Downtown Cedar City Redevelopment: Feasibility Study

Prepared by: Better City

April 17, 2018

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EXECUTIVE SUMMARY

The purpose of this analysis is to explore the feasibility of the construction of a mixed-use redevelopment project in downtown Cedar City. The development is intended to be pedestrian-centered, with a plaza and retail offerings on the ground floor of each of the mixed-use buildings. Tenancy within the project will be focused on creating a balanced development with peak usages occurring at different times so vibrancy can be maintained throughout the day.

The subject site has three main advantages which should be leveraged by the contemplated redevelopment project: proximity to the Utah Shakespeare Festival (the "Festival") and Southern Utah University ("SUU"), walkability of the subject site, and comparably high traffic counts on Main Street and State Street.

The goal of this project is to create a mixed-use redevelopment project that will serve as a destination attraction to draw in residents, students, and visitors alike. The area will be pedestrian-centered, featuring a public plaza and areas for seating, playing, and dining.

The feasibility study has identified suitable redevelopment uses to include a boutique hotel, entrepreneurial center, and mixed-use space with office, retail, and residential. Preliminary analysis for a movie theater component was performed and the need for incentives identified, but ultimately the site was determined to be too small to accommodate the use. If additional acreage were assembled, a 4-screen movie theater should be pursued. The need for enhancing the façade improvement program and a Business Improvement District (or similar entity) was also identified.

The entrepreneurial center should be patterned after the Lassonde project at the University of Utah with funding coming from the State and private donors. Programmatic tracks should be established and incubation space made available to accommodate start-up businesses. The project should include student dormitories with shared common space available to provide creative infrastructure in support of the program tracks.

One program area should focus on providing entrepreneurial infrastructure to support the creation of retail businesses that have strong on-line presence and conduct most of their transactions outside of the community. By focusing on exports, retailers can access a much larger total addressable market rather than being solely dependent on the local population. These businesses will also have a small storefront to accommodate walk-in customers. The entrepreneurial center must support and seed commercial tenancy in the downtown.

Lastly, the City code needs to be updated. A full-time planner should be hired. Additionally, the City should pursue adopting a Form Based Code to better accommodate walkable urban redevelopment. Overlay, shared, and on-street parking should be allowed. Significant incentives are needed to fund parking to balance project economics. As parking requirements are updated to accommodate balanced-use redevelopment, the level of public participation may be reduced.

Existing Plans and Studies

Existing plans and studies performed by Cedar City regarding its downtown core were reviewed and summarized. This analysis, and the recommendations provided herein, are meant to build upon and leverage ideas from previous plans and studies. The studies will be discussed briefly here.

Cedar City Downtown Action Agenda (2011 Update)—NLC & Hyett Palma

In 1996, the Cedar City Corporation joined the National League of Cities *America Downtown*® technical assistance program, through which a downtown action agenda was created. This agenda served as one of the main drivers of the City's economic development and was revisited in 2010 to update and re-implement the agenda. The following are issues, goals, and courses of action discussed in the updated agenda that may be relevant to this feasibility study.

Downtown Concerns and Issues:

- Visitors and residents need reasons to come Downtown at night
- There needs to be a better connection between the University and Downtown
- The City, SUU, and Festival should partner to ensure plans for Center Street area are coordinated and compatible
- Projects should pull students and Festival attendees to Downtown
- The City should continue to set the standard for quality and enhance Downtown's business mix and business quality
- Enhancements to downtown rears should not preclude parking
- Efforts should be made to enhance Main Street
- Projects should enhance Downtown's pedestrian crossings to make streets safer

The City wanted to focus on the following priorities:

- Create a cohesive visual identity for Downtown, which is built on its historic architecture
- Make Downtown as pedestrian-friendly as possible
- Create a plan to recruit businesses—especially locally-owned retail shops and restaurants—for first floor space on Main Street
- Enable Downtown to appeal to a larger number of tourists and keep them longer
- Create a strong dialogue between the City, SUU, and the Festival regarding coordination of plans and efforts that will impact Downtown's future

The following course of action was recommended:

- Have food, art, entertainment, and specialty retail in first-floor spaces
- Buildings should be built at the sidewalk line

Economic Impact of the Utah Shakespeare Festival—Matthews and Abercrombie

This report, published in 2012, showed that the Festival has had a significant impact on the City, bringing in thousands of visitors per year. The Following are some of the report's major findings:

- The total economic impact of the Festival is estimated at more than $35 million annually
- Average annual attendance was around 120,000
- In 2010, nonresident and resident spending totaled more than $10 Million and $0.2M, respectively
- In 2010, the Festival generated more than $500,000 in state and local tax revenue
- The new theatre for the Festival will increase capacity by 25%, creating an estimated additional $8 Million economic impact and drawing in 30,000 additional patrons to Cedar City annually

Market Analysis of Iron county/Cedar City

Zions Public Finance performed a market analysis and leakage report with the following findings:

- Retail spending per population and employment in Cedar City was $10,104 in 2014, 28 percent higher compared to the State of Utah's retail spending per population and employment of $7,912
- Categories of retail leakage include Electronics & Appliance, Clothing, Sporting Goods, Hobby & Music, Arts, Entertainment & Recreation
- Cedar City recently attracted over $80 Million in public and private investment for the arts, education and commercial development.

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REDEVELOPMENT SITE

The proposed redevelopment site in Downtown Cedar City covers approximately two city blocks. The site lies directly east of SUU and is just across 100 W from the newly-completed Beverley Center for the Arts, the site of the Shakespeare Festival (see Map 1).

SOURCE: Google Earth

Map 1—Subject Site

As shown on Map 2, the site is comprised of 19 parcels totaling approximately 7.4 acres and consists of numerous buildings, including two hotels, small businesses, and an apartment building.

SOURCE: Google Earth

Map 2—Subject Site Parcels

LAND ACQUISITION AND DEMOLITION

18 of the parcels are owned by a single party, decreasing the difficulty of acquiring the land for a single-use purpose. The parcel in the northeastern corner of the project area is a City-owned park. Demolition of outdated product types are contemplated. Some structures have already been remodeled and tenanted and will have minimal to no redevelopment.

Traffic and Access

Annual average daily traffic (AADT) counts are an average of 8,773 for Center Street and 17,679 for Main Street. The yearly estimated traffic counts are provided in Table 1:

	2010	2011	2012	2013	2014
Center St.	8,970	8,945	8,765	8,545	8,640
Main St.	22,320	16,165	16,115	16,535	17,260

SOURCE: Utah Department of Transportation

Table 1—AADT for Center Street and Main Street

The Center Street and Main Street intersection has one of the highest traffic volumes in the City.

Utilities

All utilities are available to the subject site. No utilities will need to be brought in or extended to accommodate redevelopment. Listed below are the governing entities for each utility:

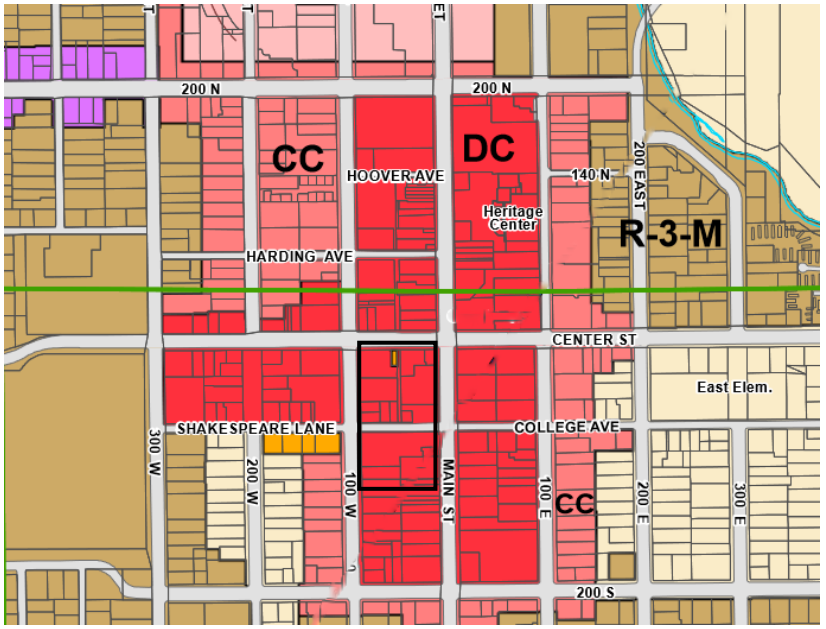
Utility	Responsible Entity
Water	Cedar City Corporation
Sewer	Cedar City Corporation
Trash	Robinson Supply & Recycling
Electricity	Rocky Mountain Power
Natural Gas	Dominion Energy (Questar Gas)
Telephone Services	CenturyLink, AWI, TDS

SOURCE: Cedar City

Table 2—Utilities and Responsible Entity List

Zoning

The site is zoned as downtown commercial (shown as red in Map 3), except for one small sliver in the northern boundary of the site, which is zoned as Mixed Use.



SOURCE: Cedar City

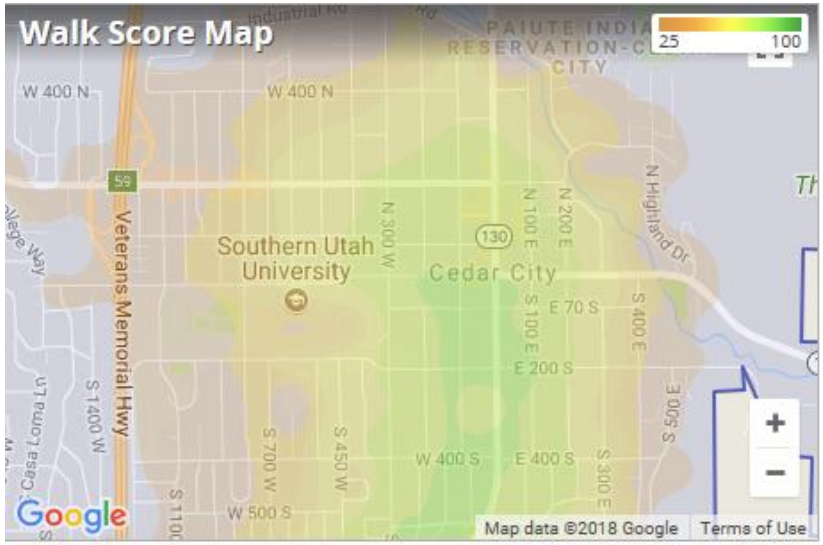
Map 3—Subject Site Zoning Map

The DC Zone does not allow for condo/apartment housing at ground level. A rezone for the site from downtown commercial to mixed-use may be needed to accommodate a horizontal and vertical mix of uses.

Walkability and Access

Walkscore.com® is an online tool that analyzes the "walkability" of a specific address using an algorithm that rates an area by 1) the number of amenities that are within "walking distance" (0.25 miles or 5-minutes) and 2) how close those amenities are to the target site. The site is then rated on a scale of 0 to 100, with scores of 100 reserved as a "walker's paradise."

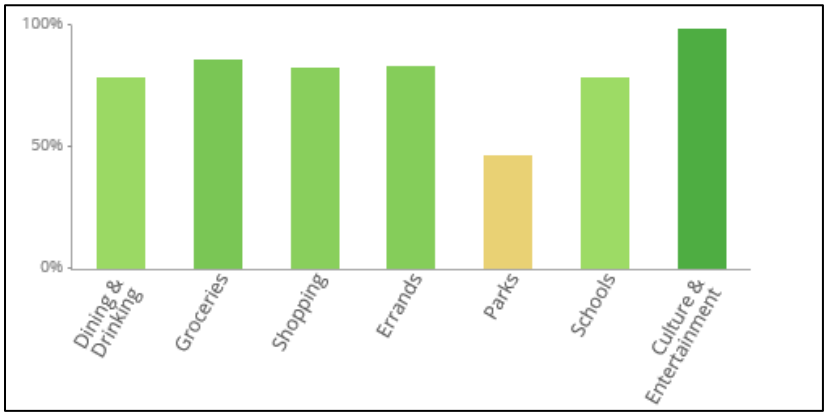
Although Cedar City received an overall score of 28, making it a "car dependent" city, the subject site has a much higher score of 71, classifying it as "very walkable." The walkability heat map below shows that the redevelopment site is at the center of the most walkable area of the City.



SOURCE: Walkscore.com

Map 4—Walk Score Heat Map

Figure 1 shows the components that constitute the redevelopment site's score. Culture & Entertainment scored the highest, at 100%; Parks scores the lowest, at less than 50%.



SOURCE: Walkscore.com

Figure 1—Walk Score by Category

The site and surrounding area have many characteristics that can be enhanced to improve pedestrian walkability, including mid-block corridors, traffic calming measures on Main Street and Center Street, angled parking along 100 W, and public plaza space.

Visitation

The airport reported serving approximately 14,000 passengers between December 2015 and November 2016 on its domestic flight to Salt Lake City International Airport. Some of this may be driven by attendance at the Festival. A 2011 survey of the Festival found that audience members came from 39 states and nine different countries. The

redevelopment site is only about a 10-minute drive from Cedar City Regional Airport. The site is only one block away from the theater and will be able to draw in visitors attending the Festival.

According to a recent survey, most patrons for the Festival come from the Wasatch Front, Cedar City, Southern Utah, and Las Vegas, with a typical length of stay of 2 to 3 days. 19% of patrons spend more than $901 when they visit and 34% have household income above $100k. Nearly two-thirds of patrons are female. Areas of potential community improvements that patrons wanted to see include: better parking, more shopping options, a pub, and restaurant/food accessibility.

Since 2009, average annual attendance for the Festival has been 120,000 with the highest attendance during that time period in 2012, when Les Miserables was performed. Since 2012, attendance has generally trended downward as shown below in **Error! Reference source not found.**. In 2 017, the Festival started tracking attendance at other events and activities, recording another 16,000 visitors bringing the total visitation in 2017 up from 111,000 to 127,000.

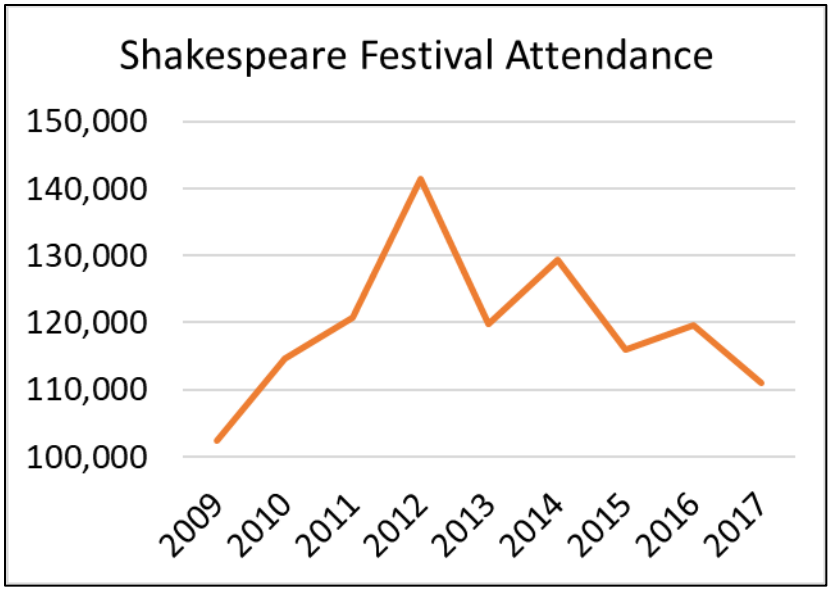


Figure 2—Festival Attendance, 2009 to 2017

One source of information that may be of interest to the City is tourism data that shows the point of origin for visitor spending in the community. This will allow the community, as well as local businesses, to better understand visitor patronage and demographics and to develop strategies to grow and enhance visitation. As an example, below is information gathered during the month of January 2018.

Row Labels	Sum of Spend Share	Avg of < $30k	Avg of $30k - $40k	Avg of $40k - $50k	Avg of $50k - $75k	Avg of $75k - $100k	Avg of $100k - $125k	Avg of $125k - $150k	Avg of $150k - $200k
CA	12%	18%	6%	6%	15%	13%	11%	7%	10%
UT	8%	24%	11%	10%	21%	12%	8%	5%	5%
NV	4%	22%	11%	9%	20%	15%	10%	5%	6%
AZ	2%	12%	6%	6%	16%	15%	13%	8%	11%
MO	2%	16%	7%	7%	14%	12%	11%	8%	11%
TX	2%	11%	6%	4%	14%	11%	12%	8%	15%
MI	1%	23%	8%	10%	22%	17%	9%	5%	5%
FL	1%	28%	10%	11%	19%	13%	9%	4%	4%
CO	1%	30%	9%	8%	17%	13%	9%	5%	5%
AK	1%	30%	9%	9%	15%	13%	8%	5%	5%
IN	0%	21%	11%	10%	22%	15%	8%	4%	6%
MT	0%	28%	10%	12%	17%	11%	8%	4%	5%
OH	0%	13%	9%	6%	23%	15%	16%	11%	6%
Total	**34%**	**21%**	**9%**	**8%**	**18%**	**13%**	**10%**	**6%**	**7%**

SOURCE: MasterCard, Better City

Table 3—Point of Origin Tourist Analysis

In Table 3, the spend share indicates the share of dollars spent while transaction share is the share of transaction volume. Points of origin from local zip codes that would be visiting Cedar City for the purchase of goods (rather than overnight stays) have been removed so that a clear picture can be developed of visitation. The top 5 states by spending share include points of origin from California, Utah, Nevada, Arizona, and Missouri.

ECONOMIC OVERVIEW AND ANALYSIS

DEMOGRAPHIC OVERVIEW

Cedar City is located in the south-west corner of Utah and is part of the Cedar City, UT Micropolitan Statistical Area. Cedar City is the most populated city in the County, with a population of approximately 31,223.

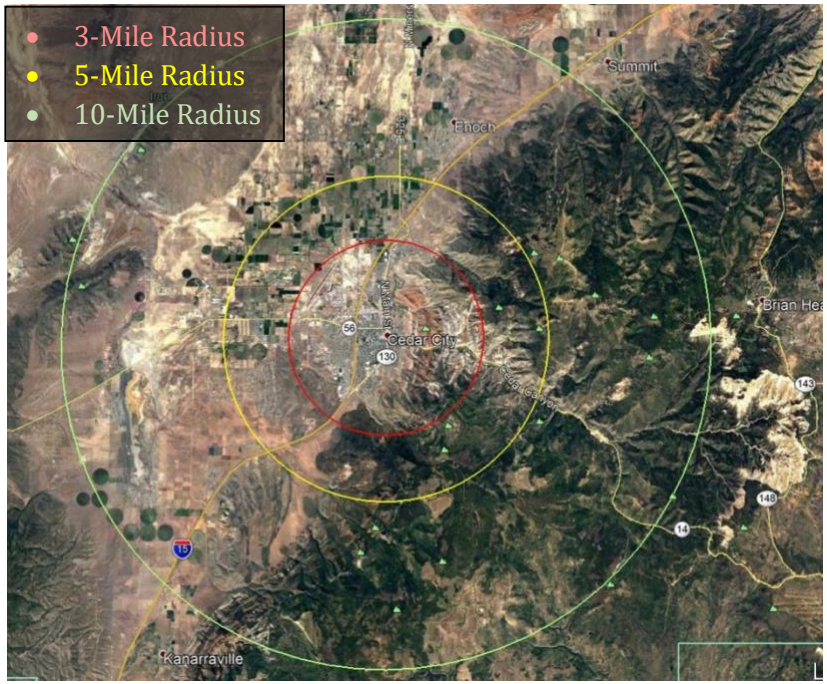
As shown by Table 4, the population within a 3-mile radius of the redevelopment site is expected to grow 3.46% over the next five years, which is slightly less than the 5-mile and 10-mile growth estimates of 4.98% and 5.41%, respectively.

