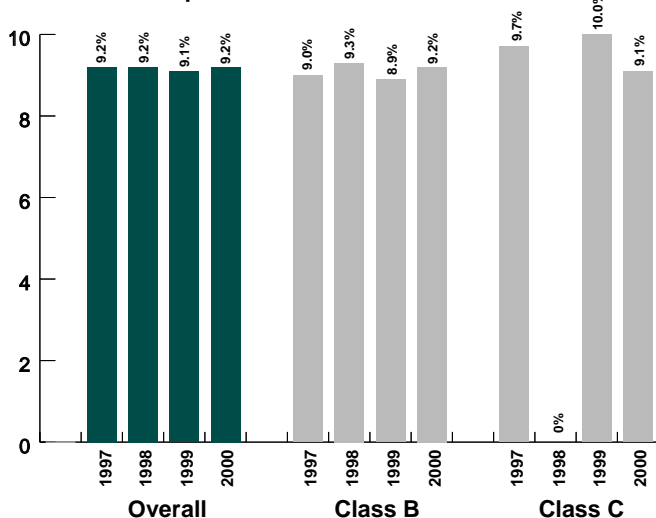
Alpha Graphics is moving its headquarters from Tucson, AZ to Salt Lake City. There will be approximately 85 employees at this location.

[Source: Economic Development Corp. of Utah]

# SALES OF 100+ UNIT PROPERTIES

## Average Cap Rate

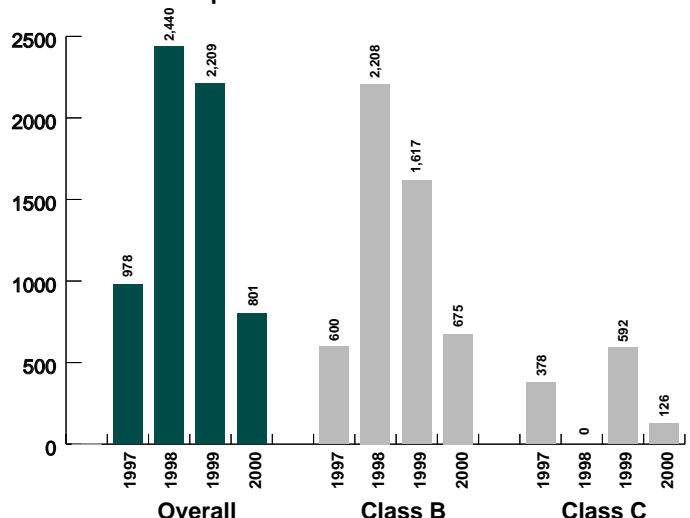
100+ Unit Properties



NOTE: All cap rates are calculated on NOI before reserves.

