



*A New*

# PERSPECTIVE



## A NEW PERSPECTIVE FOR PROSPERITY IN THE SALT LAKE REGION

Economic Competitiveness Research Prepared for Salt Lake County | October 2023

# TABLE OF CONTENTS

Executive Summary	2
Research Methodology and Regional Approach	7
Collaborative Opportunities to Support Economic Competitiveness	12
Industry Analysis	20
• Financial Services	21
• Software Services	22
• Therapeutics and Diagnostics R&D	23
• Medical Device Manufacturing	24
• Advanced Materials and Aerospace Parts	25
Conclusion and Next Steps	26

# LET'S DO BETTER TOGETHER

## Enduring Prosperity Requires a Strategic Edge

In 2023, Salt Lake County engaged Global Location Strategies (GLS), a national site selection consultant, to evaluate the economic competitiveness of the Salt Lake Region and produce recommendations to guide product and ecosystem development. This research offers a new data-informed perspective for growth that increases long-term prosperity, preserves and improves quality of life, and engages all of Team Utah in collaborative strategic planning. Put simply, this research gives us the information necessary to *grow better*.

### What's New About This Approach?

**This research provides specific recommendations to compete against peer regions for industries and jobs that support prosperity.**

For decades, the Salt Lake Region intentionally pursued a wide variety of economic development opportunities to diversify and grow its economy. In its next phase, the region must pivot to more selective development and densification. The data and recommendations in this report will empower regional leaders to collaboratively enhance regional competitiveness for the select industries most aligned with increasing prosperity, economic mobility, and quality of life.

### A Shared Regional Vision for Prosperity



**LONG-TERM PROSPERITY**

Increased economic mobility for all communities in our region—generating increased incomes that support the Salt Lake Region's growing cost of living.



**BETTER QUALITY OF LIFE**

Preserve and improve quality of life—including clean air, sustainable water use, and public safety—and respond to the growing concerns of Salt Lake County residents who expect quality of life to decline in the future.



**COLLABORATIVE STRATEGIC PLANNING**

Build on Team Utah's rich history of collaboration across state and local agencies because in the end, it's about giving the next generation a better future.





# EXECUTIVE SUMMARY

Aligning Future Investments to Increase Competitiveness

**The Salt Lake Region is globally competitive for many of the highest-value industries, consistently ranking at or near the top of the list of comparable regions.**

The key findings from this research provide the evidence and rationale for increasing regional collaboration and aligning investments around strategies that will boost future competitiveness for the most prosperous regional opportunities.

## KEY FINDINGS



**The Salt Lake Region competes against elite markets and needs to measure itself against those peers.**

Even during times of great success and economic health, peers are setting new competitive standards. The region may be less competitive than those peers if it doesn't do the same.



**The region has significant land constraints that require cities and developers to plan for site preservation and preparation.**

The region could lose high-value opportunities if it fills remaining sites with low-paying or unsustainable projects. This report provides clear site requirements for high-value industries.



**Increasing the region's economic competitiveness requires targeted programs.**

Competing at the highest level can be expensive. To best use finite resources, the region can target specific opportunities to increase competitiveness, such as entry-level training programs in Information Technology or post-graduate degrees related to Biotechnology.



**Urban planning and the creation of diverse neighborhood types will be key to improving competitiveness and quality of life.**

Housing availability and affordability are major issues for economic competitiveness. The region can increase inventory by cultivating a diversity of neighborhood types, including dense mixed-use neighborhoods that provide a large number of residential units near jobs.



**The Salt Lake Region should strategically evaluate the tradeoffs of incentives to reduce cost versus investing to improve quality.**

It is unique that the region is a leader in both cost and quality. Usually, the tradeoff for lower cost is lower quality, but the region currently has the best of both. Stakeholders should consider the best strategies to build upon this competitive positioning.