The average age in a 3-mile radius is slightly lower than at the 5- and 10-mile radii. Similarly, incomes and home values are lower in the 3-mile radius than they are in the areas surrounding it.

Demographics	3 Mi	5 Mi	10 Mi
2017 Estimated Population	7,463	27,224	34,171
2022 Forecasted Population	7,721	28,579	36,018
Pop. Growth (2017-2022)	3.46%	4.98%	5.41%
Average Age	30.9	31.8	32.4
Median Household Income	$31,138	$40,442	$42,285
Median Home Value	$164,223	$188,798	$192,092

SOURCE: COSTAR Group

Table 4—Demographic Statistics (1-,5-,10-Mile Radii)



SOURCE: Google Earth

Map 5—3-,5-,10-Mile Radii

INCOME

Cedar City's income estimates show that the City's population is competitive with the earnings of surrounding cities. However, the median home values are higher than all communities except for Summit, implying a higher household income for homeowners. The skew toward lower incomes is likely due to the number of students, who are typically working part time or just entering the labor force.

Income Statistics	Cedar City	Enoch	Parowan	Summit
Population	29,786	6,199	2,881	168
Average Age	25.9	23.7	43.4	43.1
Med. Household Income	$40,582	$55,381	$36,127	$53,929
Med. Home Value	$180,100	$146,800	$158,000	$238,500

SOURCE: ACS 2016 5-year Estimates

Table 5—Income Comparison

EMPLOYMENT

Since 2010, the United States has seen a drastic drop in its unemployment rate. Most economists argue that the United States in now in a state of "full employment" (around 5%), where jobs are available to almost all workers seeking work. Utah has an even lower unemployment rate than the nation, at 3.4% (a 5.6 percentage point drop from last year). Utah's unemployment rate ranks as the fourth-lowest in the nation, which some researchers fear may be unhealthy, as it provides undo stress on the labor market.[1] Iron County is much closer to the ideal rate of 5%, witnessing a drop of 4.4 percentage points since last year.

Unemployment	Rate (2016 Average)	YOY Change (%)
United States	4.90%	-7.40%
Utah	3.40%	-5.60%
Iron County	4.30%	-4.40%

SOURCE: US Bureau of Labor Statistics

Table 6—Unemployment Statistics

[1] SOURCE: Bureau of Labor Statistics

The largest employers in the County include: Southern Utah University, Iron County School District, Intermountain Healthcare, Wal-Mart, and Cedar City. Southern Utah University and Iron County School District are both headquartered in Cedar City, providing a sizable majority of the City's economic base.

Company	Average Annual Employment
Southern Utah University	2000-2999
Iron County School District	1000-1999
Intermountain Healthcare	500-999
Wal-Mart	250-499
Cedar City	250-499

SOURCE: Utah Department of Workforce Services

Table 7—Largest Employer Estimates, Iron County

Iron County witnessed non-farm job growth of 3.0% between June 2016 and June 2017, which follows the State's growth of 3.3% over the same period. As shown by Table 8, all the industry sectors in the County have grown except for "Information", which shrunk by 29.9%. It seems the "Information" sector was a weak area for the entire State, although; it grew by only about 5.2% across the State.

Other major shifts include strong growth in "Construction" (25.3%) and "Leisure and Hospitality" (22.2%). Of note is that, while the State has only seen an increase in Manufacturing jobs of 0.2%, Iron County has seen a growth of more than 10%, signaling that the County is successfully recruiting manufacturing companies and workers.

Industry Sector	2010	2016	Growth
Mining	75	95	21.10%
Construction	701	939	25.30%
Manufacturing	1,348	1,509	10.70%
Trade/Transportation/Utilities	2,686	3,037	11.60%
Information	126	97	-29.90%
Financial Activities	728	802	9.20%
Professional and Business Services	1,131	1,215	6.90%
Education, Health, and Social Services	1,721	2,139	19.50%
Leisure and Hospitality	1,846	2,372	22.20%
Government	4,411	4,872	9.50%
Other Services	317	374	15.20%
Total	15,090	17,451	13.50%

SOURCE: Utah Department of Workforce Services

Table 8—Iron County Industry Growth, 2010-2016

The industry mix indicates a concentration in leisure and hospitality, which pay lower wages and is most likely a contributing factor to a low median household income. In order for redevelopment to be successful, growth in population, business starts or expansions, wages, and disposable income will be needed.

Per discussion with stakeholders, the University loses a percentage of students due to financial issues and the inability of students to find local employment. A solution for creating local jobs that could be filled by students should be incorporated into the redevelopment project. This will help students stay in the community, creating a stronger population base and providing the City with more skilled-labor options.

In general, there should be a component of the redevelopment project that is focused on creating an environment that encourages entrepreneurship. New primary, direct jobs need to be created that will place upward pressure on wages and improve median household income and disposable income within the community. If local retail is to be successful and to experience expansion, these economic development initiatives will be critical.

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Right-of-Way (ROW) Analysis

Main Street has been the focal point of many previous studies to improve the pedestrian friendliness and urban characterization of the downtown to create a sense of place. The unfortunate reality that many communities face is that the very transportation infrastructure that ensures traffic flows efficiently and safely also impedes pedestrian-friendly place making. Main Street is a four-lane highway controlled by UDOT, with approximately 71 feet of asphalt measured curb-to-curb. Building to building is approximately 104 feet. This study will analyze Main Street to determine its suitability as a corridor of focus for a pedestrian-friendly environment and to provide examples of nationally recognized communities that have achieved walkability. An alternative solution will also be explored.

An example of a well-designed streetscape and right-of-way is in Greenville, SC home of Furman University and Bob Jones University. Greenville's downtown has intimate streets with narrow rights of way and angled parking, which contributes to a vibrant downtown and a mixed-use, pedestrian-friendly environment.

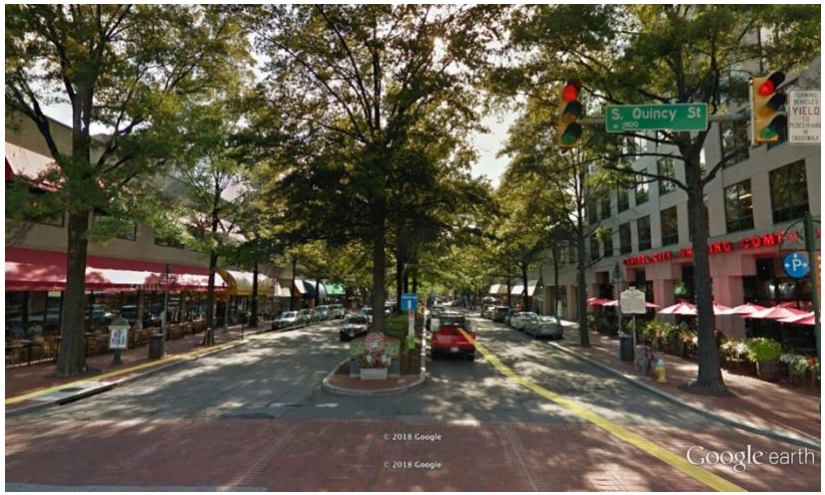
It's evident through Greenville's street design that effective urban planning has been a City Council priority. Financial resources have been appropriately dedicated to ensuring a vibrant and inviting downtown environment.

SOURCE: Google Earth

Picture 1—Greenville, SC Main Street

Note in Picture 1 the appropriate spacing of buildings, sidewalks, angled parking, parking strips, driving lanes, canopies, trees, and pedestrian crosswalks in Greenville. Duplicating this type of environment on Main Street in Cedar City would not be feasible considering the limitations of coordinating significant right-of-way changes with UDOT. Even if significant ROW changes could be enacted, the spacing between buildings would still be too wide to create an intimate streetscape.

Another example is found on Campbell Avenue in Shirlington, VA as shown below in Picture 2.



SOURCE: Google Earth

Picture 2—Campbell Avenue in Shirlington, VA

Note the hard median with landscaped trees and parallel parking, which act to slow traffic through the corridor and improve pedestrian safety.

Picture 3 is an example of sidewalk bulb-outs that reduce the width of asphalt at the crosswalk to create a safer pedestrian experience while crossing. Also notice how the parallel parking and parking strip creates a buffer between the traffic lane and sidewalk.

SOURCE: https://www.pps.org/article/livememtraffic

Picture 3—Traffic Calming Measures

Innumerable examples exist of appropriately designed rights of way, parking solutions, and streetscape that have changed uninviting, auto-dominated corridors into pedestrian-friendly environments. For purposes of this study, a database of comparable college towns was created from an article by bestvalueschools.com that lists the 30 most charming college towns. As shown in Table 9, the database catalogues the distance of downtowns to their respective college campus, the width of the right-of-way in downtown, and enrollment and population statistics.

College	City	State	Distance from Campus to DT	Main Corridor	Asphalt ROW in DT	City Population	On-Campus Enrollment
Cazenovia College	Cazenovia	New York	0.08	Albany St	63	7,054	1,000
University College, Bath/Brunswick	Bath	Maine	6.50	Front Street	32	8,334	np
Goddard College, Peninsula College	Port Townsend	Washington	1.45	Water Street	50	9,286	235
Oakland University, Rochester College	Rochester	Michigan	3.75 and 1.00	Rochester Rd	58	12,969	16,568
College of William and Mary	Williamsburg	Virginia	0.01	E Duke of Gloucester St (Dedicated pedestria	60	14,988	6,301
Centre College	Danville	Kentucky	0.25	Main Street	60	16,645	1,430
Northwestern State University	Natchitoches	Louisiana	0.90	Front Street	35	18,402	10,572
Illinois College, MacMurray College	Jacksonville	Illinois	1.1 and 0.35	College Avenue	38	19,042	1,000
Mary Baldwin University	Staunton	Virginia	0.31	Beverly Street	30	24,234	1,313
Salve Regina University	Newport	Rhode Island	0.60	Thames St	25	24,570	2,158
Shenandoah University	Winchester	Virginia	2.10	Loudoun Street (Dedicated Ped)	45	26,203	2,099
Penn State York, York College of Pennsylvania	York	Pennsylvania	1.19	Market St	43	28,301	1,400
West Virginia University	Morgantown	West Virginia	0.20	High Street	33	30,364	22,563
Whitman College, Walla Walla University	Walla Walla	Washington	0.30 and 2.19	Main Street	43	31,952	1,470
University of Delaware	Newark	Delaware	0.30	Main Street	39	32,941	18,353
Hope College, Western Theological Seminary	Holland	Michigan	0.13 and 0.3 miles	8th Street	30	33,581	3,224
Shorter University, Georgia Highlands College, Northwestern Technical College	Rome	Georgia	1.00	Broad St (With tree-lined median)	60	36,340	1,652
Beloit College	Beloit	Wisconsin	0.12	Grand Avenue	54	36,812	1,300
Montclair State University	Montclair	New Jersey	3.05	Bloomfield Ave	56	38,130	16,336
University of Northern Iowa	Cedar Falls	Iowa	2.10	Main Street	25	40,828	10,104
University of Vermont	Burlington	Vermont	0.80	Church St (Dedicated Ped)	60	42,556	3,224
California Polytechnic State University	San Luis Obispo	California	1.05	Higuera St	47	46,716	20,425
Wesleyan University, Middlesex Community College	Middletown	Connecticut	.28 and 2.1 miles	Main Street	80	46,933	2,976
Lewis-Clark State College	Coeur dAlene	Idaho	1.00	Sherman Avenue	35	47,842	4,304
James Madison University, Eastern Mennonite University	Harrisonburg	Virginia	0.50	Main Street	22	51,979	20,779
University of Wisconsin--La Crosse, Viterbo University, Western Technical College	La Crosse	Wisconsin	0.75	Main Street	42	52,140	10,546
Bryan University	Rogers	Arkansas	2.90	Walnut St	50	61,979	np
Bob Jones University, Furman University	Greenville	South Carolina	3 and 7 miles	Main Street	26	62,776	2,493
~~Liberty University, Lynchburg College, Randolph College, Virginia University of Lynchburg~~	~~Lynchburg~~	~~Virginia~~	~~2.4, and 1.3 miles~~	~~Church St~~	~~40~~	~~78,755~~	~~50,000~~
~~University of North Texas, Texas Women's University~~	~~Denton~~	~~Texas~~	~~0.90~~	~~Hickory Street~~	~~25~~	~~128,421~~	~~31,209~~
~~Strayer University, Collin County Community College~~	~~Plano~~	~~Texas~~	~~2.50~~	~~15th Street~~	~~33~~	~~279,088~~	~~42,975~~
				Averages	**44**	**32,282**	

SOURCE: bestvalueschools.com, Better City*

Table 9—College Town ROW Comparison

As noted above, these downtown ROW's when measured at the crosswalk are approximately 44 feet on average, compared to 71 feet for Cedar City's Main Street. In fact, Main Street is wider than all but one of the downtown corridors examined. The focus of many urban planners faced with wide ROW's has been to reduce the auto-dominance of corridors by adding angled parking, hard medians, reducing the number of travel lanes, adding bike lanes, sidewalk bulb-outs, and raised crosswalks.

*Note: Averages exclude communities larger than 75,000.

These are traffic calming measures that are designed to create a safer environment for pedestrians. These improvements are most effectively implemented on City-controlled streets as they only require action by the Planning Commission and City Council.

Unfortunately, the reality is that Main Street is a major corridor that is controlled by UDOT. The amount of traffic calming improvements that would be required to create a pedestrian-friendly environment would require UDOT approval, which will take time and probably still not achieve the intended results. For example, as shown in Picture 4 below, Washington Blvd in Ogden, Utah is also a UDOT controlled corridor.

SOURCE: Google Earth

Picture 4—Washington Blvd in Ogden, UT

Although mid-block signalized crossing and hard medians were successfully negotiated with UDOT, there is still very little pedestrian activity along the corridor. Recognizing these limitations with the volume of traffic and characteristics of Washington Blvd., the City focused on interior block redevelopment to create a pedestrian friendly downtown destination attraction known as The Junction.

The challenges associated with significantly altering Cedar City's Main Street would normally be an impediment to effective redevelopment, except for the fact that the City blocks, much like other Utah communities, are approximately 400 feet square when measured from the interior lot lines. This provides for mid-block and internal block reconfigurations that can be potential solutions for developing a sense of place. They also avoid the inherent conflict between pedestrians and automobiles that otherwise would be present on the street.

Due to the limitations of the Main Street corridor, the recommended redevelopment approach is to focus on internal block configurations that provide the greatest amount of flexibility in creating a pedestrian-friendly mixed-use environment. A pedestrian-dedicated alley through the middle of each block will effectively serve as an interconnecting corridor to the three downtown anchor institutions: SUU, the Shakespearean Theater, and downtown businesses.

Pedestrian Mall Mixed Use Concept

There are many widely-known benefits of mixed-use projects. The first benefit is an economic synergy that can't be replicated by single-use developments. For example, the area is occupied by office workers during the day and residents during the night. Retail locations have a larger base of potential customers, tending to stay open longer and having more customers. This, in turn, makes the area more valuable for office workers and residents.

The second benefit of pedestrian mall mixed-use projects is walkability, meaning that the area is pedestrian-friendly, has safe sidewalks and interesting landscapes, and is located in proximity to a wide variety of places of interest and amenities. Increased walkability has been shown to be correlated to higher real estate values, increased levels of health, lower crime, increased social capital, and a better quality of life for residents and workers.[2]

The third benefit of pedestrian mall mixed-use projects is that they maximize the fiscal impact of the land. Space is not wasted on underutilized parking, car lanes, or low-density buildings. This means that the per-acre impact is much greater than for single-use developments. Areas with mixed uses also attract more patrons for the tenants and increase the area's economic value for the City.

The subject site can borrow many ideas from successful pedestrian malls in other communities. A number of examples are highlighted below, including Charlottesville, Burlington, Winchester, and Boulder. There are more than 50 pedestrian malls in existence in the United States, many of which are included in Appendix 1.

Pedestrian Mall Success

Pedestrian malls that have been successful have a number of attributes (similar to downtowns) that contribute to their ongoing vibrancy and economic success. These include destination attractions, a critical mass of restaurants, nearby anchor institutions, strong tourism, excellent design, maintaining and enforcing property standards, adequate lodging infrastructure, boutique shops, office uses, residential uses, nearby institutions of higher education, programming, and growth in the broader local economic base. A lack in any one of these areas can lead to a negative compounding effect in other areas and a gradual decline in vibrancy and real estate values.

It is critical that adequate institutional accountability and stewardship is established to foster growth and ensure appropriate tenancy, property and public space maintenance, and programming are being addressed. This can be accomplished if property owners that would benefit from the pedestrian mall choose to establish a Business Improvement District (BID). Without a governing body and passionate, engaged membership, the pedestrian mall may atrophy. Local business owners should also be actively involved in championing and supporting economic and

[2] Walkscore.com

tourism development initiatives to ensure a strong economic base. There are many BIDs operating throughout the country and some examples of successful pedestrian mall BIDs include the Downtown Boulder BID in Boulder, CO; the Church Street Marketplace District in Burlington, VT; Madison Central BID in Madison, WI; Downtown Denver Partnership in Denver, CO; and Buffalo Place in Buffalo, NY.

There are many other examples of successful BIDs across the country that are involved in the management of pedestrian malls. In other cases, instead of a BID, some communities have formed non-profits that are receiving revenue from members, programming activities, and contributions from the City. Although a combination of revenue sources can be very effective, there are some circumstances where caution is advised. For example, if a business association starts receiving a significant amount of its contributions from a public entity, it's purpose in representing its members may become compromised as business interests do not always align with the interests of the public sector and elected officials. To the extent possible, public sector contributions should be minimized.

Lastly, the City should be allocating the appropriate financial resources to urban planning for the pedestrian mall and the surrounding, supportive neighborhoods. According to stakeholders interviewed, the City does not have a City planner. In terms of community development, urban renewal, and redevelopment, an American Institute of Certified Planners (AICP) certified City planner is going to be instrumental in appropriately guiding and advising the Planning & Zoning Commission and City Council in making informed decisions based on proven design and planning principals. Staff capacity should also be enhanced by hiring specialized planning firms for specific projects, including the planning and design of the pedestrian mall.

Façade Improvements

Historically, building owners and the City have been focused on improving facades along Main Street. However, some building owners have invested in improvements to the rear of their businesses, where the majority of their patrons access their store. A façade improvement program will need to be made available to property owners to encourage investment along the pedestrian mall.

Examples

A great example of a mixed-use pedestrian mall is in Charlottesville, Virginia. At the core of the development is Main Street, a dedicated pedestrian corridor extending for 0.40-miles through 8 city blocks. The mall, shown in Map 6, is located about 1.5 miles from the University of Virginia. The mall includes a movie theater, escape room, and 3,500-seat outdoor amphitheater with lawn seating for festival events. The population of Charlottesville in 1976 was 45,000 when Main Street transitioned to pedestrian only.