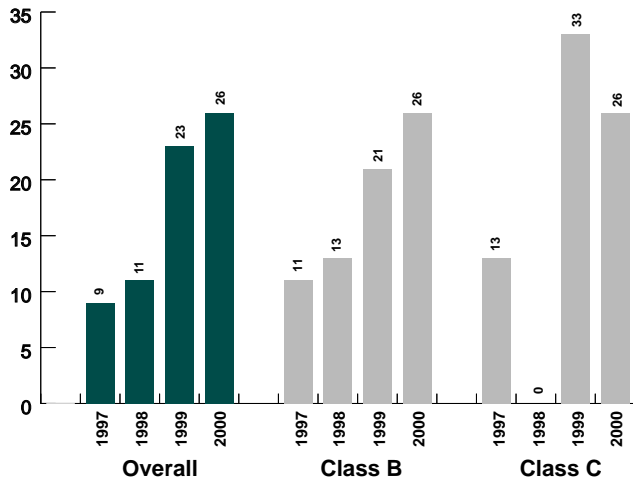
## Number of Units Sold

100+ Unit Properties



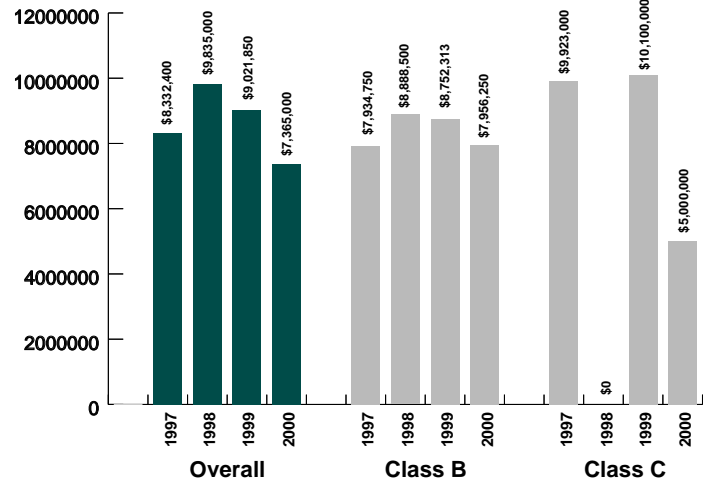
## Average Property Age

100+ Unit Properties



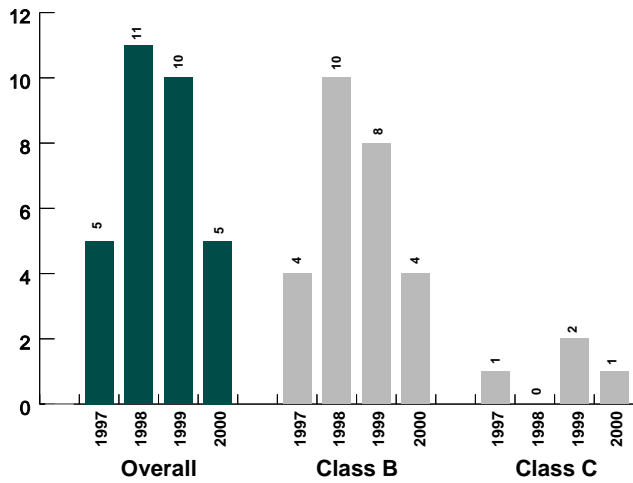
## Average Price Per Property

100+ Unit Properties



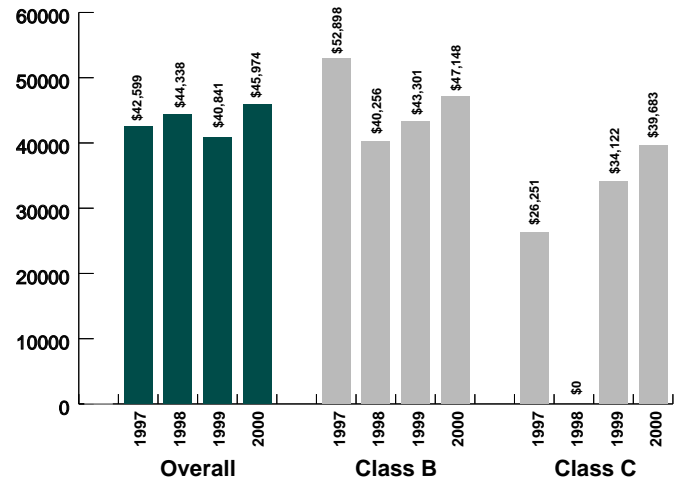
## Number of Properties Sold

100+ Unit Properties



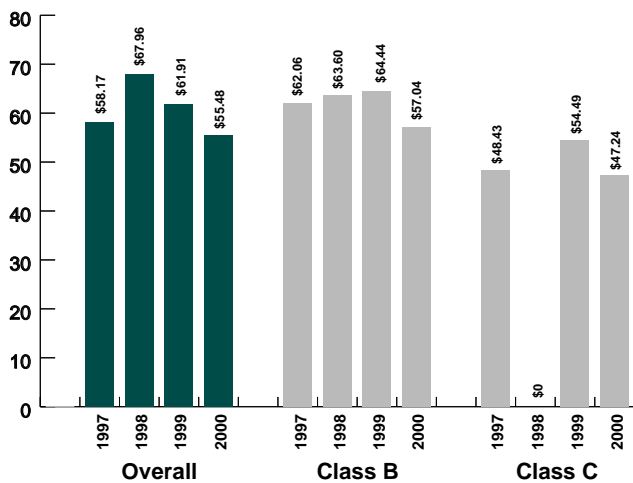
## Average Price Per Unit

100+ Unit Properties



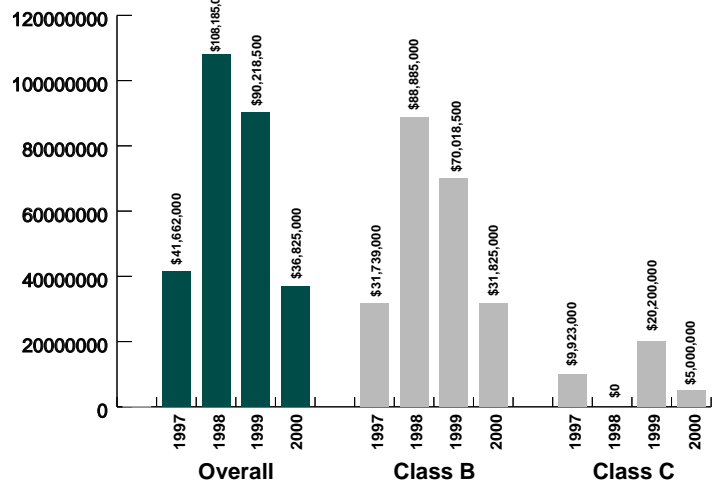
## Average Price/Square Foot

100+ Unit Properties



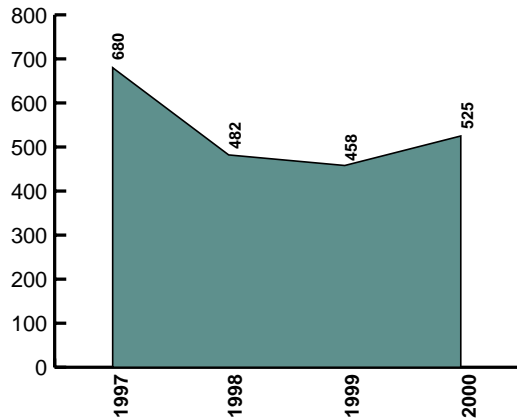
## Total Sales Volume

100+ Unit Properties