This report further explores how the region can do more to boost economic competitiveness in high-value industries that can increase prosperity by aligning investments in (1) workforce development, (2) site preparation, and (3) urban planning. We also dive deeper into the site-selector methodology that describes our competitive positioning and further outlines regional values that support local quality of life, such as sustainability and support for regional businesses.

# IDENTIFIED CLUSTERS & TARGET INDUSTRIES

This research focused on the industry clusters below to align to the region's capacity, values, and potential. In this report, we feature five specific industries within the clusters to demonstrate themes that apply to all the region's target industries. These industries are highlighted below.



# HOW STAKEHOLDERS CAN USE THIS RESEARCH

Success Requires a Team Utah Approach



## Property Owners

To inform a decision on whether and how to develop.



## School Districts

To inform decisions around workforce programs for high school students and policy decisions around spending per student, classroom sizes, and strategies for boosting outcomes. School districts are also frequently asked to provide substantial public assistance via TIF.



## Real Estate Developers

To make projects/sites/parcels as competitive as possible for major opportunities. This research can also help developers align with public entities' policy preferences.



## Higher Education Leaders

To understand and serve the specific workforce needs for target industries, to understand potential opportunities for students, and to make the justification for increased activity to seek grant funding.



## Utility Providers

While utility providers can typically provide requirements given time, maximizing competitiveness requires having utilities in place or having a clear plan and timeline.



## Industry Groups

To relay the external site selector perspective to constituent companies and create a common understanding around goals to boost competitiveness.



## Cities/Land Use Authorities

To inform planning, zoning, and permitting. Cities can choose which industries they desire. This document informs competitiveness criteria and strategies for certain high-paying, resilient industries.



## Regional Groups

To incorporate discrete goals and information related to economic development into diverse strategies that aim to improve the prosperity of the region's communities.



## County

To convene cities and create alignment around strategic goals such as those in this document. Counties also provide public assistance in alignment with policy goals as part of Tax Increment Financing (TIF).



## State

To incorporate the specific needs of the Salt Lake Region into state-level strategy, acknowledging that Utah has at least five regions with differing needs.



# OUR REGIONAL VALUE PROPOSITION

- WORKFORCE
- HOUSING
- INDUSTRY
- QUALITY OF LIFE

## HISTORICAL

- Below market-rate salaries. Young and available.
- Relatively cheap and available.
- Primarily extraction and finance with some science spin-offs from University of Utah.
- High quality of life with low cost of living.

## CURRENT

- Average to above average salaries with low unemployment. Still young, but getting older with declining fertility rates.
- Above average cost, low availability especially in lower price ranges.
- Among the most diverse economies nationally.
- Still high quality of life, but emerging environmental and livability issues impact competitiveness.

## IDEAL

- Strengthen value proposition in high-paying industries.
- Increase housing supply with strategy of managed growth and densification.
- Diverse economy with rich environment for tech innovation, advanced manufacturing, and financial services.
- Maintain or improve quality of life and manage cost of living.

## NEGATIVE ALTERNATIVE

- Job growth disproportionately occurs in average to below-average paying industries.
- Supply remains in shortage and housing burden continues to increase.
- High value industries have no sites in the valley to develop.
- Growth and planning issues diminish quality of life.