The ground floor is populated with local restaurants and boutique retail with upper floors occupied by professional office space and, in some cases, residential lofts. The Omni luxury hotel anchors the mall at the west end and there is also a Residence Inn adjacent to the west-end entrance.

SOURCE: Google Earth

Map 6—Aerial of Charlottesville, VA Downtown Mall, Dedicated Pedestrian Corridors on Main St., Various Side Streets

SOURCE: City of Charlotesville

Picture 5—Main Street in Charlottesville, VA

SOURCE: Charlottesville Tourism Office

Picture 6—Main Street in Charlottesville, VA

SOURCE: Brantley Ussery, Charlottesville Tourism Office

Picture 7—Main Street in Charlottesville, VA

SOURCE: Christina Ricchiuti Dubin, PackedSuitCase.com

Picture 8—Main Street in Charlottesville, VA

SOURCE: Jodi, Jodisgarden.blogspot.com

Picture 9—Main Street in Charlottesville, VA

SOURCE: Thomas Hill

Picture 10—Main Street in Charlottesville, VA

SOURCE: Charlottesville Tourism Office

Picture 11—Main Street in Charlottesville, VA

Another example of a dedicated pedestrian corridor is Church St. in Burlington, VT, which is home to the University of Vermont, St. Michael's College, and Champlain College. The City converted Church Street to a dedicated pedestrian corridor with mixed-use development and is located 0.8 miles from the University of Vermont campus. Hotel Vermont is a boutique hotel located between Church Street and the waterfront. The 0.30-mile Church Street development was completed in 1981, when Burlington's population was 37,721.

SOURCE: Google Earth

Map 7—Burlington, VA Downtown Aerial and Dedicated Pedestrian Corridor on Church Street

SOURCE: Twosidedtravels.com

Picture 12—Church Street in Burlington, VT

SOURCE: Innisfreehotels

Picture 13—Church Street in Burlington, VT

SOURCE: Innisfreehotels

Picture 14—Church Street in Burlington, VT

SOURCE: Yoga on Church Street, VT

Picture 15—Church Street in Burlington, VT

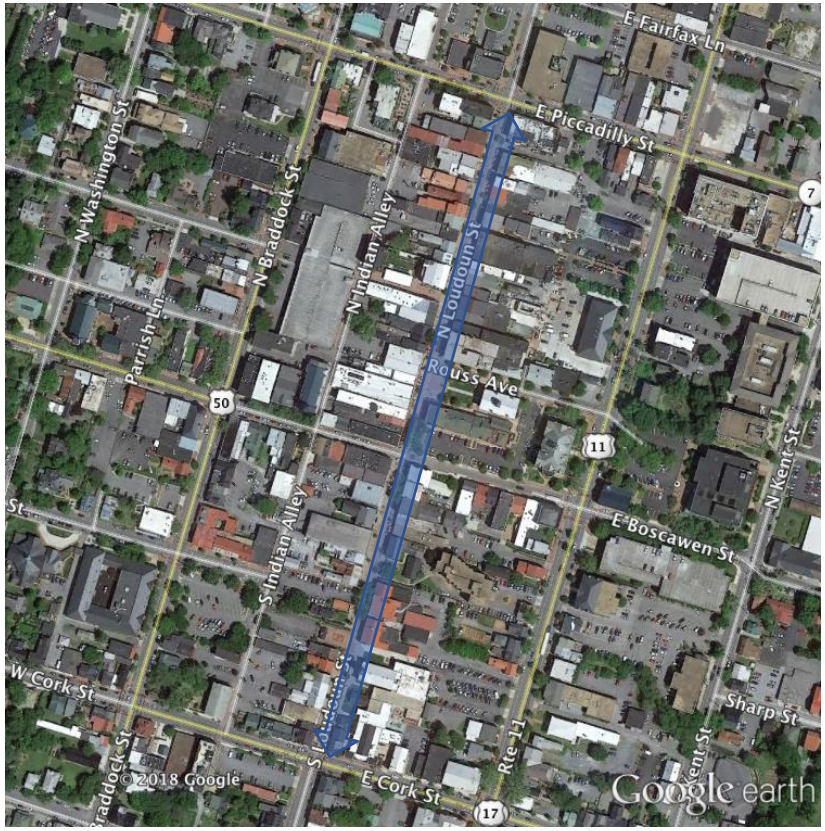
SOURCE: Niel T, Sourcethestation.com

Picture 16—Church Street in Burlington, VT

SOURCE: Unknown

Picture 17—Church Street in Burlington, VT

Winchester, VA is home to Shenandoah University, located 2.0 miles away from downtown. In 1974, when Winchester had a population of 20,378, the City vacated and dedicated Loudoun Street for pedestrian use. In 2012, the City added a splash pad and monument signs to make the 0.6-mile pedestrian corridor more inviting.



SOURCE: Google Earth

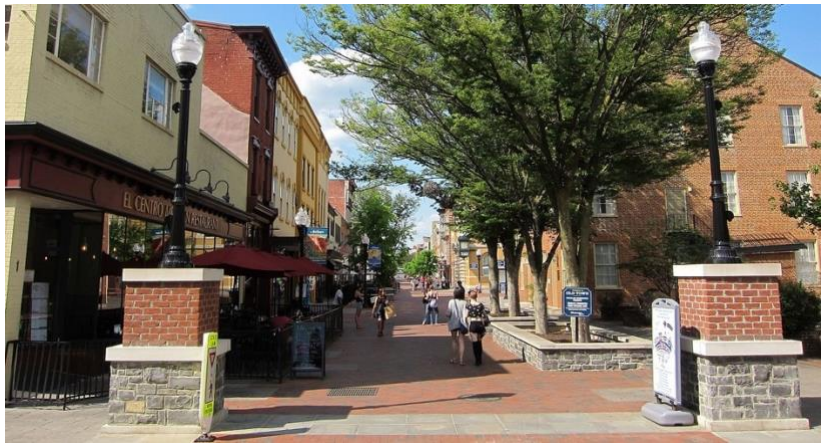
Map 8—Loudoun Street in Winchester, VA

SOURCE: City of Winchester

Picture 18—Loudoun Street in Winchester, VA

SOURCE: City of Winchester

Picture 19—Loudoun Street in Winchester, VA



SOURCE: AgnosticPreachersKid, used under Creative Commons

Picture 20—Loudoun Street in Winchester, VA

SOURCE: City of Winchester

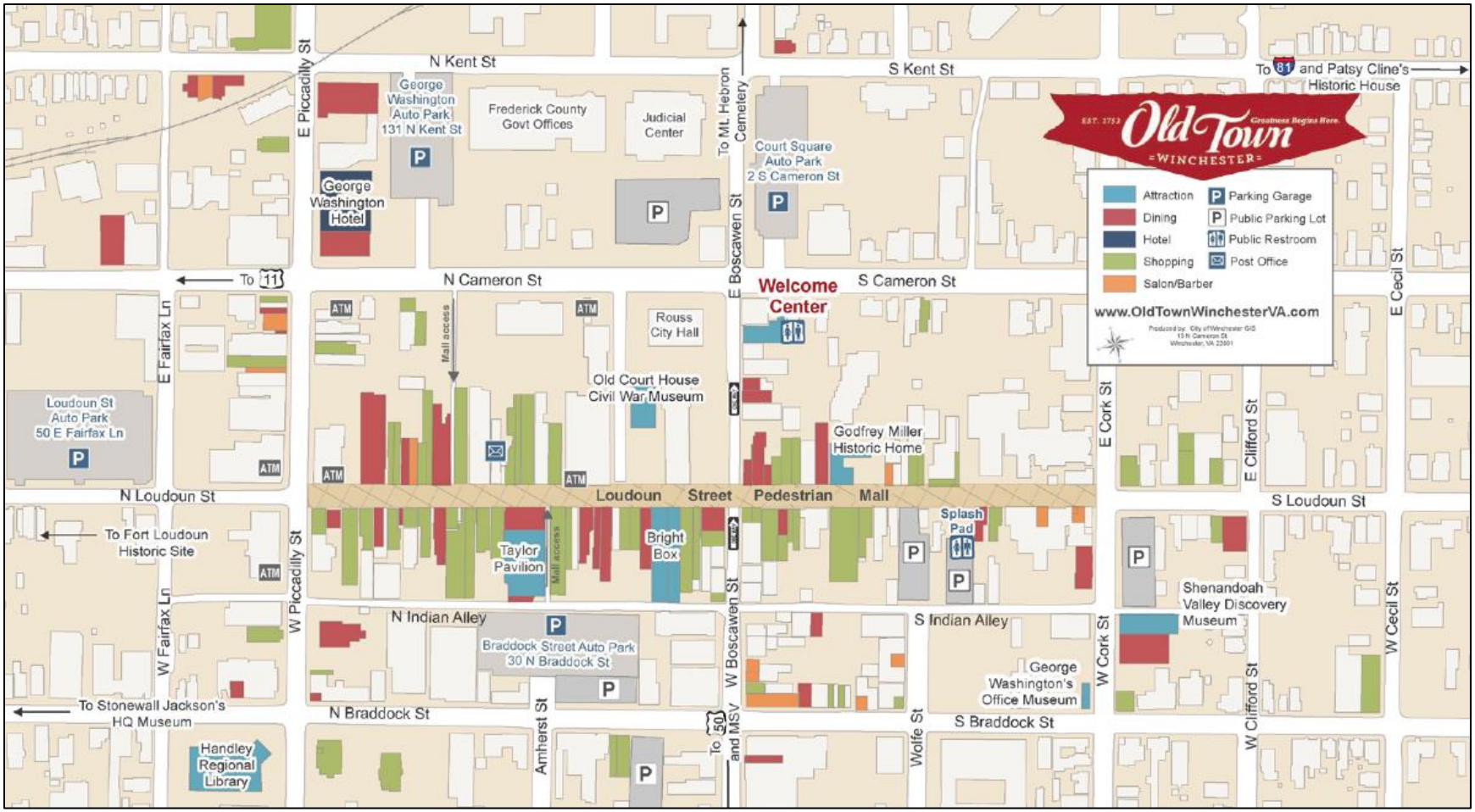
Picture 21—Loudoun Street Splash Pad, Winchester, VA

SOURCE: City of Winchester

Picture 22—Loudoun Street in Winchester, VA

SOURCE: Unknown

Picture 23—Loudoun Street in Winchester, VA



SOURCE: City of Winchester

Picture 24—Winchester Historic Downtown

In 1977, Boulder dedicated the Pearl Street Mall and dedicated four blocks for pedestrian use, approximately 0.28 miles. Improvements to main arterial roads, including Colorado 119 were also made to make the downtown district more walkable. The Pearl Street Mall is a memorable and heavily visited place within the downtown district.

Map 9—Pearl Street Pedestrian Mall

SOURCE: Boulder Downtown

Picture 25—Pearl Street in Boulder, CO

SOURCE: Boulder Downtown

Picture 26—Pearl Street in Boulder, CO

SOURCE: Unknown

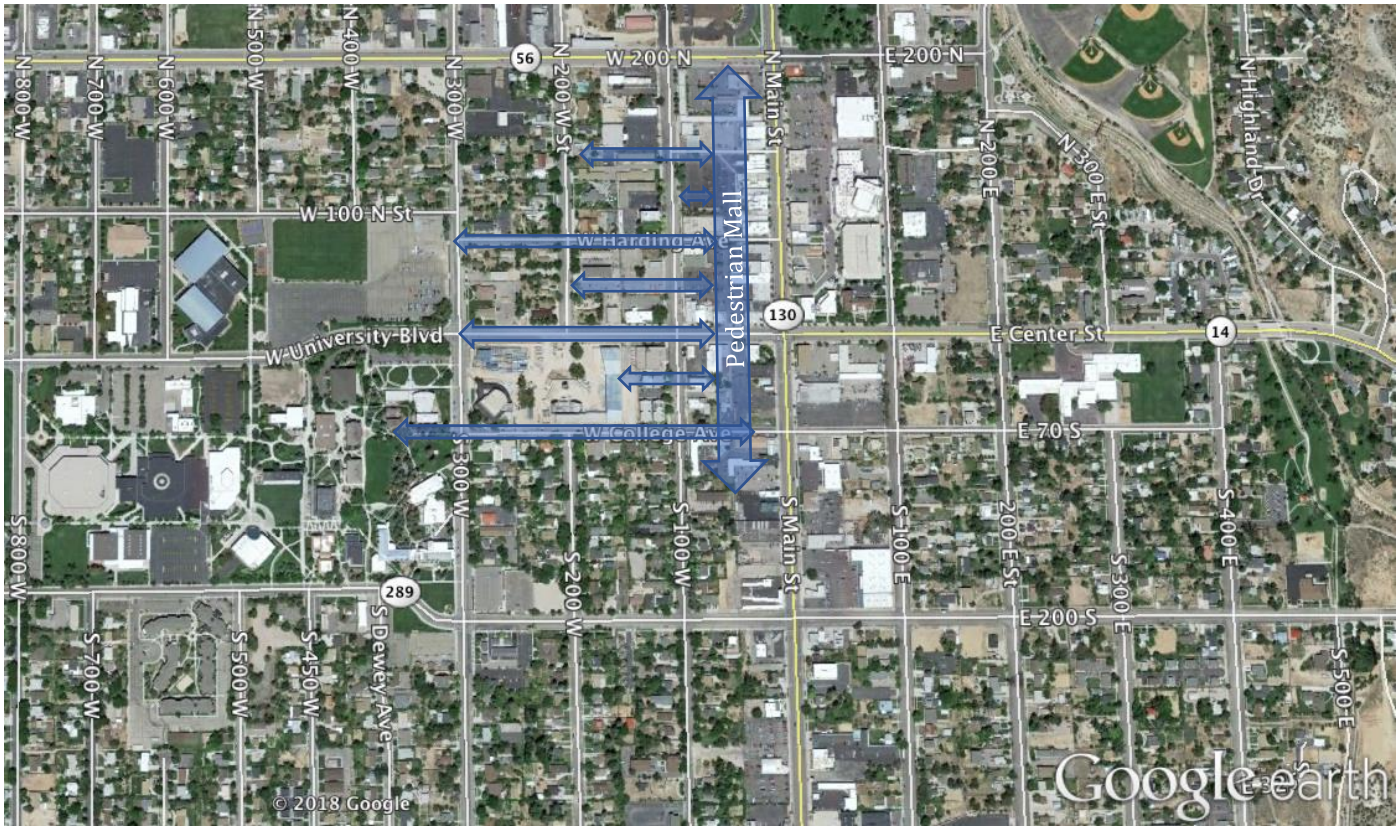
Picture 27—Pearl Street in Boulder, CO

SOURCE: @beautifulcataya, used under Creative Commons

Picture 28—Pearl Street in Boulder, CO

Downtown Pedestrian Connectivity and Block Permeability

The map below shows the subject site considered in the broader context of pedestrian connectivity and permeability among the major anchor institutions. Arrow blocks depict planned pedestrian corridors, by thickness in order of importance. The primary focus of the redevelopment effort is an internal pedestrian corridor that will provide connectivity to downtown businesses in a north/south orientation. Pedestrian corridors along College Avenue will connect the redevelopment project to the SUU campus. A mid-block access corridor will provide access to the Shakespearean Theater. The redevelopment project should be part of a broader effort to connect together the built environment all the way through to 200 N and encourage mixed-use redevelopment throughout the downtown district.



Map 10—Pedestrian Connectivity and Block Permeability

Proposed Uses

Aligning the pedestrian mall at the redevelopment site will be a mix of uses that will complement the existing businesses, attract locals and visitors alike to the downtown, and act as a catalyst for a virtuous cycle of private sector investment. Uses that will be examined as part of the project include a boutique hotel, office space, ground-floor retail and restaurants, an economic development component, and a movie theater.

Boutique Hotel

A boutique hotel would offer an upper upscale product, higher personal service, a unique theme and architecture, and cater to individuals and households in a higher disposable income bracket than the existing hotels. Hotels are generally segmented into the following categories:

Luxury
Upper Upscale
Upscale
Upper Midscale
Midscale
Economy

The hotels in the local market fall into these categories as follows[3]:

Name	Hotel Class	# of Rooms
Stratford	Economy	50
El Rey Inn & Suites	Economy	73
Abbey Inn Cedar City	Economy	85
Best Western Town & Country Inn	Midscale	89
La Quinta Inns & Suites Cedar City	Midscale	89
Hampton Inn Cedar City	Upper Midscale	58
Holiday Inn Express & Suites Cedar City	Upper Midscale	80
Comfort Inn & Suites Cedar City	Upper Midscale	81
Best Western Plus Cedar City	Upper Midscale	56
Springhill Suites Cedar City	Upscale	72
Courtyard Marriott	Upscale	112
	Total	**845**

Table 10—Hotel Chain Scales and # of Rooms

The redevelopment project will remove from the market a total of 123 rooms: 50 rooms in the Stratford and 73 rooms at the El Rey, leaving 722 rooms. Due to the difference in price point and targeted demographic between the existing economy hotels and the proposed upper upscale hotel, this reduction in lower-priced supply won't directly translate into increased demand for higher-priced rooms. However, it will provide upward pressure on room rates in the broader market and improve occupancy statistics.

The boutique hotel represents a new product segment introduction to the market so there isn't a comparable set of properties with which to compare. In addition, due to the small size of the local hotel market relative to other larger markets, upscale and upper upscale should be collapsed into

[3] http://hotelnewsnow.com/Media/Default/Images/chainscales.pdf

the same category. That is to say, absent other competitors, the hotel that will most likely compete directly for customers with the boutique hotel is the newly constructed Courtyard in the upscale category. The difference between these two products is that the boutique hotel could be considered a destination in and of itself because of the rich amount of amenities within and surrounding the property.

The proposed site for the boutique hotel is within walking distance to the Shakespeare Theater. The hotel is an anchor to the redevelopment project and will be surrounded by supportive and complementary uses such as boutique retail, restaurants, and a movie theater. With these adjacent uses along the pedestrian corridor, the hotel will offer an unparalleled experience that the other hotels in the local market are unable to provide due to their relatively isolated locations by the freeway in auto-centric environments.

Project Components

The boutique hotel would be located midblock, with surface parking fronting Main Street and rooms overlooking the pedestrian mall and a public plaza. The redevelopment site will require time to mature and season, so the hotel site should be designed in a manner that would provide for future conversion to residential units as amenities develop along the pedestrian mall. This can be accomplished by designing the project in two phases: the initial phase would primarily be focused on hotel units supported by the current and emerging market and a second phase that would convert units to condos as the market matures. The first phase would include 44 units, along with associated amenities. The second phase would be a conversion that would entail converting roughly half of the units to condos. The project would still be designed in a manner that would allow for a percentage of the initial rooms to be sold as residential condominium units. When the owners of the condominium units are not occupying their space, they can be contributed into the rental pool and the rental revenue would be split between the hotel operator and the owner on an agreed upon percentage. Owners will also pay a quarterly fee to have access to the same concierge services as the hotel patrons.