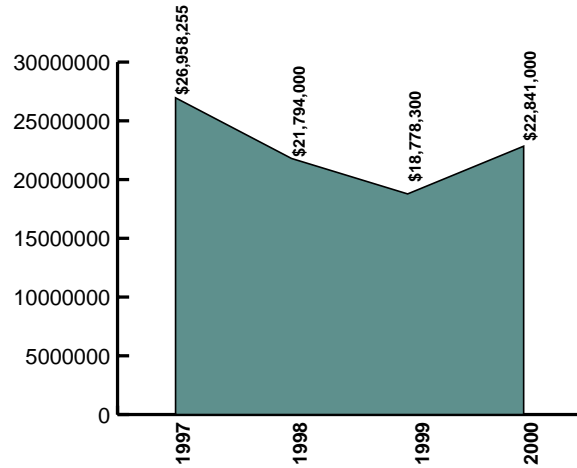


# SALES OF 15-99 UNIT PROPERTIES

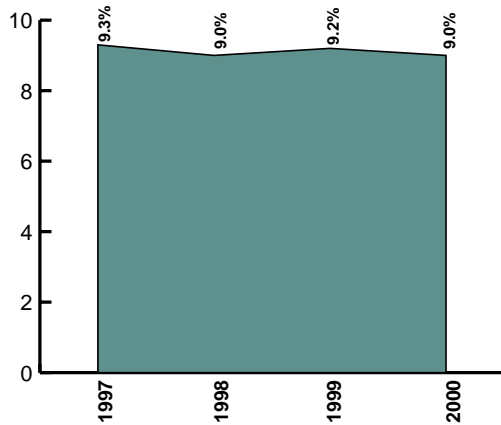
## Number of Units Sold



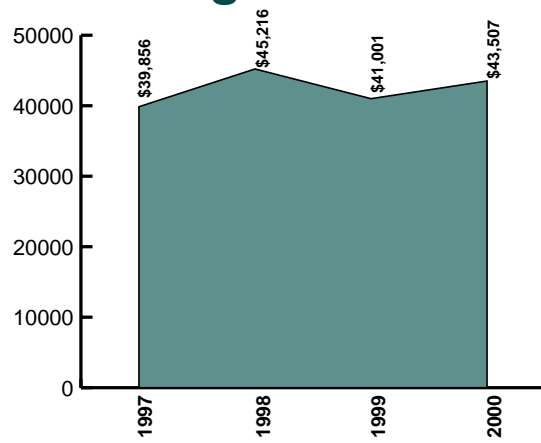
## Total Sales Volume



## Average Cap Rate



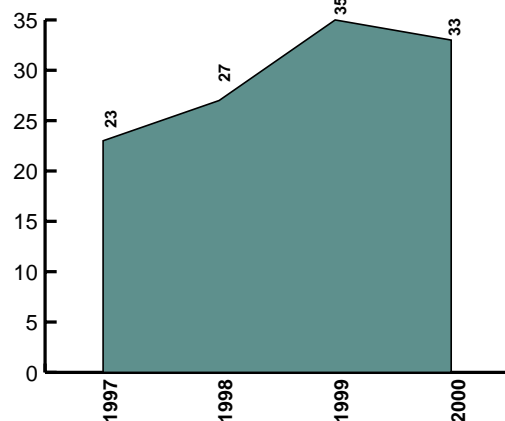
## Average Price Per Unit



## Number Properties Sold

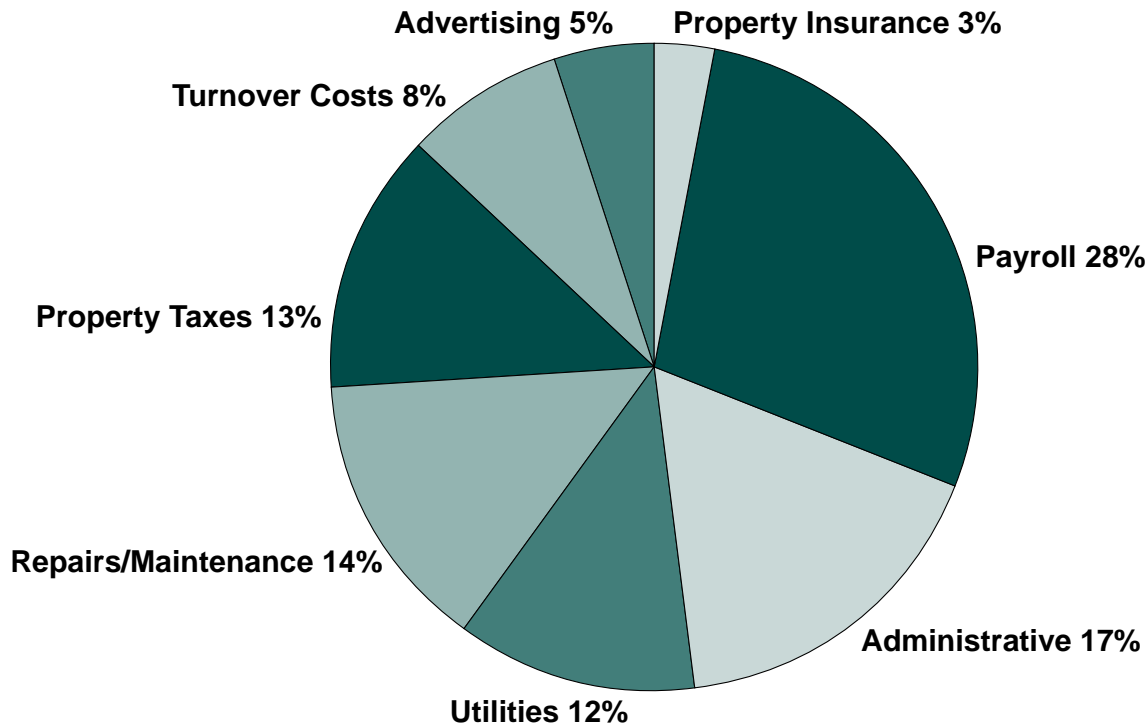


## Avg. Number of Unit/Sale



# Operating Expenses

2000 Greater Salt Lake Area Multi-family Operating Expenses for Properties of 50 Units or Larger



## Expense Summary

Expense	% of Total		Per Square Foot		Per Unit		Variance
	1999	2000	1999	2000	1999	2000	1999-2000
Payroll Costs	28%	28%	86¢	89¢	\$717	\$749	+32
Administrative Costs	17%	17%	54¢	53¢	\$451	\$448	-3
Utilities	13%	12%	40¢	40¢	\$331	\$338	+7
Repairs & Maintenance	14%	14%	44¢	44¢	\$367	\$374	+7
Property Taxes	12%	13%	39¢	42¢	\$321	\$357	+36
Turnover Costs	8%	8%	25¢	26¢	\$204	\$224	+20
Advertising	5%	5%	14¢	17¢	\$117	\$143	+26
Property Insurance Costs	3%	3%	11¢	10¢	\$ 89	\$ 81	-8
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>\$3.13</b>	<b>\$3.21</b>	<b>\$2,596</b>	<b>\$2,713</b>	<b>+117</b>

Operating reserves are not included in the numbers shown above.



### For more information...

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