The condominium units can be pre-sold, similar to a condominium unit, prior to construction. This would allow the developer to raise less required equity for the project, reduce risk, and have a strong return on investment. This approach also provides great flexibility in terms of phasing the project. If demand for the for-sale residential units is stronger than anticipated, the developer may move forward with phase two ahead of schedule. Conversely, if the demand is tepid, the developer may keep all the units as hotel rooms for a number of years and as amenities develop along the pedestrian mall and demand for the residential units increases, converting rental units to for-sale units as applicable.

The ground floor of the hotel would have restaurants that open up to the public plaza with open-air dining tables available along the pedestrian mall. The restaurants would also provide in-room service to hotel and condominium units.

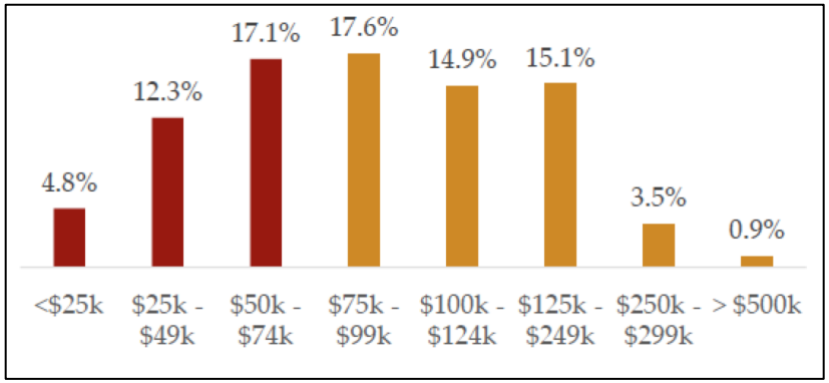
There may also be an opportunity to relocate an existing tenant that rents recreational equipment on the block to occupy a small retail component on the ground floor. There are many synergies to this relocation as it provides additional patrons for the equipment rental store and may provide opportunities for guided tours in the surrounding recreational areas. A recreational package could be offered to hotel patrons, which would include the cost of the lodging, outfitting, and guided tours.

A great example of this boutique hotel concept is the Limelight Hotel in Ketchum, Idaho. The hotel has an equipment rental company on the ground floor, restaurant and bar, and also provides residential units for sale on the fourth and fifth floor. Although the Limelight is a product for a much different high-price market, the concept can be applied to the redevelopment project if appropriately designed and priced.[4]

Market Analysis

The Cedar City hotel market struggles with occupancy during the offseason from November to February. As demand softens, pricing follows, with lower ADR's and RevPAR during this period. The strongest months in terms of occupancy and pricing are June through September. Coordinated efforts should be made by the tourism bureau, downtown committee, Cedar City, and University to organize events and curated recreational activities during the off-season that will increase visitation. A tourism and travel strategic plan should be pursued.

As an upscale offering, the boutique hotel would have the highest ADR in the market, targeting higher income visitors. One example of higher income individuals visiting the community are the survey results conducted by the Festival as shown below in Table 11:



SOURCE: Utah Shakespeare Festival

Table 11—Household Annual Pretax Income

This representative statistically significant sample shows a total of 35% of visitors with a household income greater than $100k. With an average attendance of 120,000, that translates to 42,000 visitors within the higher income demographic. In addition to the Festival, SUU athletic events, graduation, and other university activities attract visitors to the area. Outside of the University, business, leisure travelers, and recreational enthusiasts with incomes greater

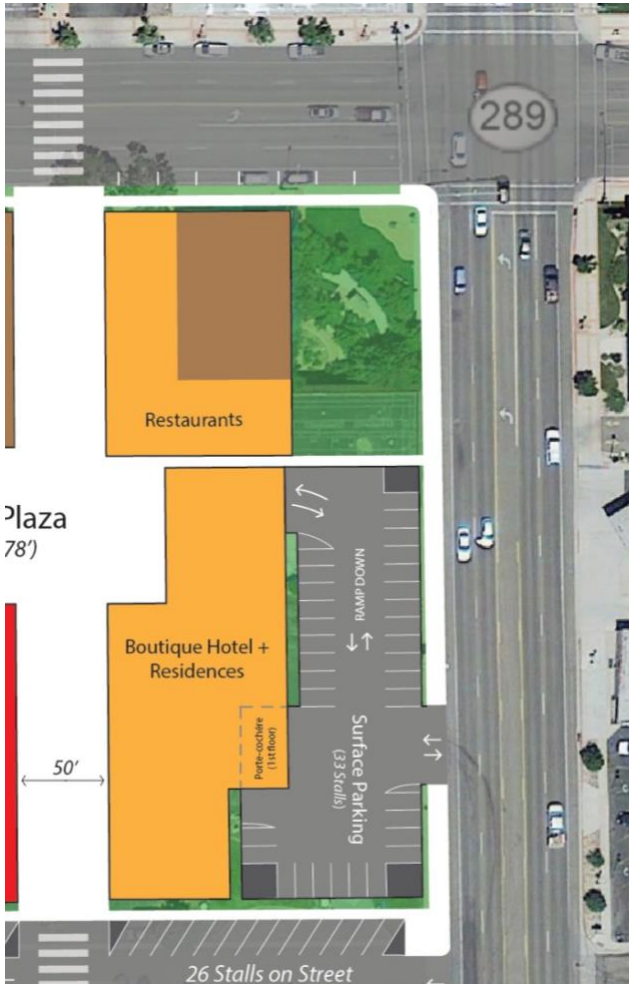
[4] https://www.limelighthotels.com/ketchum/real-estate

than $100k would also be targeted patrons of the boutique hotel.

The El Rey and Stratford hotels have lower ADR's and occupancies than other hotels in the Cedar City submarket. Removing these rooms from the equation will result in slight improvement in the general occupancy rates in the submarket, from 65% to around 68%. The improvement in ADR is difficult to determine as data is not provided for individual properties. However, the boutique hotel would be positioned at a price point above the Springhill Suites and Courtyard.

There would appear to be enough visitation to Cedar City across the higher income demographic to warrant an upper upscale product type with a percentage being condominium sales, timed appropriately for market absorption. The top two floors of the 3-story hotel could be designed to accommodate condominium residences of various floorplans, including outdoor terraces with amazing views of the mountains to the east or the pedestrian mall to the west. Larger floorplans for the residences means fewer units, with approximately 15 to 20 units for sale.

The site for the boutique hotel will be located on the east side of the block, along Main Street. Maintaining a pedestrian corridor through the block that aligns with the existing and planned built environment limits the availability of land to configure adequate parking, either surface of above grade structured. As such, it will be necessary to do a below-grade structure. In addition, the public plaza area adjacent to the hotel will consume an existing parking lot that is used by properties along Center Street so adequate replacement parking will also need to be accommodated.



Map 11—Boutique Hotel Conceptual Site Plan

Floor	1	2	3	Total
Floorplate	13,850	10,850	7,463	32,163
Lobby	2,700	n/a	n/a	2,700
Restaurants/Retail	6,100	n/a	n/a	6,100
Pool, Hot Tub	1,000	n/a	n/a	1,000
Meeting Space/Reception	3,000	n/a	n/a	3,000
Fitness Room	750	n/a	n/a	750
Business Center	300	n/a	n/a	300
Remaining	-	10,850	7,463	18,313
Load Factor	0.15	0.15	0.15	0.15
Leasable SF	-	9,223	6,344	15,566
Average Unit Size				350
# of Units				**44**

Table 12 - Hotel Floorplate

The floorplate for each level and number of rooms has been calculated in the table above.

Pro-Forma

The quality of finish, service, and development costs will require the boutique hotel to command a high ADR. As a new product offering, there are no comparable hotels to use in determining market rates and the hotel developer will need to have experience in bringing such offerings to market. For purposes of the analysis, construction cost of $303/SF for the parking and hotel, an ADR of $175, and occupancy of 56% has been assumed. The project will become more defined by a participatory developer and if these rates and occupancy are believed to be unachievable, the capital stack will need to be adjusted to reduce project amenities, level of finish, and to unburden the project in the level of investment provided to public space. There are enough levers to pull in the design of the project and the proposed incentive structure to accommodate future refinements.

Uses	
Land	1,803,802
Hotel & Land	9,329,944
Parking Structure	1,383,600
Pedestrian Mall & Public Plaza	1,969,759
Total Uses	**12,683,303**
Sources	
Debt	8,878,312
Equity	3,804,991
Total Sources	**12,683,303**
NOI	456,797
Debt Service	763,284
Cash Flow Before Taxes	(306,486)
Cash-on-Cash	**-8%**

Table 13— Hotel Un-incentivized Return

As shown above, without incentives, the project does not generate enough income to provide investors with a profitable return. The amount of investment required is too high and the cash generated by the project is too low. This is typical with redevelopment projects in transitioning markets that require structured parking. This is compounded by the additional costs required to develop the pedestrian mall and public plaza.

In order to solve the equation, a number of financing strategies for the hotel will be needed. These include re-

contributions of almost all incremental taxes generated by the project, utilizing New Markets Tax Credits, and securing outdoor recreation grants from the State. These sources will help defray the costs of the land, parking, and public space. By utilizing these economic development tools, the project will be able to earn a competitive yield to investors as well as provide the necessary funding to defray almost all of the costs associated with the public space. The amount of additional money needed to be contributed by the City is estimated at $300k—matching funds for the Outdoor Recreation Grant program. Two grant requests for $150k should be submitted in back-to-back program years to help fund the construction of the public plaza space.

The New Markets Tax Credit (NMTC's) program will provide investors in the hotel project a 39% federal income tax credit. If syndicated to third-parties, NMTC's typically provide sources of funding for between 15% and 20% of total project cost. The difference between the gross tax credit and net benefit to the project is due to investor profit and transaction costs. There is a 7-year compliance period for the NMTC's, during which time there can be no changes in ownership, loan amortization, or mortgages placed on the property. This financing structure would therefore require that no unit conversions are done prior to the expiration of the 7-year compliance period. As mentioned above, this dovetails nicely with the strategy of letting the project season and mature for a number of years before selling off residential units.

During the 7-year compliance period the NMTC's are structured as below-market rate debt. The tax credit structure is too complex to discuss the intricacies of the financing in this document, but resources are readily available online at www.cdfifund.gov.

Total Development Cost	12,683,303
Transaction Fees	1,055,000
Total Cost	13,738,303
Cash	3,738,303
Total QRE	11,000,000
Tax Credit Percentage	39%
Tax Credit	4,290,000
Allocation of Credits	100%
Syndication Rate	75%
QLICI A	7,782,500
QLICI B	3,217,500
Interest	3.6%
QLICI Loan A	282,505
QLICI Loan B	116,795
Total interest	**399,300**

Table 14 – Hotel NMTC Structure

As shown above, the below market interest-only notes require debt service of $399k, compared to the $763k required under a traditional debt-to-equity commercial note. As shown in the table below, the NMTC's will provide roughly 16% of the financing sources for the project.

NMTC Fees & Project Benefit	
	Hotel
Fee Reserve	330,000
Transaction Costs (2 CDE's)	725,000
Total Fees	1,055,000
Net to Project in Year 7	2,162,500
% of Project	15.7%

Table 15—Hotel NMTC Benefit

Re-contributing almost all of the incremental taxes to the project will be needed to improve cash flow. This includes sales tax, transient room tax, and property tax. As a cash-flow enhancement, these will offset the capital and financing costs of the public plaza, pedestrian mall, parking, and land.

Uses	
Total Development Cost	12,683,303
NMTC Transaction Fees	1,055,000
Total Cost	**13,738,303**
Sources	
QLICI A Loan	7,782,500
QLICI B Loan	3,217,500
City Public Plaza Funding	300,000
Outdoor Rec Grant	300,000
Developer Cash to QALICB	2,138,303
Total Sources	**13,738,303**
NOI	456,797
TIF	168,742
Total Income	**625,540**
QLICI Debt Service	399,300
Annual NMTC Compliance	12,500
Cash Flow	**213,740**
Return on Investment	10.0%

Table 16—Hotel Incentivized Return

By utilizing these economic development tools, the project will be able to generate a competitive yield of between 10% and 12% to investors in the project. There are no sales comps available for an upper upscale condominium in Cedar City, so other markets were examined for similar properties, including St. George and Park City. Pricing in those markets varies from $350/SF to $450/SF and up for similarly positioned properties with a wide variety of factors impacting valuation. Close proximity to art, culture, higher education, and recreation, including the Shakespearean Festival, downtown businesses, SUU, Brian Head Ski Resort, and pedestrian mall, along with amenities at the hotel will contribute to condominium unit absorption. Potential buyers will likely come from Las Vegas, Southern California, the Wasatch Front, and possibly a few from the local market.

See Table 17 below for a pro-forma that includes occupancy of 56% and ADR of $175 in year 1 for an upper upscale hotel. The project will have a slightly higher F&B revenue than full-service hotels as it will have more robust offerings. Industry standard percentages for costs have been assumed. The project will generate a net operating income of $470k in year 1. Occupancy and ADR will likely increase year-over year as the project and corridor mature.

The performance of the hotel is highly dependent on a number of key variables, which may negatively impact the performance of the project. These include land price, construction costs, sales price, occupancy, interest and tax credit rates, and cost of goods and services. See Appendices for additional calculations.

Forecast of Revenues and Expenses

	Year 1		Year 2		Year 3		Year 4		Year 5	
Occupancy	56.00%		60.00%	7.1%	62.00%	3.3%	64.00%	3.2%	64.00%	0.0%
Average Daily Rate	$175.00		$183.75	5.0%	$192.94	5.0%	$198.73	3.0%	$204.69	3.0%
RevPAR	$ 98.00		$110.25	12.5%	$119.62	8.5%	$127.18	6.3%	$131.00	3.0%
Occupied Rooms	9,115		9,740		10,065		10,389		10,389	
Revenues:										
Rooms	1,595,209	68.6%	1,789,707	68.6%	1,941,832	68.6%	2,064,606	68.6%	2,126,544	68.6%
Food & Beverage	669,988	28.8%	751,677	28.8%	815,569	28.8%	867,134	28.8%	893,148	28.8%
Rentals & Other Income	60,618	2.6%	68,009	2.6%	73,790	2.6%	78,455	2.6%	80,809	2.6%
Total Revenues	**2,325,814**	100.0%	**2,609,392**	100.0%	**2,831,191**	100.0%	**3,010,195**	100.0%	**3,100,501**	100.0%
Departmental Expenses:										
Cost of Food & Beverage	200,996	8.6%	225,503	8.6%	244,671	8.6%	260,140	8.6%	267,945	8.6%
Payroll Expenses - Food & Beverage	219,182	9.4%	245,906	9.4%	266,808	9.4%	283,677	9.4%	292,187	9.4%
Other Expense - Food & Beverage	73,061	3.1%	81,969	3.1%	88,936	3.1%	94,559	3.1%	97,396	3.1%
Payroll Expenses - Rooms	3,829	0.2%	4,091	0.2%	4,227	0.1%	4,363	0.1%	4,363	0.1%
Other Expense - Rooms	350,946	15.1%	393,735	15.1%	427,203	15.1%	454,213	15.1%	467,840	15.1%
Reservations	95,713	4.1%	107,382	4.1%	116,510	4.1%	123,876	4.1%	127,593	4.1%
Royalties	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Dept. Expenses	943,726	40.6%	1,058,586	40.6%	1,148,354	40.6%	1,220,829	40.6%	1,257,323	40.6%
Gross Operating Income	1,382,089	59.4%	$1,550,806	59.4%	$1,682,836	59.4%	$1,789,366	59.4%	$1,843,178	59.4%
Other Direct Expenses:										
Admin & General	231,305	9.9%	259,507	9.9%	281,566	9.9%	299,368	9.9%	308,349	9.9%
Sales & Marketing	241,196	10.4%	270,604	10.4%	293,605	10.4%	312,168	10.4%	321,533	10.4%
Repairs & Maintenance	95,713	4.1%	107,382	4.1%	116,510	4.1%	123,876	4.1%	127,593	4.1%
Management Fee	69,774	3.0%	78,282	3.0%	84,936	3.0%	90,306	3.0%	93,015	3.0%
Utilities	76,752	3.3%	86,110	3.3%	93,429	3.3%	99,336	3.3%	102,317	3.3%
Total Other Direct Expense	714,740	30.7%	$801,885	30.7%	$870,045	30.7%	$925,055	30.7%	$952,806	30.7%
Gross Operating Profit	**667,349**	**28.7%**	**$748,921**	**28.7%**	**$812,791**	**28.7%**	**$864,311**	**28.7%**	**$890,371**	**28.7%**
Fixed Charges:										
Property Taxes	97,656	4.2%	97,656	3.7%	97,656	3.4%	97,656	3.2%	97,656	3.1%
Property Insurance	19,863	0.9%	20,459	0.8%	21,073	0.7%	21,705	0.7%	22,356	0.7%
Reserve for Replacement	93,033	4.0%	104,376	4.0%	113,248	4.0%	120,408	4.0%	124,020	4.0%
Total Fixed Charges	210,552	9.1%	$222,491	8.5%	$231,976	8.2%	$239,769	8.0%	$244,032	7.9%
Net Operating Income	**456,797**	**19.6%**	**526,430**	**20.2%**	**580,814**	**20.5%**	**624,542**	**20.7%**	**646,339**	**20.8%**

Table 17—Hotel Pro-Forma

OFFICE

The purpose of this section is to make a recommendation regarding the inclusion of an office component as part of the development project. Ultimately, the recommendation will be formulated based on the vacancy rates, lease rates, trends, demand drivers, and current supply on a national, regional, and local level.

To get a complete picture of the state of the office market, it will be analyzed on three levels:

1) The National Market
2) Secondary Market: Iron County
3) Primary Market: 5-mile radius around subject site

NATIONAL MARKET

In 2017, the U.S. office market entered a different phase of the development cycle, according to a report published by Jones Lang LaSalle (JLL). Over the course of the past few years, strong growth and a booming economy tightened demand. In response, developers completed millions of square feet of office spaces, providing steady growth in office markets across the nation.

However, the demand for space is slowing as the market approaches the "peak" phase of the cycle, which means that the negotiating power will shift away from landlords as more office spaces come online and the market becomes more competitive.

Nationally, office spaces have experience a rise in vacancy rates on the last few years, particularly in Class A building types. The overall vacancy rate for office spaces is 14.9%. The completion of new inventory was the main driver of rent price changes, which increased by 1.1% between Q3 and Q4, 2017. Both net absorption and construction have slowed in recent quarters.

US Office Statistics	Estimate
Vacancy (% Inventory)	14.90%
Quarterly Rent Change	1.10%
YTD Net Absorption (% Inventory)	0.90%
Under Construction (% Inventory)	2.37%

SOURCE: JLL

Table 18—US Office Statistics (Q4, 2017)

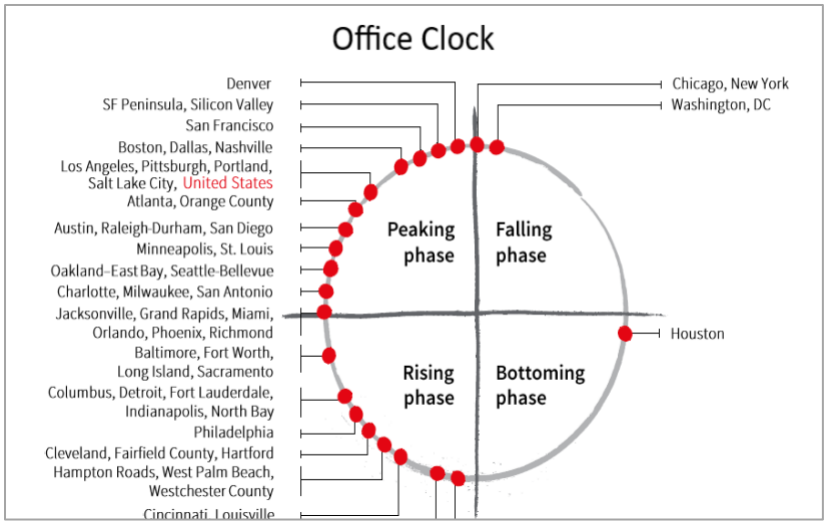
OFFICE PROPERTY CLOCK

Like other real estate sectors, office properties operate in cycles. JLL analyzes major markets in the United States and places them on an "office clock" to show where each of these markets are in the cycle. Understanding where the national and local office markets are helps determine the feasibility of including office spaces as part of the hotel's offering. Figure 3 describes each quadrant in the cycle.

SOURCE: JLL

Figure 3—Office Clock Description

Based on Q4 2017 office market data, the office market in the United States is well into the peaking phase of the cycle. This is shown by the high number of planned construction and increases in rental rates. The Nation should stay in this phase of the cycle for the next 1-3 years, after which it will transition into the falling phase of the cycle, wherein the market will become oversaturated and rates will decrease.

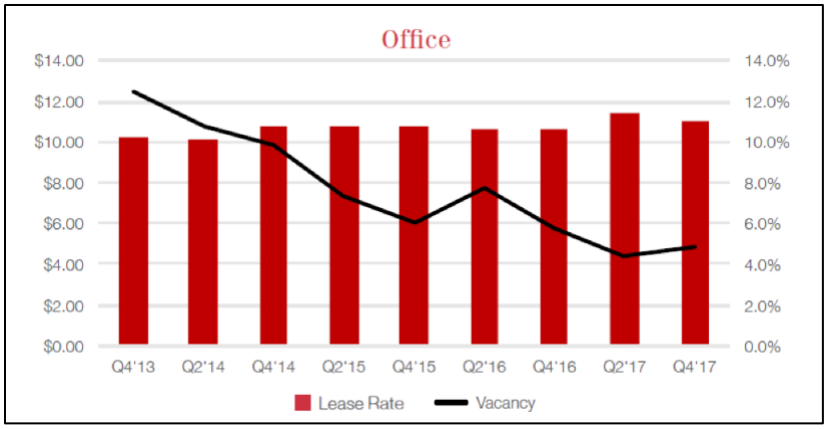


SOURCE: JLL

Figure 4—Q4 2017 Office Clock Estimates

Secondary Market—Iron County

Office statistics for Iron County show that, although vacancy rates in office spaces are low, there has been little upward pressure on lease rates. Figure 5 show a decrease in vacancies with only minimal changes to lease rates. Cedar City has experienced an increase in occupancy and rental rates as shown below in Figure 6.



SOURCE: NAI Excel

Figure 5—Iron County Office Trends (Q4'13-Q4'17)

The lack of pressure on office spaces is keeping the rates higher than in the neighboring county of Washington, where low vacancies and a string of new starts have alleviated supply shortages and brought lease rates lower (see Table 19).

Asking Lease Rates (Annual/SF NNN)-Office	Iron Co.	Washington Co.
Low	$ 9.00	$ 9.20
High	$ 16.00	$ 14.20
Average	$ 11.00	$ 11.50
Vacancy	4.80%	3.70%

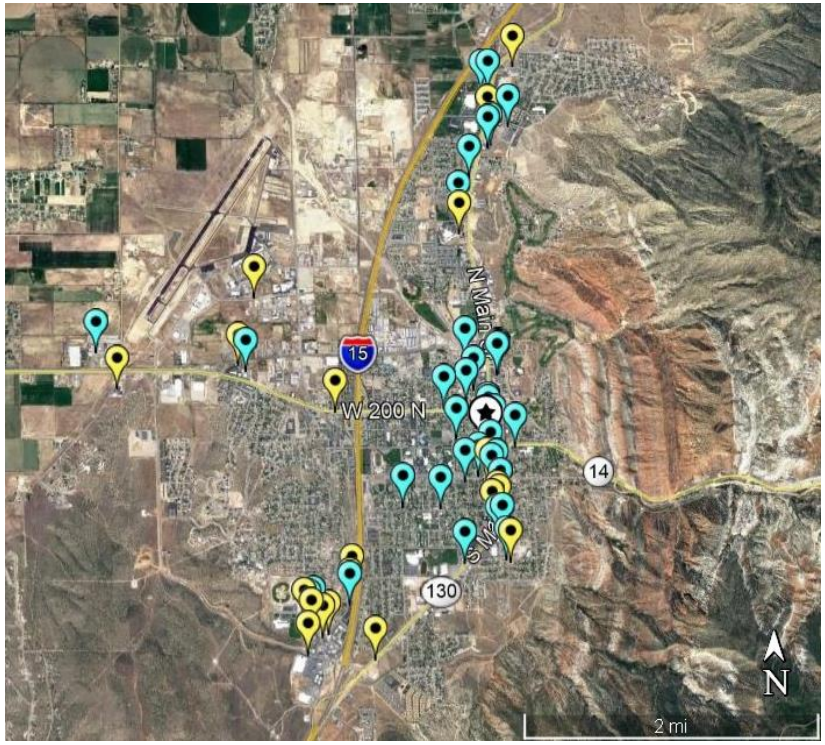
SOURCE: NAI Excel

Table 19—Office Statistics

New office product may benefit from this unusual scenario to have low vacancies and higher leases, provided there is enough demand to fill the space.

Primary Market

Looking directly at the office market in Cedar City provides a good picture of the potential for office space as part of the development project. According to CoStar, the office buildings in Cedar City comprise a total of 454,824 square feet. There are no Class A offices available in the city. Class B makes up 49.7% of the office market with approximately 226,000 square feet in 22 buildings. Class C makes up 50.3% of the office market with approximately 229,000 square feet in 29 buildings. The vacancy rate in the primary market is lower than in the secondary market and lease rates are slightly higher, at $11.23 per square foot. The map below shows the placement of office buildings in the primary market, most of which are located off Main Street and in the newer complex containing Walmart, Walgreens, and other stores. The subject site is marked on the map with a star.



SOURCE: Costar, Google Earth

Map 12—Office Locations in Cedar City

Primary Market	Bldgs	Square Feet	Share (SF)	Vacancy (SF)	Vacancy (%)	Avg Lease Rate
Class A	0	-	-	-	-	-
Class B	22	225,999	49.69%	2,838	1.26%	$ 11.30
Class C	29	228,825	50.31%	12,262	5.36%	$ 11.21
Total	51	454,824	100.00%	15,100	3.32%	$ 11.23

SOURCE: Costar

Table 20—Primary Market Statistics

Class B buildings have a particularly low vacancy rate, at 1.26% as tenants would appear to prefer higher quality office space. The Cedar City market would appear to be suitable for new office product with better finishes.

Development Pipeline

As mentioned previously, there was very little construction of office spaces in recent years, with the most recent being completed in 2015.

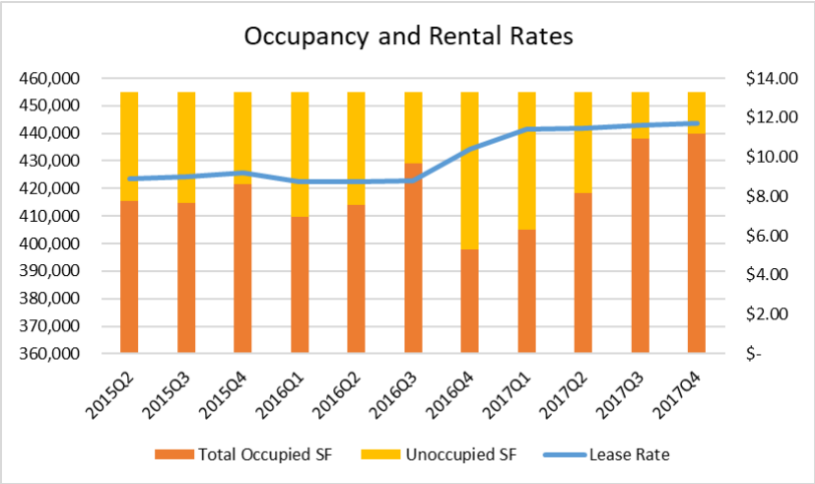
There is only one office project currently under construction in the county, known as the Chrysalis Office development, which should be completed in 2018. The project is an owner-user project and will not affect market statistics.

Demand Projection

Current demand is best illustrated by analyzing trends in vacancy and lease rates, the future development pipeline, and employment growth in office-using sectors. Strong lease rate growth, combined with declining vacancy rates, signals excess demand; weaker lease rate growth and/or increasing vacancy rates signals stagnant or declining demand.

As shown by Figure 5 previously, the secondary market is showing lower vacancy rates, but without any significant upward pressure on lease rates. This means that demand is somewhat weak in the secondary market.

However, the primary market is tighter, especially in Class B offerings. As shown by Figure 6, the average lease rate increased 13% year-over-year, and is continuing to increase as the economy continues to improve.



SOURCE: Costar

Figure 6—Primary Market Occupancy and Rental Rates

This may be for a number of reasons average lease rates have been low, as compared to other markets. One being that lease rates are locked in for the term of the lease and rates may not reflect the current tightening in the supply of office space. Another is that the quality of space that is available simply doesn't warrant a higher lease rate. Lastly, the cost and availability of real estate may be encouraging office users to buy their own space rather than leasing.

Although average lease rates are not at a level that warrants new construction under traditional financing structures, the current level of supply and growing demand indicates that the market may soon be at an inflection point. Similar to the boutique hotel, Class A office space would be a new offering in the market and there are no good comparable properties in Cedar City.

The Class A office would need to have a certain percentage of space pre-leased to end users prior to the commencement of construction.

Job Growth

Office demand is largely driven by employment growth. Iron County has seen strong job growth since 2015 and should continue to do so in the foreseeable future. However, because some industries rely on office space more than others, only certain proportions of each industry can be expected to increase the demand for office space. The National Association of Realtors has an "office share" metric that helps determine which industries affect office demand the most.

These office share estimates are used in conjunction with employment growth projections provided by the Utah Department of Workforce Services (DWS). After the estimates were calculated, the total new office space required could be estimated.

According to these estimates, there will be around 57k additional square feet of office space needed by 2019 and 122k square feet of additional office space needed by 2021.

Projected Office Jobs	Office Share	2017	2019	2021
Information	70%	90	87	84
Finance and Insurance	95%	596	643	694
Real Estate and Rental and Leasing	45%	119	139	162
Professional, Scientific & Technical Services	90%	381	434	495
Management of Companies and Enterprises	80%	57	77	105
Health Care and Social Assistance	40%	844	911	984
Arts, Entertainment, and Recreation	15%	48	49	51
Accommodation and Food Services	5%	103	111	121
Other Services	40%	160	173	188
Total Office Jobs		2,397	2,626	2,885
New Office Jobs			229	488
New Office SF Required*			57,320	121,986

SOURCE: National Association of Realtors, CoStar, Department of Workforce Services, Better City

*Assuming 250 SF/Employee

Table 21—Office Job Growth Projections, Iron County

Local Office Performance

There are 11 office projects less than a quarter of a mile from the subject site. Of them, all except one are Class C office spaces. The nearby offerings are fully leased out, with vacancy rates of 0%. Because there are no spaces for lease, lease rate data were unavailable for these offerings. However, this signals strong demand for office space in downtown Cedar City.

Name/Location	Distance (Mi.)	Class	Total Sq Ft	Vacancy Rate
112 S Main Street	0.07	C	3,524	0%
26 N Main Street	0.15	C	1,000	0%
118 W 200 S	0.16	C	2,652	0%
55 W 200 S	0.18	B	5,000	0%
219 S Main Street	0.20	C	2,400	0%
Bulloch Building	0.20	C	16,375	0%
115 N Main Street	0.22	C	1,113	0%
180 E Center Street	0.23	C	1,134	0%
246 S Main Street	0.23	C	2,280	0%
36 N 300 W	0.25	C	4,720	0%
216 S 200 W	0.25	C	500	0%
Total	--	--	40,698	0%

SOURCE: Costar

Table 22—Nearby Office Locations

Financial Feasibility

As mentioned above, as a new market offering, Class A office space will need a significant percentage of the project to be pre-leased prior to construction due to the lack of comparable properties. The lease rate would in turn be a function of the cost of land, new construction, and developer profit. Adding to the cost is the vertical mixed-use nature of the project, and aesthetic façade, which creates additional cost in the design and construction of the buildings. These costs would need to be mitigated to provide a reasonable lease rate to end users and not price the project out of the market. As the office space will be above ground-floor retail, the pro-forma for office space is included in the mixed-use pro-forma further below in the report.

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ENTREPRENEURIAL INFRASTRUCTURE PROJECT

Lassonde Entrepreneur Institute at the University of Utah started housing students for Fall Semester, 2016. The building offers 20,000 square feet of innovation space on the first floor with housing for 400 student entrepreneurs in the four levels above. The building has free 3D printers, accessible conference rooms, enough space for 20 student-run business startups, and a 24-hour café.

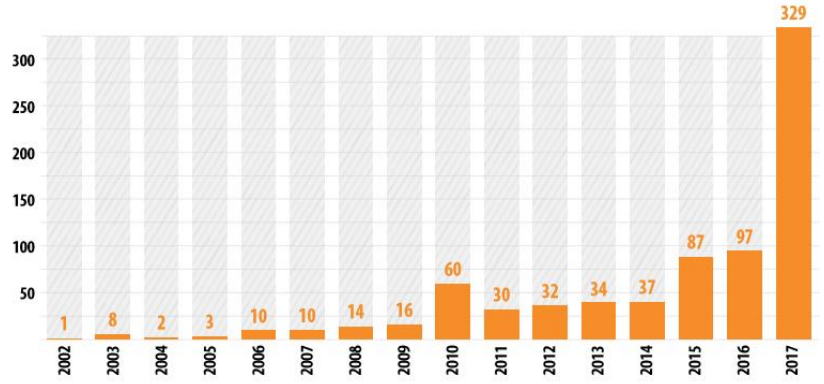
SOURCE: Lassonde Entrepreneur Institute

Picture 29—Building exterior

The $45 Million structure received a warm embrace from students. In the first year, 1,400 students applied to live there. The building's purpose is to foster innovation and collaboration for students, so they can develop business ideas and foster relationships.

The building has been featured by *The New York Times*, *Business Insider, Architectural Digest,* and has won numerous awards.

The response from student-entrepreneurs has been just as strong. The number of Startup teams formed in 2017 was 239% higher than the previous year, meaning that the space generated its desired outcome of getting teams together and developing a spirit of entrepreneurship. The institute also saw a $663K in scholarships and $369K in cash prizes awarded in 2017.



SOURCE: Lassonde Entrepreneur Institute

Figure 7—Startup Teams formed, 2002-2017

Including a structure with the Lassonde concept on the subject site will foster a greater sense of entrepreneurship in Cedar City and, in conjunction with the new Business Building and Larry H. and Gail Miller Family Center for Entrepreneurship, will increase the school's brand for students wanting to pursue their own business ideas.

Southern Utah University Bookstore

The City and University can further integrate using what is referred to as a "town and gown" initiative by locating the campus bookstore to the subject site location. Several other universities have done this to take advantage of the higher traffic and demographic diversity of the downtown corridor. Table 23 gives a brief list of Universities which have chosen to locate their Bookstores to a downtown location. Two of these locations, Bucknell University and Weber State University, will be covered in greater detail below.

Name	City	State	Estimated SF
Bucknell University	Lewisburg	PA	29,500
Fairfield University	Fairfield	CT	22,500
Jefferson CTC Downtown	Louisville	KT	7,500
Johnson & Wales University	Providence	RI	17,000
Loyola University Downtown	Chicago	IL	7,000
Weber State University Downtown	Ogden	UT	18,000
Wilkes-King Universities	Wilkes-Barre	PA	22,000

Table 23—Downtown Universities Bookstores

The Bucknell University Bookstore in Lewisburg, PA was completed in 2010 as a partnership between the University and Barnes & Noble. The bookstore features multiple levels and 29,500 square feet of retail space, featuring assorted books and school merchandise, along with artifacts from the building's past and photographs displaying the history of Lewisburg.

The bookstore is owned by the University and run in partnership with Barnes & Noble, which provides inventory; upkeeps the store's systems; and hires, manages, and pays staff.

SOURCE: Google Earth

Picture 30—Bucknell University Bookstore

The store features many community-friendly aspects, such as a separate space for small gatherings and community meetings. There is even a children's reading area and café.

The project in Cedar City could take advantage of the store's retail components to make the bookstore more of a community-directed offering rather than just a place for students to buy school supplies.

SOURCE: Bucknell University

Picture 31—Barnes & Nobel at Bucknell University

WEBER STATE UNIVERSITY DOWNTOWN

WSU's downtown retail location was created through a partnership between Weber State University and Ogden City. The building opened in 2013 and has 18,000 SF of community accessibility. The bottom floor is focused mostly on apparel and technology-based retail, along with Waldo's café.

Picture 32—WSU Downtown

The second floor of the building is home to *Startup Ogden*, a small business incubator that has rentable co-working space, a conference room, showers, 24/7 access, and gigabit speed internet connection. The project was awarded a grant from the Economic Development Administration for the formation of a mobile apps lab. The grant helped offset the cost of rehabilitation.

Picture 33—WSU Downtown

Project Concept

There is precedence in terms of institutions of higher education participating in developing entrepreneurial infrastructure and relocating bookstores to retail corridors. A project that borrows ideas from Lassonde to include the university bookstore, business incubator, and student dorms to be incorporated into the redevelopment site is highly encouraged.

This project component would be located on the east side of the pedestrian mall, in closest proximity to the University and Shakespeare Theater. This will encourage visitation by SUU students and staff as well as Festival-goers. The project would be a podium structure, with three stories of podium parking incorporated in the building, and another two or three stories of structure above the podium levels. External facing units/suites would have views of the public plaza, pedestrian mall, and Festival Theater. The parking structure can be used by patrons of the Festival, dorm residents, and incubating businesses. This will alleviate parking concerns for the Festival as well as free up surface parking area that the University can use for new academic buildings. There will be podium-level small storefront retail and restaurants on the podium-level ground floor, including the University bookstore, and office on the second floor along the pedestrian mall and public plaza. Parking will also be provided along 100 W.

One component of the business incubator programming should be focused on stimulating new retail ventures that are primarily internet-based, generate the majority of their business from outside the local market, and also have small local storefronts. These incubating businesses can occupy the ground-floor of the building, which will have small podium level suites opening up to the pedestrian corridor. When these businesses have stabilized and are cash flow positive, they will graduate out of the business incubator and fill ground-floor retail space in other locations along the pedestrian mall. These businesses will provide an added benefit to the University in terms of providing additional entrepreneurial and job opportunities for students, creating more dining and shopping offerings for Festival patrons, and enhance the offerings along the pedestrian mall, which will be a great asset in recruiting and retaining students.

The floors above the podium will include space for a business incubator, entrepreneurial education programming, and dormitories for students focusing on entrepreneurial efforts. The project will be patterned after the Lassonde concept at the University of Utah.

Potential funding for the project, which will be substantial, could be provided by donors and State appropriations. This will require political sponsors and wealthy, influential stakeholders to support and advocate for the project. As previously mentioned in the hotel section, the public space will be funded by the RDA (if formed) through tax increment that has been generated by the hotel project. Entrepreneurial program funding (non-construction) could come from the Economic Development Administration (EDA), an institution of higher education, as well as revenue from the student dormitories and incubation space.

As an institutional-owned facility, the property would not generate any property tax to contribute to the RDA (if formed) but it will provide much needed job creation to the downtown. The bookstore will also serve as a destination attraction and linkage between the University and downtown. In addition, the students in the dormitories will add a great deal of vibrancy to the pedestrian corridor.

Map 13—University Project Location

RETAIL

Similar to the office section, a feasibility analysis of the different retail types was performed, including an analysis of national and local market conditions, industry trends, competition, and site-specific considerations.

NATIONAL MARKET

Many new reports are claiming that there is a "retail apocalypse" or that traditional retail stores are failing, leaving malls vacant. While it is true that some major companies like RadioShack, Payless ShoeSource, rue21, Ascena and Gymboree were forced to close millions of square feet of retail space,[5] these failures are likely due to poor business strategy, and not the retail market itself. The overall market has seen strong growth since the last recession, which ended in 2010.

There are some significant changes to the way retail offerings are successful, however, as consumer preferences favor more engaging retail experiences and greater value.

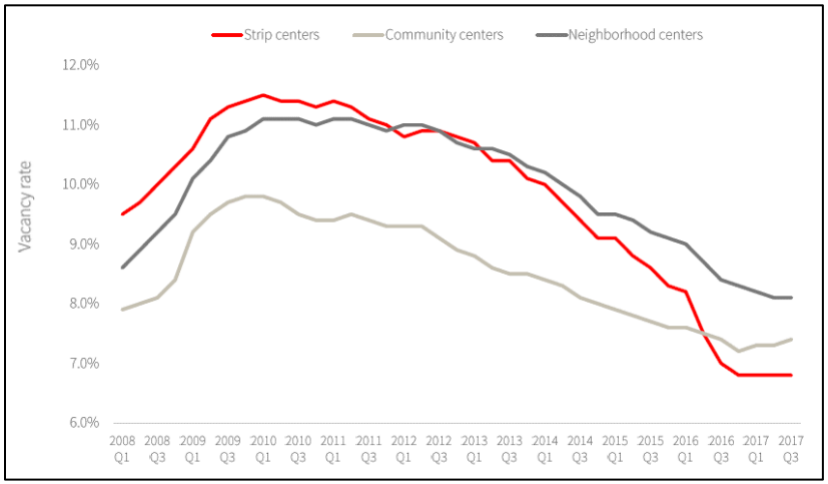
Experience-driven Retail Offerings

With the ease and convenience of online shopping, consumers no longer travel to stores just to purchase goods and services. Rather, consumers are travelling to retail destinations for experience-driven shopping experiences. This means including more entertainment and dining options, as well as converting empty or underutilized space into areas with unique offerings.

The proposed project should focus on these national trends by offering consumers experiences that are unique to Cedar City.

Retail Vacancies

The vacancies in retail location has been decreasing since 2010. Strip centers are the retail type most sensitive to economic conditions and recover the quickest. Community centers, due to their size and draw, are less sensitive to economic conditions and do not recover as quickly.



SOURCE: JLL

Figure 8—Retail Vacancies by Type

[5] SOURCE: JLL Research

Secondary Market

Retail was the most active market in Iron County. There has been significant investment in new shopping and dining options, and lease rates are seeing upward pressure as the market potential has increased. Vacancy rates are strong, with new deliveries the main cause of increased vacant space in the fourth quarter of 2017. Continued growth in this market is expected as the economy in Iron County continues to grow.

Rates and vacancy are more favorable in Washington County than in Iron County, where rates are almost $7 more expensive per square foot.

Asking Lease Rate (Annual/SF NNN)-Retail	Iron Co.	Washington Co.
Low	$ 8.00	$ 12.00
High	$ 24.00	$ 32.00
Average	$ 12.60	$ 20.00
Vacancy	6.70%	4.00%

SOURCE: NAI Excel

Table 24—Iron County Retail Statistics

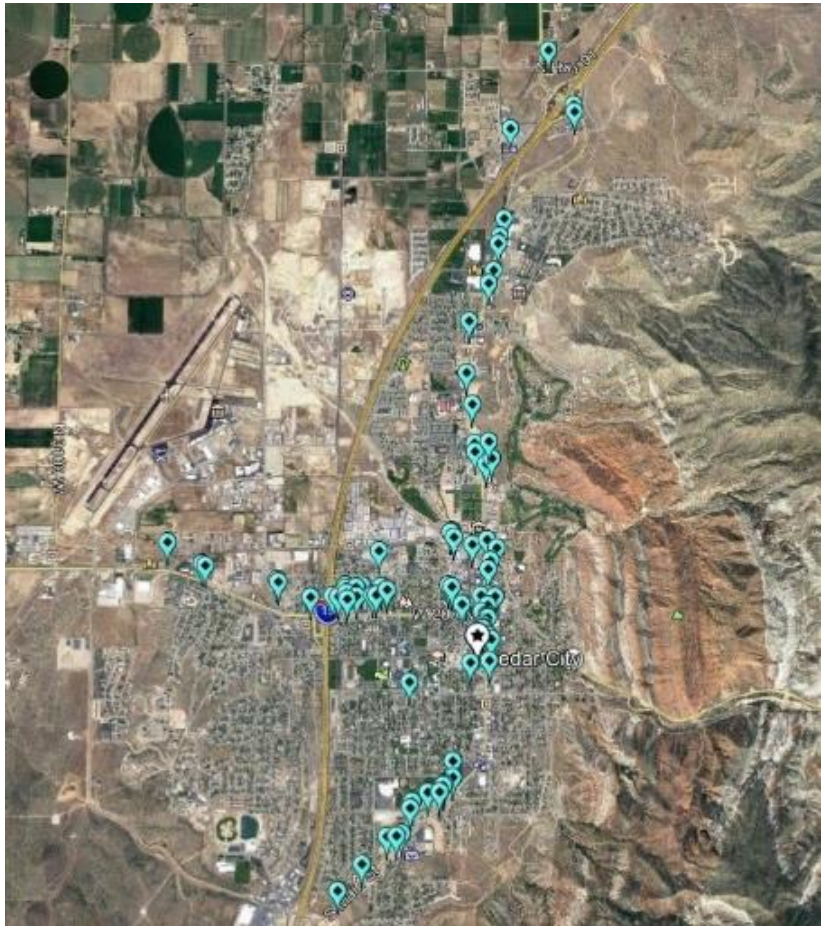
SOURCE: NAI Excel

Figure 9—Lease and Vacancy Rates for the Iron County Retail Market

Primary Market

Cedar City saw significant growth in its retail market in the last three years, with the completion of approximately 71,000 square feet of office space. The total retail SF available in the City is 911,933. The average lease rate for available retail space is $11.81, slightly below the County average.

Figure 7 shows the locations of retail stores in Cedar City. Like the Office locations, most retail outlets are on the main corridors of Main Street, Highway 56, and the big box cluster in the southwestern quadrant of the city.



SOURCE: CoStar, Google Earth

Map 14—Cedar City Retail Locations

RETAIL LEAKAGE

Zion's Public Finance performed an in-depth retail leakage analysis in 2015, showing residents from outside the City are coming to Cedar City to purchase goods and services. With the City's strategic location and unique offerings, the City enjoys positive gains to its economy.

Despite these positive trends, the report highlighted four specific areas, where the City is seeing leakage:

- Electronics & Appliance
- Clothing & Clothing Accessories
- Sporting Goods, Hobby & Music
- Arts, Entertainment & Recreation

Since then, new retail outlets were completed including: Deseret Industries, Ross, and Sportsman Warehouse, which should contribute to lowering the leakage in their corresponding retail categories.

Area	Leakage (Y/N)	Per Capita Leakage	Total Leakage	Capture Rate
Retail:	No			
Motor Vehicle	No	$182.70	$5,346,505	113.21%
Furniture & Home Furnishings	No	$9.63	$281,699	104.51%
Electronics & Appliance	Yes	-$44.87	-$1,313,132	78.75%
Building Materials & Garden	No	$1,087.17	$31,815,024	275.68%
Food & Beverage	No	$614.55	$17,984,141	160.49%
Health & Personal Care	No	$84.16	$2,462,944	169.12%
Gasoline Stations	No	$401.14	$11,739,068	259.00%
Clothing & Clothing Accessories	Yes	-$181.43	-$5,309,394	56.98%
Sporting Goods, Hobby & Music	Yes	-$100.87	-$2,951,873	59.78%
General Merchandise	No	$2,481.41	$72,616,089.00	259.87%
Miscellaneous Store Retailers	No	$99.65	$2,916,272	123.88%
Non-Store Retail	No	$27.75	$812,026	119.23%
Services:	No			
Arts, Entertainment & Recreation	Yes	-$102.03	-$2,985,821	34.73%
Accommodation	No	$310.64	$9,090,545	187.67%
Food Service/ Drinking Places	No	$776.84	$22,733,493	176.87%
Other	No	$79.09	$2,314,511	122.13%
Total	**No**	**$5,725.42**	**$167,548,792**	**167.51%**

SOURCE: Zion Public Finance, Inc.

Table 25—Retail Leakage Analysis

Development Pipeline

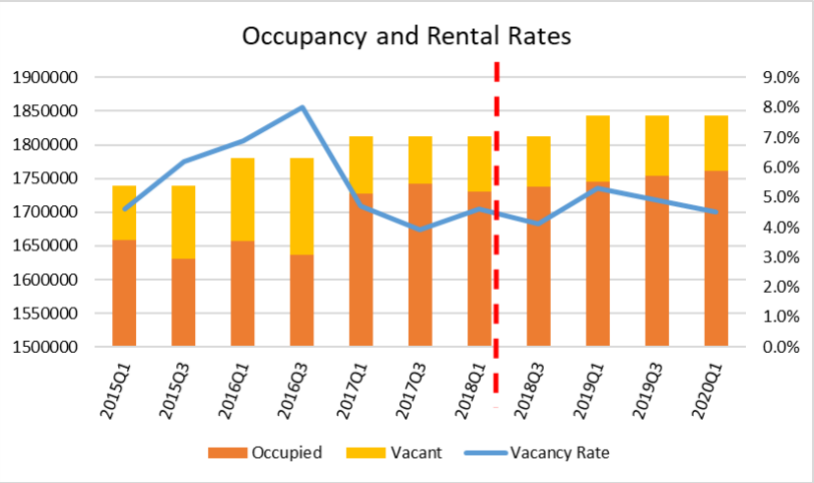
According to NAI, the primary market is in the absorption phase and there is not currently any retail under development (Q1, 2018). However, there are some proposed sites such as the Canyon Ranch Town Center, which is proposed to include 440,000 square feet of anchored shopping. There is also the Canyon Ranch Plaza development, which will include 27 acres of development, including a supermarket and two retail anchors. City officials have said that these projects are not being pursued aggressively, so they may not be developed for a few more years. As these planned developments are auto-centric, their character and nature are a different market than the proposed downtown redevelopment project.

Site Retail Potential

The potential for retail on the subject site will be dependent on the market outlook and the ability of the local market to absorb new retail offerings. As mentioned previously, new retail should follow national trends in having a mix of experience-based and unique retail offerings. Also, many retailers in Cedar City have been successful by expanding to markets outside of Cedar City, a concept, described in greater detail below.

Demand

The primary market has seen significant growth over the past few years. The rentable building area (RBA) in the city increased by 74,000 square feet between the first quarter of 2015 and the first quarter of 2018, or about 4%. According to CoStar, the market is projected to add 30,000 square feet by the first quarter of 2019, keeping vacancy rates between four and five percent (see Figure 10).



SOURCE: CoStar

Figure 10—Retail Occupancy and Rental Rates

Export Concept

The low median household income of the community means that new retail businesses would be competing with existing businesses for what disposable income is available within the community. Ideally, new retail concerns should be generating the majority of their income by exporting goods outside the community while still having a storefront to provide their offering within the local market.

Cedar City is well positioned to pull demand from larger markets, like St. George, Las Vegas, and southern California.

In conversations with successful retailers, many expressed that they were successful only because they could supplement their local sales by selling products outside of the local market.

An analysis was performed to identify Utah-based retailers that have an online presence and are exporting their goods outside of their local market as well as have a local storefront. These businesses, included in the appendices, should be contacted to determine their interest in having a presence in the redevelopment project along the pedestrian mall. The site should be attractive to retailers because of its student population, the unique built environment and offering that will be developed, and exposure to a significant tourism population that can provide access to the Las Vegas and southern California markets.

Mixed-use Pro-Forma

The retail space will be ground-floor retail with office above. Some areas of the ground floor that are not along the pedestrian corridor may be better suited to accommodate office uses. The site of the mixed-use development is on the bottom end of the project area, south of College Avenue. The two buildings are aptly named West Building and East Building. The buildings were configured and aligned along College Avenue to accommodate a continuation of the pedestrian corridor throughout the project area as well as to create as large of a floorplate as possible while still providing adequate parking. Additional on-street parking along 100 W and College Avenue will be required to fully park the project. The amount of parking required creates significant site constraints and, that combined with land cost and lease rates, significantly compress investor returns.

Map 15—Mixed-Use Conceptual Site Plan

A parking structure will be required and has been located in the southwest corner of the development. The structure has been sized so as to not encroach on the pedestrian mall, if a future expansion to the south is contemplated in the future. Surface parking is located to the south of the pedestrian corridor so if future redevelopment occurs to the south, the projects can be tied together. The parking structure is 3 levels and has 221 stalls at a construction cost per stall of $14k, based on comparable projects.

West Building				
Floor	**1**	**2**	**3**	
Use	**Retail**	**Office**	**Office**	**SubTotal**
Floor Plate	21,168	21,168	21,168	63,504
Load Factor	1.15	1.15	1.15	1.15
Rentable SQFT	18,407	18,407	18,407	55,221
Cost per Square Foot	**120**	**120**	**120**	
Construction Cost	2,208,835	2,540,160	2,540,160	7,289,155
Tenant Improvements per Square Foot	25	40	40	
SubTotal TI's	460,174	736,278	736,278	1,932,730
Total Construction	**2,669,009**	**3,276,438**	**3,276,438**	**9,221,885**
Land Allocation %	33%	33%	33%	100%
Allocated Land Cost	**373,968**	**373,968**	**373,968**	**1,121,904**
Total Building Cost	**3,042,977**	**3,650,406**	**3,650,406**	**10,343,789**

Table 26 - West Building Development Cost

Typically, Class A office space is around $160/SF to build, as a starting point, which would not be supported in the Cedar City market. However, some developers have been successful in significantly reducing the cost of construction by utilizing a construction technique known as “tilt-up” construction. This lowers costs to below $100/SF. This method of construction has been assumed for both buildings, including an additional $20-$30/SF for exterior finishes and developer funded tenant improvements (TI’s) of $25/SF and $40/SF for retail and office, respectively. TI’s would be passed along to the tenant at the developer’s cost of capital over the term of the lease. A 10-year lease is assumed, but a shorter 7-year lease may be accommodated.

The West Building will have structured parking at $14k/stall and on-street parking, assuming a requirement of 250 SF/stall. The total cost of parking is $4.8M as shown in the table below. The West building is just 1 stall short of meeting the requirements but there should be greater flexibility in parking requirements based on differences in the timing of usage demands between retail and office users.

Parking Calculation				
	Retail/Office	**Office**	**Office**	**Total**
Retail SQFT - Floor 1	21,168	21,168	21,168	63,504
Parking ratio	250	250	250	
# of Stalls Required	**85**	**85**	**85**	**254**
College Ave.	15	-	-	15
Surface Parking	-	-	-	-
100 W	17	-	-	17
Parking Structure Stalls	**53**	**85**	**85**	**222**
Extra Parking in Parking Structure	(1)			221
Total Parking	84	85	85	253
Parking (Gap) / Excess				(1)
Cost per Stall	14,000	14,000	14,000	14,000
Cost for Structured Parking	**723,184**	**1,185,408**	**1,185,408**	**3,094,000**
Parking Structure	123	173	21,279	**1,127,787**
Total Cost for Structured Parking				**4,221,787**
Surface Parking Cost per SF	2,500	2,500	2,500	
Surface Parking Cost	37,500	-	-	**37,500**
Parking Footprints	W	L	SF	**Cost**
Square Feet Dimensions of Parking Lot	-		-	**-**
Square Feet on College Ave	50	196	9,800	**519,400**
Total Cost for Surface Parking				**556,900**
Total Construction Cost for Parking				**4,778,687**

Table 27—West Building Parking Calculation

Included in the project cost is the cost for greenspace, i.e., the pedestrian corridor. Zoning variances may be required for the project if additional green space would otherwise be required, given the fact that the project will be providing an incredible

public amenity through the pedestrian mall and public plaza space. The total cost of green space and circulation is just over $300k, bringing the total construction cost to $15.4M.

Green Space / Circulation				
Pedestrian Mall	108	25	2,700	143,100
Sidewalk between West building and parking structure	8	173	1,384	73,352
Total Green Space / Circulation				216,452
Cost of Landscaping			4,084	102,100
Total Cost of Development				**15,441,028**

Table 28—West Building Green Space and Total Cost

Retail and office market data were gathered using brokerage reports for Iron County and CoStar data. The project was priced at a slight premium around 10% above the highest quoted NNN market rates, not including TI's.

Rent Calculation				
	Retail / Office	**Office**	**Office**	**Total**
SQFT	18,407	18,407	18,407	55,221
Average Rent per SQFT	$ 12.00	$ 14.25	$ 15.00	
TI Amort Period	10	10	10	
Interest Rate	7%	7%	7%	
TI Amortization	3.6	5.7	5.7	
Total Lease Rate	$ 15.56	$ 19.95	$ 20.70	
Potential Gross Income	$ 286,402	$ 367,129	$ 380,934	$ 1,034,464
Reimbursements (NNN Charges)	$ 55,221	$ 55,221	$ 55,221	$ 165,663
CAM Administration Fee / Mngmt Fee	$ 4,142	$ 4,142	$ 4,142	$ 12,425
NNN Lease Rate	*15.23*	*17.48*	*18.23*	
Vacancy	8%	5%	5%	
Effective Gross Income	**$ 318,103**	**$ 405,166**	**$ 418,281**	**$ 1,141,551**
NNN Charges	$ (55,221)	$ (55,221)	$ (55,221)	$ (165,663)
Management Fee	$ (4,142)	$ (4,142)	$ (4,142)	$ (12,425)
Operating Expenses	$ -	$ -	$ -	$ -
Reserves	$ (6,362)	$ (8,103)	$ (8,366)	$ (22,831)
Net Operating Income	**$ 252,379**	**$ 337,701**	**$ 350,553**	**$ 940,633**
Debt Service	$ 221,375	$ 265,565	$ 265,565	$ 752,506
Cash Flow Before Taxes	**$ 31,003**	**$ 72,135**	**$ 84,988**	**$ 188,127**

Table 29—West Building Rent Calculation

As shown above, the project generates $188k in Cash Flow Before Taxes and generates a rate of return below 3%.

Unincentivized Investor Returns	
Total Project Cost	$ 15,441,028
Perm Debt	$ 8,752,950
Equity Required	**$ 6,688,078**
CFBT	$ 188,127
Cash on Cash BT	**2.8%**

Table 30—West Building Un-incentivized Returns

Similar assumptions have been used for the East Building, but the site only accommodates a 2-story building and smaller floorplate. Although not of a size that would typically be seen in larger markets where the standard is a floorplate greater than 25k SF, the smaller floorplate is suitable for the Cedar City market.

East Building			
Floor	**1**	**2**	
Use	**Retail**	**Office**	**SubTotal**
Floor Plate	16,416	16,416	32,832
Load Factor	1.15	1.15	1.15
Rentable SQFT	14,275	14,275	28,550
Cost per Square Foot	**120**	**120**	
Construction Cost	1,969,920	1,969,920	3,939,840
Tenant Improvements per Square Foot	25	40	
SubTotal TI's	356,870	570,991	927,861
Total Construction	**2,326,790**	**2,540,911**	**4,867,701**
Land Allocation %	50%	50%	100%
Allocated Land Cost	**435,024**	**435,024**	**870,048**
Total Building Cost	**2,761,814**	**2,975,935**	**5,737,749**

Table 31—East Building Construction Cost

Parking cost for the East building is much less than the West building due to the fact that a structured parking stall will not be needed as the project parking can be accommodated solely on the surface area available to the south and College Avenue to the north. Total cost for parking is $1.8M and the project is just short 2 to 3 stalls, as shown in the table below.

Parking Calculation			
	Retail/Office	**Office**	**Total**
Retail SQFT - Floor 1	16,416	16,416	32,832
Parking ratio	250	250	
# of Stalls Required	**66**	**66**	**131**
College Avenue	28	0	28
Surface Parking	66	35	101
100 W	-	-	-
Parking Structure Stalls	-	-	-
Extra Parking in Parking Structure			
Total Parking	94	35	**129**
Parking (Gap) / Excess			**(3)**
Cost per Stall	14,000	14,000	
Cost for Structured Parking	**-**	**-**	**-**
Parking Structure			
Total Cost for Structured Parking			
Surface Parking Cost per SF (Restriping), little paving	250	250	
Cost	16,416	8,750	25,166
Parking Footprints	W	L	**Cost**
Square Feet Dimensions of Parking Lot	123	225	1,466,775
Square Feet on College Ave	50	105	278,250
Total Cost for Surface Parking			**1,770,191**
Total Construction Cost for Parking			**1,770,191**

Table 32—East Building Parking Calculation

Green space and circulation are $300k, bringing the total cost of development to $7.8M, as shown in the table below.

Green Space / Circulation			
Pedestrian Mall	108	25	143,100
Sidewalk between West building and parking structure	8	142	60,208
Total Green Space / Circulation			203,308
Cost of Landscaping		3,836	95,900
Total Cost of Development			**7,807,148**

Table 33—East Building Green Space and Total Cost

Rent Calculation			
	Retail / Office	**Office**	**Total**
SQFT	14,275	14,275	28,550
Base Rent per SQFT	$ 12.00	$ 14.25	
TI Amort Period	10	10	
Interest Rate	7%	7%	
TI Amortization	3.6	5.7	
Total Lease Rate	$ 15.56	$ 19.95	
Potential Gross Income	$ 222,108	$ 284,712	$ 506,820
Reimbursements (NNN Charges)	$ 42,824	$ 42,824	$ 85,649
CAM Administration Fee / Mngmt Fee	$ 3,212	$ 3,212	$ 6,424
NNN Lease Rate	*15.23*	*17.48*	
Vacancy	8%	5%	
Effective Gross Income	**$ 246,692**	**$ 314,211**	**$ 560,903**
NNN Charges	$ (42,824)	$ (42,824)	$ (85,649)
Management Fee	$ (3,212)	$ (3,212)	$ (6,424)
Operating Expenses	$ -	$ -	$ -
Reserves	$ (4,934)	$ (6,284)	$ (11,218)
Net Operating Income	**$ 195,722**	**$ 261,890**	**$ 457,613**
Debt Service	$ 176,214	$ 189,876	$ 366,090
Cash Flow Before Taxes	**$ 19,508**	**$ 72,014**	**$ 91,523**

Table 34—East Building Rent Calculation

As shown in the table above, the property produces $92k in cash flow before taxes, using the same assumptions as the West Building. This generates a return of under 3%.

Unincentivized Investor Returns	
Total Project Cost	$ 7,807,148
Perm Debt	$ 4,258,261
Equity Required	**$ 3,548,887**
CFBT	$ 91,523
Cash on Cash BT	**2.6%**

Table 35—East Building Un-incentivized Project Returns

Similar to the economic model used for the hotel, the mixed-use buildings will take advantage of tools such as NMTC's and TIF to balance the equation and bring the yield to investors between 10% and 12%. Only the West Building will utilize the NMTC structure, which brings debt service down from $752k to $508k.

	West Building
Total Development Cost	15,441,028
Transaction Fees	1,420,000
Total Cost	16,861,028
Cash	2,861,028
Total QRE	14,000,000
Tax Credit Percentage	39%
Tax Credit	5,460,000
Allocation of Credits	100%
Syndication Rate	75%
QLICI A	9,905,000
QLICI B	4,095,000
Interest	3.6%
QLICI Loan A	359,552
QLICI Loan B	148,649
Total interest	**508,200**

Table 36—West Building NMTC Structure

The NMTC's will provide 16% of financing sources to the project, as shown in the table below.

	West Building
Fee Reserve	420,000
Transaction Costs (2 CDE's)	1,000,000
Total Fees	1,420,000
Net to Project in Year 7	2,675,000
% of Project	15.9%

Table 37—West Building NMTC Project Benefit

Although each building can be financed separately, both need to be developed in order to achieve a blended return of between 10% and 12%. The return on the East building is lower and the tax increment generated by both the West and East buildings will be used to support a TIF bond that will assist with improving the project economics. In addition, the siting of the buildings will be impacting a cash-flowing business, so the two buildings must be redeveloped together.

	West	East	Blended Return
Uses			
Total Development Cost	15,441,028	7,807,148	23,248,176
NMTC Transaction Fees	1,420,000	-	1,420,000
Total Uses	**16,861,028**	**7,807,148**	**24,668,176**
Sources			
QLICI A Loan	9,905,000	-	9,905,000
QLICI B Loan	4,095,000	-	4,095,000
Developer Cash to QALICB	2,861,028	-	2,861,028
Commercial Debt		4,258,261	4,258,261
TIF Bond	-	1,900,000	1,900,000
Developer Equity		1,648,887	1,648,887
Total Sources	**16,861,028**	**7,807,148**	**24,668,176**
NOI	940,633	457,613	1,398,245
Debt Service	508,200	366,090	874,290
Annual NMTC Compliance	12,500	-	12,500
Parking Garage Maintenance	25,000	-	25,000
Cash Flow	**394,933**	**91,523**	**486,455**
Return on Investment	13.8%	5.6%	10.8%

Table 38—Blended Return

RESIDENTIAL/MULTIFAMILY UNITS

The project's proximity to the University and the walkability of the site makes residential housing a profitable and attractive aspect of the project. The market was assessed to make sure that the site can consist of multifamily units, defined in this report as units with 1 semi-attached unit or greater, excluding mobile homes.

HOUSING PROFILE

Cedar City contains an estimated 10,976 housing units, about 55% of the total housing units in Iron County. Approximately 2.6% of the housing units in Cedar City are vacant. Of the occupied homes, 53.7% are owner-occupied and 46.3% are renter-occupied. In comparison, the County has a slightly higher vacancy rate of (2.8%) and a higher ownership rate (64.5%). A lower ownership rate is anticipated due to the student population.

The median home age in Cedar City is 21, slightly lower than the County's median home age of 22. This difference of age, as well as the number of amenities in the City, account for the slightly higher home values.

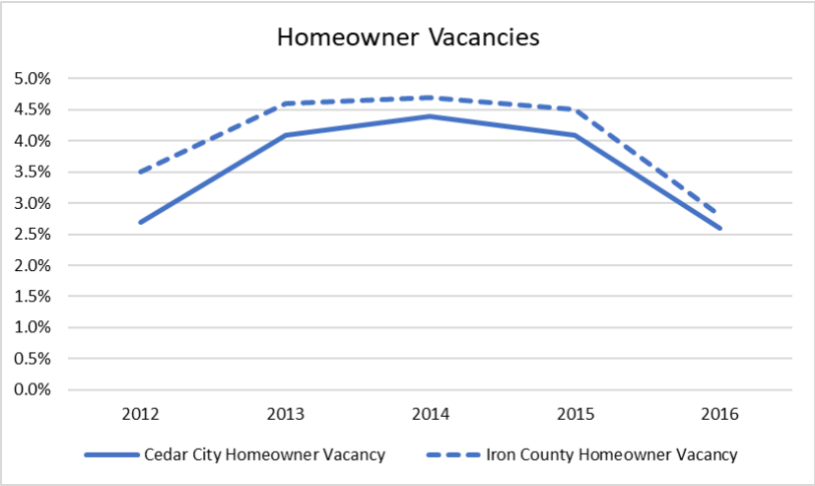
Housing Statistics	Cedar City	Iron County
Total Housing Units	10,976	20,111
Occupied Units	9,614	15,210
Owner Occupied (%)	53.7%	64.5%
Owner Occupied	5,164	9,815
Renter Occupied (%)	46.3%	35.5%
Renter Occupied	4,450	5,395
Homeowner Vacancy	2.6%	2.8%
Rental Vacancy	10.5%	11.6%
Avg. Household Size of Owner	3.13	3.12
Avg. Household Size of Renter	2.92	3.05
Median Home Value	$ 180,100	$ 172,100
Median Rent	$ 659	$ 705
Median Home Age	21	22

SOURCE: ACS 2016 5-year Estimates

Table 39—Iron County, Cedar City Housing Statistics

VACANCY TRENDS

Units have seen a steady decrease in vacancies over the last two years. On average, owned units have seen vacancy rates around 3-4%; rental vacancies fluctuated around 11% between 2012 and 2016. Figure 11 shows the changes to the vacancy rates over time, with City data represented by the solid lines and County data represented by dashed lines.



SOURCE: ACS 2016 5-year Estimates

Figure 11—Homeowner Vacancy Rate

Housing Types

Of the 9,614 occupied housing units in Cedar City, approximately 57.6% are detached single family homes, 37.2% are multifamily units (including semi-attached and duplexes), and 5.2% are mobile homes. Cedar City has a higher share of multifamily units than any other city in the County.

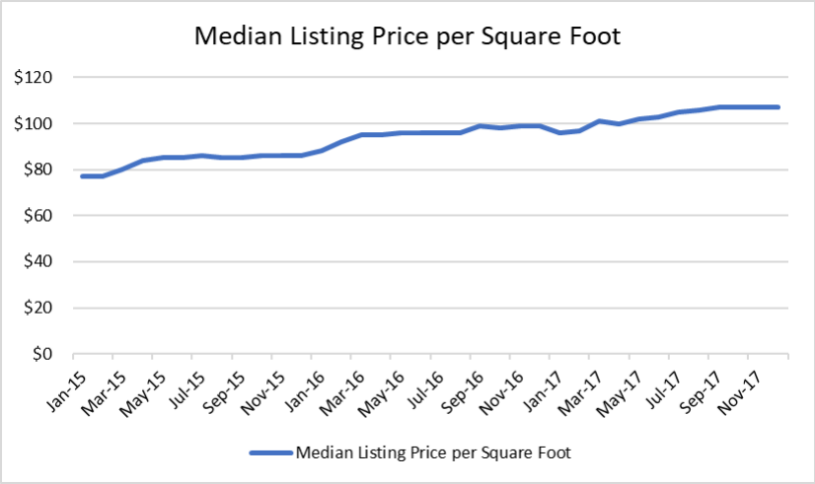
Housing Type	Owned	Rented	Total	%
1, detached	4,342	1,196	5,538	57.6%
1, attached	440	679	1,119	11.6%
Duplex	43	318	361	3.8%
Tri/Four Plex	77	287	364	3.8%
5 to 9	50	837	887	9.2%
10 to 19	45	297	342	3.6%
20 to 49	-	238	238	2.5%
50 or more	9	259	268	2.8%
Mobile home	158	339	497	5.2%
Total	5,164	4,450	9,614	100.0%

SOURCE: ACS 2016 5-year Estimates

Table 40—Tenure by Housing Type

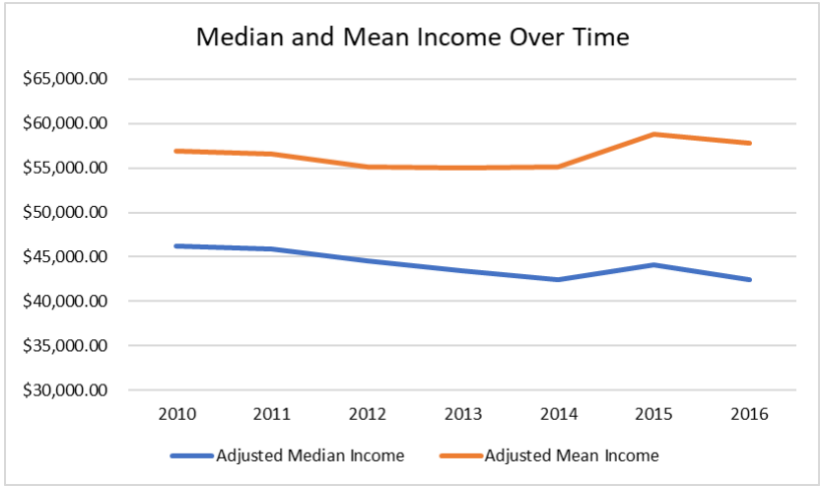
Housing Market

Based on data from Realtor.com, the median listing price per square foot has increased steadily since January 2015, from just under $80 per square foot to $107 per square foot (see Figure 12), an increase of 34%.



SOURCE: Realtor.com

Figure 12—List Price per Square Foot (2015-2017)



SOURCE: ACS 2016 5-year Estimates, BLS

Figure 13—Cedar City Income Statistics

While the listing prices of homes have increased, incomes in the City remained stagnant over the last six years, meaning that the real cost of purchasing a home is greater. Figure 13 shows the inflation-adjusted median and mean incomes in Cedar City over time. As the cost of owning increases, residents will either save longer before purchasing a home or will resort to alternatives, such as renting.

ERA brokers real estate agency provides detailed market statistics quarterly for Iron County. While these data are not meant to represent Cedar City only, it highlights some trends that are occurring at the County level. As shown by Figure 14, the median sale price of homes increased by 5.7% between November 2016 and November 2017. At the same time, the average days on market decreased significantly from 182 days to 124 days. While the number of building permits has increased, more construction will be needed to meet the increased demand for housing.

	November 2016		November 2017	+ / -
New Listings	87		**94**	8.0%
Pending Sales	71		**98**	38.0%
Closed Sales	78		**80**	2.6%
Median Sales Price	$166,000		**$175,450**	5.7%
Average Sales Price	$181,449		**$214,086**	18.0%
List to Sale Price Ratio	95.2%		**94.9%**	-0.3%
Days on Market	182		**124**	-31.9%
Inventory of Homes for Sale	407		**388**	-4.7%
Months Supply of Inventory	5.2		**4.9**	-7.1%
Building Permits	15		**20**	33.3%

SOURCE: ERA Brokers Consolidated

Figure 14—Selected Housing Statistics

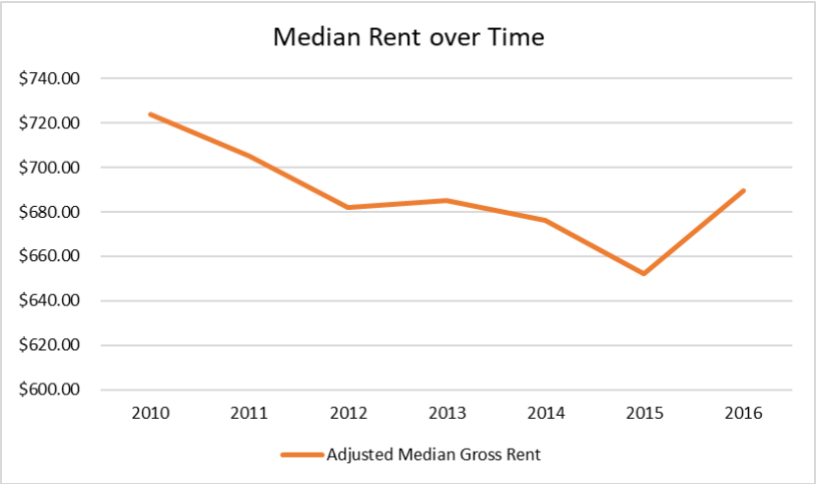
Some for-sale units are recommended as part of the project's scope. These units will be able to capture housing market demand, especially given the Site's location in downtown.

Rental Market

The feasibility of the rental market was also analyzed to see if for-rent units should be included in the scope of the project.

Rental Rates

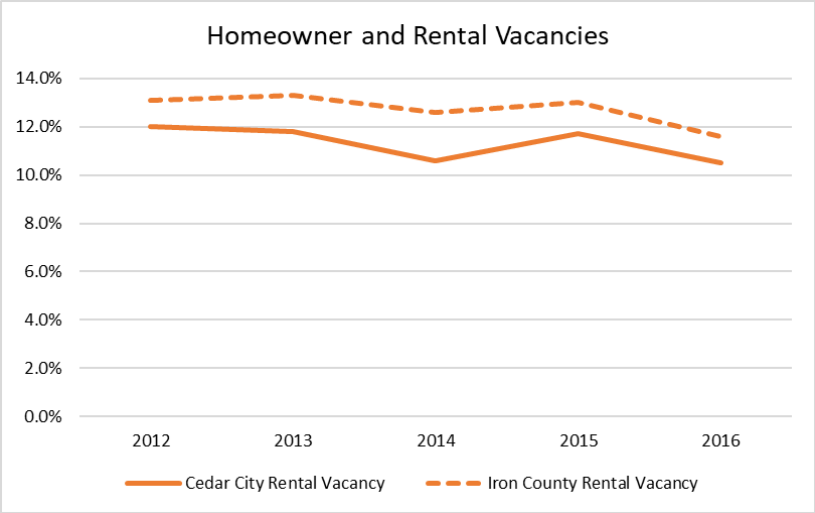
Figure 15 shows median rental rates over time, adjusted for inflation. The real rate decreased between 2010 and 2015 but had a sharp increase in 2016. Most likely, a tightening market is creating upward pressures on rent prices.



SOURCE: ACS 2016 5-year Estimates, BLS

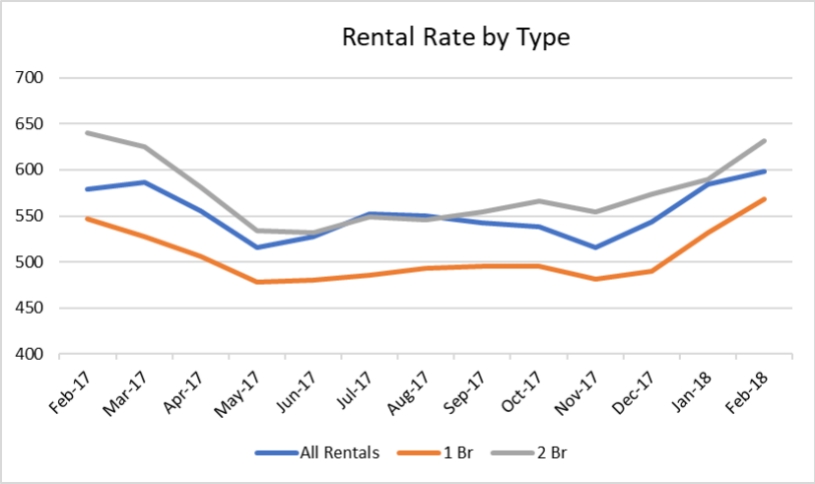
Figure 15—Median Rent over Time

The rental vacancy rates have been declining steadily, from 12% in 2012 to 10.5% in 2016 (see Figure 16). When looking at rental rates by type, rates have seen volatility between February 2017 and February 2018. On average, these rates increased by around 2% (see Figure 17).



SOURCE: ACS 2016 5-year Estimates

Figure 16—Rental Vacancy Rate



SOURCE: ACS 2016 5-year Estimates

Figure 17—Rent rates by Type

Rental Properties

A sampling of rental properties in a 1-mile radius of the area shows an average age of 50 years, vacancy rate of 3.6%, and monthly rent per unit of $620.

Name (if any)	Address	Units	Yr Built	Vacancy Rate	Avg $/Month
Southgate II Apartments	975 W 400 N	28	1975	3.60%	N/A
	955 W 400 N	6	1975	0%	N/A
	467 N 300 W	13	1951	7.70%	$725
Rivendell Student Apartments	11 N 800 W	11	1993	9.10%	N/A
	115 N 100 W	29	1929	6.90%	$481
Windsor Apartments	83 N 200 W	4	N/A	0%	$343
Devonshire Apartments	83 N 100 W	21	1926	4.80%	$581
Season Apartments	135 S 300 W	11	1940	0%	$1,015
	171 S 400 E	3	1941	N/A	$500
	236 S 300 E	6	2006	0%	$699
Academy Square	354 S 100 W	21	2007	4.80%	$507
Southgate II Apartments	468 S 75 W	28	N/A	3.60%	$567
Southgate I Apartments	655 S 300 W	42	N/A	4.80%	$500
	851 Spruce St	6	1972	0%	N/A
	828 S 170 W	7	2006	0%	$1,116
Village Apartments	840 S Main St	77	N/A	9.10%	$630
	431 N 300 W	2	1919	N/A	$650
	135 North College	4	2018	N/A	$507
	117 S 100 W	12	1940	N/A	$675
	212 S 700 W	8	N/A	N/A	$425
	Averages	16.95	1967	3.63%	$ 620.07

SOURCE: CoStar

Table 41—Rental Properties within 1-mile Radius

Affordability

According to the US Census Bureau, 12.3% of renters in Cedar City are paying less than 15% of their monthly income on rent. This figure is slightly lower than Utah (at 13.4%) and the same as the United States (at 12.3%). In other words, apartments in Cedar City are on par with State and National percentages.

The only project that would accommodate local renters would be dormitories included in the entrepreneurial center project. As this proposed project is of an institutional nature and undefined, a pro-forma is not possible at this time. However, achieving economic project self-sufficiency should be one of the goals of the project.

Residential would not be possible in the mixed-use buildings noted above because there are limitations in using NMTCs as a financing tool for residential uses.

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CONCEPTUAL SITE PLAN

The site plan allows for phasing of the development with the area north of College Avenue able to develop out separate from the area to the south. This is a function of project economics and the existing built environment. Providing flexibility with the timing of the development means that not everything has to be developed at once, which reduces the level of complexity. Great focus has been placed in re-configuring the built environment to an internal facing block design, creating a walkable pedestrian corridor. The conceptual site plan also does not impede or limit the circulation and flow of vehicular access, while reducing conflicts with pedestrians.

The existing buildings to the north along University Blvd. have largely remained untouched, with the exception of outdoor or glass-enclosed dining extensions to the building to the northeast. This was a strategic approach designed to allow the pedestrian corridor and initial phase to act as a catalyst for future development. As the block becomes a focal point of pedestrian, commercial, and entrepreneurial activity, this real estate will become more desirable, increasing rental rates and property value. This, in turn, will improve the economic environment for redevelopment. Once the proposed projects are completed, focus should be turned to adjacent blocks to facilitate a re-configuration of the built environment to an internal block design and extension of the pedestrian corridor.

Once reconfiguration projects are completed on adjacent blocks (i.e. fill-in development, parking and pedestrian corridor development), the cost burden on the private sector for redevelopment will have been significantly reduced. This, combined with an increase in real estate demand, will induce the private sector to fill in the remaining pieces in the corridor, including University Blvd.

Excess tax increment should be used to assist property owners with façade improvements, building extensions, and, in some cases, footprint reductions to create a cohesive frontage throughout the pedestrian corridor. Transitions such as these are not easy and will require many years of consistent focus and effort.


130
289
ty Blvd
11 Stalls on Street (southside)
Existing Structures
Surface Parking
(22 Stalls)
Restaurants
Public Plaza
(183' x 78')
Boutique Hotel + Residences
RAMP DOWN
Porte-cochère (1st floor)
Surface Parking (33 Stalls)
Bookstore + Retail/Tech Incubator + Lassonde Concept
50'
56 Stalls on Street
e Avenue
31 Stalls on Street
26 Stalls on Street
Mixed Use
(63,500 SF)
Mixed Use
(32,800 SF)
Structured Parking (3 levels)
221 Stalls
88 Stalls (Surface)
S 100 W
S Main St

Next Steps

The following are the recommended next steps for the redevelopment project broken out into more specific categories.

City Participation

1. Hire a City planner
2. Hire professional planning firm
3. Adopt a form-based code
4. Master plan the pedestrian mall corridor
5. Adopt TIF district (School District, County, & others)
6. Participate with and support implementation efforts

Private Sector

1. Participate with and support implementation
2. Project development and tenancy
3. Financing, etc.
4. Explore BID or other entity to have stewardship over pedestrian mall

University

1. Explore Lassonde concept / incubator / bookstore relocation
2. Appoint steering committee
3. Determine funding strategy
4. Define programming and design

Various Stakeholders

1. Site visit / field trip to exemplar communities
2. Develop and implement tourism strategy to enhance visitation and expand seasons
3. Support/advocate NMTC requests
4. Advocate for support of entrepreneurial center concept

Appendix I—Pedestrian Malls

City	State	Name
Los Angeles	California	The Grove
Oakland	California	Oakland City Center
Pomona	California	Pomona Mall
Redding	California	Redding Mall
Riverside	California	Main Street Pedestrian Mall
Sacramento	California	K Street
San Diego	California	Campanile Mall
Santa Monica	California	Third Street Promenade
Aspen	Colorado	Hyman Ave/Mill St/Cooper Ave
Boulder	Colorado	Pearl Street Mall
Denver	Colorado	16th Street Mall
Ft. Collins	Colorado	Old Town Square
Miami	Florida	Lincoln Road
St. Augustine	Florida	St. George Street
Savannah	Georgia	Savannah City Market
Honolulu	Hawaii	Fort Street Mall
Des Moines	Iowa	Walnut Street
Iowa City	Iowa	The Ped Mall
Atchison	Kansas	Commercial Street
New Orleans	Louisiana	Exchange Place
New Orleans	Louisiana	Fulton Street
Boston	Massachusetts	Faneuil Hall Marketplace
New Bedford	Massachusetts	Front Street
Newburyport	Massachusetts	Inn Street Mall
Salem	Massachusetts	Essex Mall
Cumberland	Maryland	Downtown Cumberland Mall
Portland	Maine	Maine Way Mall/Monument Sq
Kalamazoo	Michigan	Kalamazoo Mall
Minneapolis	Minnesota	Nicollet Mall
Helena	Montana	Last Chance Gulch
Lebanon	New Hampshire	Downtown Mall
Cape May	New Jersey	Washington Street Mall
Las Vegas	Nevada	Fremont Street Experience
Binghamton	New York	Washington Street
Buffalo	New York	Buffalo Place
Ithaca	New York	Ithaca Commons
Jamaica, Queens	New York	165th Street
New York	New York	Times Square
Schenectady	New York	Jay Street Pedestrian Walkway
Cincinnati	Ohio	Fountain Square Plaza Mall
Cuyahoga Falls	Ohio	Cuyahoga Falls Riverfront Square District
Newport	Rhode Island	Long Wharf Mall
Memphis	Tennessee	Main Street Mall
Dallas	Texas	Akard Street Mall
Dallas	Texas	Browder Street Plaza
Dallas	Texas	Stone Place
Houston	Texas	GreenStreet
Houston	Texas	Main Street Square
Charlottesville	Virginia	The Historic Downtown Mall
Winchester	Virginia	Old Town Winchester
Burlington	Vermont	Church Street Marketplace
Seattle	Washington	Occidental Avenue, Pioneer Square
Madison	Wisconsin	State Street

Source: https://en.wikipedia.org/wiki/Pedestrian_malls_in_the_United_States

Appendix II—Export Retailers in Utah

Name	Type	Address	City	State	Zip	Phone Number	Registered Agent Name	Registered Agent Address	City	State	Zip
Baked	Cookies	1341 E 700 N	Logan	UT	84321	(435) 554-8065	Conner Ruggio	488 N 1420 E	Provo	UT	84606
Ban Supply Co	Art	36 Fayette Avenue Ste. 7	Salt Lake City	UT	84101	(801) 870-5249	Bree Millard	1006 Elgin Ave	Salt Lake City	UT	84106
Blue Moose Sweet Shoppe	Fudge	440 W 200 N Ste. 1	Bountiful	UT	84010	(801) 292-1339	John E. Wootton	9035 S 1300 E Ste. 250	Sandy	UT	84094
Bohemian Brewery	Beer	94 E 7200	Midvale	UT	84047	(801) 566-5474	Byron Loveall	3690 E Fort Union Blvd Ste 204	Cottonwood Heights	UT	84121
Brady	Cleaning Supplies	3260 E Deseret S.	Saint George	UT	84790	(435) 674-7993	Fabian & Clendenin	215 S State St Ste 1200	Salt Lake City	UT	84111
Caffee Ibis	Coffee	52 Federal Ave	Logan	UT	84321	(888) 740-4777	Sally Sears	52 Federal Ave	Logan	UT	84321
Candies on Main	Candy	58 N Main Street	Manti	UT	84642	(435) 835-6246	Connie Cox	390 W 200 N	Manti	UT	84642
Candy Barrel	Candy	10450 S State St	Sandy	UT	84070	(801) 619-6463	Richard John Reid	1746 W 12600 S, Riverton	Riverton	UT	84065
Coffee Garden	Coffee	878 E 900 S	Salt Lake City	UT	84105	(801) 355-3425	Alan Hebertson	6406 E Emigration Canyon Rd	Salt Lake City	UT	84108
Cummings Studio Chocolates	Candy	679 E 900 S	Salt Lake City	UT	84105	(801) 328-4858	Marion S Cumings	679 E 900 S, SLC	Salt Lake City	UT	84105
Daily Rise	Coffee	1989 W Antelope Drive	Layton	UT	84041	(801) 825-6463	Jeff Furton	484 Ogden Canyon	Ogden	UT	84401
Desert Edge Brewery	Beer	551 S 600 E	Salt Lake City	UT	84102	(801) 521-8917	The Pub Corp	1047 S 1200 E	Salt Lake City	UT	84105
Designer Furniture Gallery	Furniture	170 N 400 E	Saint George	UT	84770	(435) 673-2323	Robert Ken Mangum	170 N 400 E	Saint George	UT	84770
Earth Goods General Store	Soaps	327 E Broadway	Salt Lake City	UT	84111	(801) 746-4410	N/A	N/A	N/A		
Epic Brewing	Beer	825 S. State Street	Salt Lake City	UT	84111	(801) 906-0123	Peter Erickson	825 South State Street	Salt Lake City	UT	84111
Eric Jacoby Design	Furniture	1143 Yale Ave	Salt Lake City	UT	84105	(801) 557-9124	Eric Jacoby	1143 Yale Ave	Salt Lake City	UT	84105
Farmhouse Fudge	Fudge	HC 64 Box 3112	Moab	UT	84532	(435) 259-4400	Deb Holling	54 Lazaris Lane	Castle Valley	UT	84532
Fillings & Emulsions	Bakery	1475 S Main Street	Salt Lake City	UT	84115	(385) 229-4228	Adalberto Diaz	1475 South Main Street	Salt Lake City	UT	84115
Grandma Nona's	Fudge	485 E 100 S PO Box 277	Spring City	UT	84662	(435) 462-3207	Sheri Winona	485 E 100 S	Spring City	UT	84662
Greenhouse Effect	Coffee	3231 S 900 E	Salt Lake City	UT	84106	(801) 466-3273	Mary Kosmas	3231 S 900 E	Salt Lake City	UT	84106
Grounds for Coffee	Coffee	1546 E Sunnyside Ave	Salt Lake City	UT	84105	(801) 633-7253	Daniel Dailey	1546 E Sunnyside Ave	Salt Lake City	UT	84105
Jake Bigler Art	Art	1128 West Winbledon Ridge Lane	West Jordan	UT	84084	(801) 834-0483	Jacob Shane Bigler	1128 W Wimbledon Ridge Lane	West Jordan	UT	84084
Joy in Wood Furnituremakers	Furniture	295 N Main St	Kanab	UT	84741	(435) 644-3735	Richard Francis Csenge	295 N Main St	Kanab	UT	84741
Kencraft Candy	Candy	708 S Utah Valley Dr	American Fork	UT	84003	(801) 756-6916	Corporate Creations Network Inc.	2825 E Cottonwood Parkway #500	Salt Lake City	UT	84121
Kimberly Parry Organics	Cosmetics	960 N Dixie Downs Rd	Saint George	UT	84770	(844) 404-3257	Brent Taylor	960 N Dixie Downs Rd	Saint George	UT	84770
Love your Bath & Body	Cosmetics	245 N Redcliffs Ste. 9	Saint George	UT	84790	(435) 216-5111	Adam William Trammell	1763 Boulder Mountain Rd	Saint George	UT	84790
Lush Cosmetics	Cosmetics	51 S Main St Unit #161	Salt Lake City	UT	84111	(801) 521-4651	Corporation Service Company	15 West Wouth Temple Ste 1701	Salt Lake City	UT	84101
Merle Norman Cosmetics	Cosmetics	775 S Bluff St	Saint George	UT	84770	(435) 628-1115	Sandy Graham	N/A	Saint George	UT	84770
Moab Brewery	Beer	686 South Main	Moab	UT	84532	(435) 259-6333	Candace Elder Sabey	3121 American Saddler	Park City	UT	84060
Moxie Metal Works	Furniture	1676 S 700 W	Salt Lake City	UT	84104	(801) 906-3047	Adam Piccari	8662 S Okubo Dr	West Jordan	UT	84088
Mrs Avanaugh's Candies	Candy	1163 S State St.	Orem	UT	84054	(801) 764-1085	Michael Joseph Wall	835 Northpointe Circle	North Salt Lake	UT	84054
Pine Meadows	Soaps	1038 S 350 E	Provo	UT	84606	(801) 221-0483	Alan Powell	2593 Crow Loop	Wanship	UT	84017
Publik	Coffee	975 S West Temple	Salt Lake City	UT	84101	(801) 355-3161	Melissa Greis	975 S West Temple	Salt Lake City	UT	84101
PureArt Printer	Art	291 E 1400 S Ste. 5	Saint George	UT	84790	(435) 673-7873	Mary Jane West	563 Zion Park Blvd	Springdale	UT	84767
Red Rock Brewery	Beer	254 S 200 W	Salt Lake City	UT	84101	(801) 521-7446	Jeffery S Williams	68 S Main Ste 6th Floor	Salt Lake City	UT	84101
Rocky Mountain Chocolate Factory	Candy	250 Red Cliffs Dr, Space 20	Saint George	UT	84790	(435) 652-4327	L. William Durante	250 N Red Cliffs Dr. #20	Saint George	UT	84790
Salt Lake Bride	Service	391 East 1700 South #160111	Clearfield	UT	84016	(801) 447-4007	BCY, Inc.	2494 S 900 W	Syracuse	UT	84075
See's Candies	Candy	446 N 1680 E Red Cliffs Mall	Saint George	UT	84790	(435) 627-8828	CT Corporation System	1108 E South Union Ave	Midvale	UT	84047
Simply Eden	Soaps	2612 N Highway 162	Eden	UT	84310	(801) 745-5033	Athena Steadman	2612 N Hwy 162 #3 PO Box 1126	Eden	UT	84310
Springdale Candy Company	Candy	855 Zion Park Blvd	Springdale	UT	84767	(435) 883-0485	Virgin River Chocolates, Inc.	855 A Zion Park Blvd. PO Box 390	Springdale	UT	84767
Squatters Craft Beers	Beer	147 West Broadway	Salt Lake City	UT	84010	(801) 363-2739	Jeff T. Polychronis	147 W Broadway	Salt Lake City	UT	84101
Sugar House Coffee	Coffee	2011 South 1100 East	Salt Lake City	UT	84106	(801) 883-8867	Martha Bradley-Evans	333 N Main St.	Salt Lake City	UT	84103
Sugar House Furniture	Furniture	2892 S. Highland Dr.	Salt Lake City	UT	84106	(801) 485-3606	Jill Haskell	2892 Highland Dr	Salt Lake City	UT	84106
Taffy Shop	Candy	946 W Sunset Blvd Unit B	Saint George	UT	84770	(801) 928-7080	Jeffrey Don Wilson	480 Dorthea Way	North Salt Lake	UT	84054
The Cleaning Supplier	Cleaning Supplies	757 S Bluff St	Saint George	UT	84770	(435) 688-0275	Kings Distributing LLC	368 S Mall Dr #I-307	Saint George	UT	84790
The Soap Factory	Soaps	54 Center Street	Provo	UT	84601	(385) 309-3219	David Peterson	1184 S Palisades Dr	Orem	UT	84097
The Soap Lady	Soaps	502 W 8360 S	Sandy	UT	84070	(385) 274-4101	Kathy Wawrzyniak	9875 Kramer Dr	Sandy	UT	84092
Uinta Brewing	Beer	1722 South Fremont Drive	Salt Lake City	UT	84104	(801) 467-0909	CT Corporation System	1108 E South Union Ave	Midvale	UT	84047
Utah Shutters Inc.	Furniture	2349 South 2700 West	West Valley City	UT	84119	(801) 792-7864	Dexter Hoopes	3044 West Desert Rose Dr	Riverton	UT	84065
Wasatch Brewery	Beer	250 Main Street	Park City	UT	84060	(435) 649-0900	Salt Lake Brewing Co.	147 W Broadway	Salt Lake City	UT	84101
Wasatch Furniture and Design	Furniture	372 West 6400 South	Murray	UT	84107	(801) 261-1013	Greg McConnehey	372 Winchester St	Murray	UT	84107