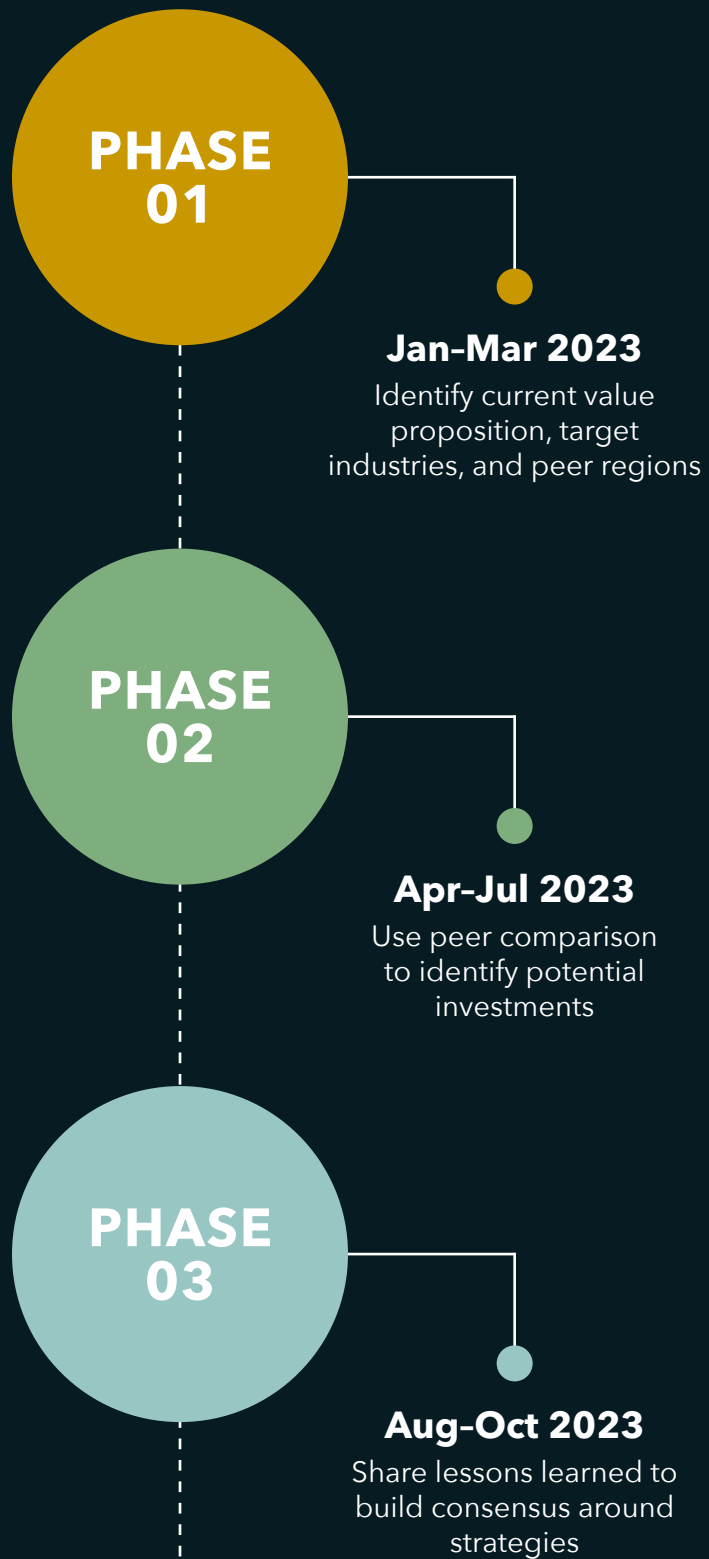
# RESEARCH METHODOLOGY & REGIONAL APPROACH

This three-phase analysis began in early 2023. Salt Lake County sought to better understand its regional value proposition, peer regions, and potential investments to attract desirable industries. We further defined the Salt Lake Region using organic commuting patterns and then sought to align local values with industry identification.





# THREE-PHASE ANALYSIS



# ANALYSIS METHODOLOGY

## Defining the Salt Lake Region

We defined the region using a 60-minute drive time radius. This is the typical assumption a business makes for how far a potential employee will commute to work. Even though the study was for Salt Lake County, workers can come from anywhere as economies are naturally regional and do not follow city, county, or other borders.

## Selecting Industry Clusters

We only evaluated industries that create new jobs and bring money into the region, such as manufacturing and IT. This is compared to demand-based industries that grow based on population and recycle money within the region, such as hospitals or retail. We sought occupational wages substantially above the \$63,284 regional average.<sup>1</sup>

After starting with a wide variety of industries, we filtered for existing clusters, available skills, and supply chain considerations.

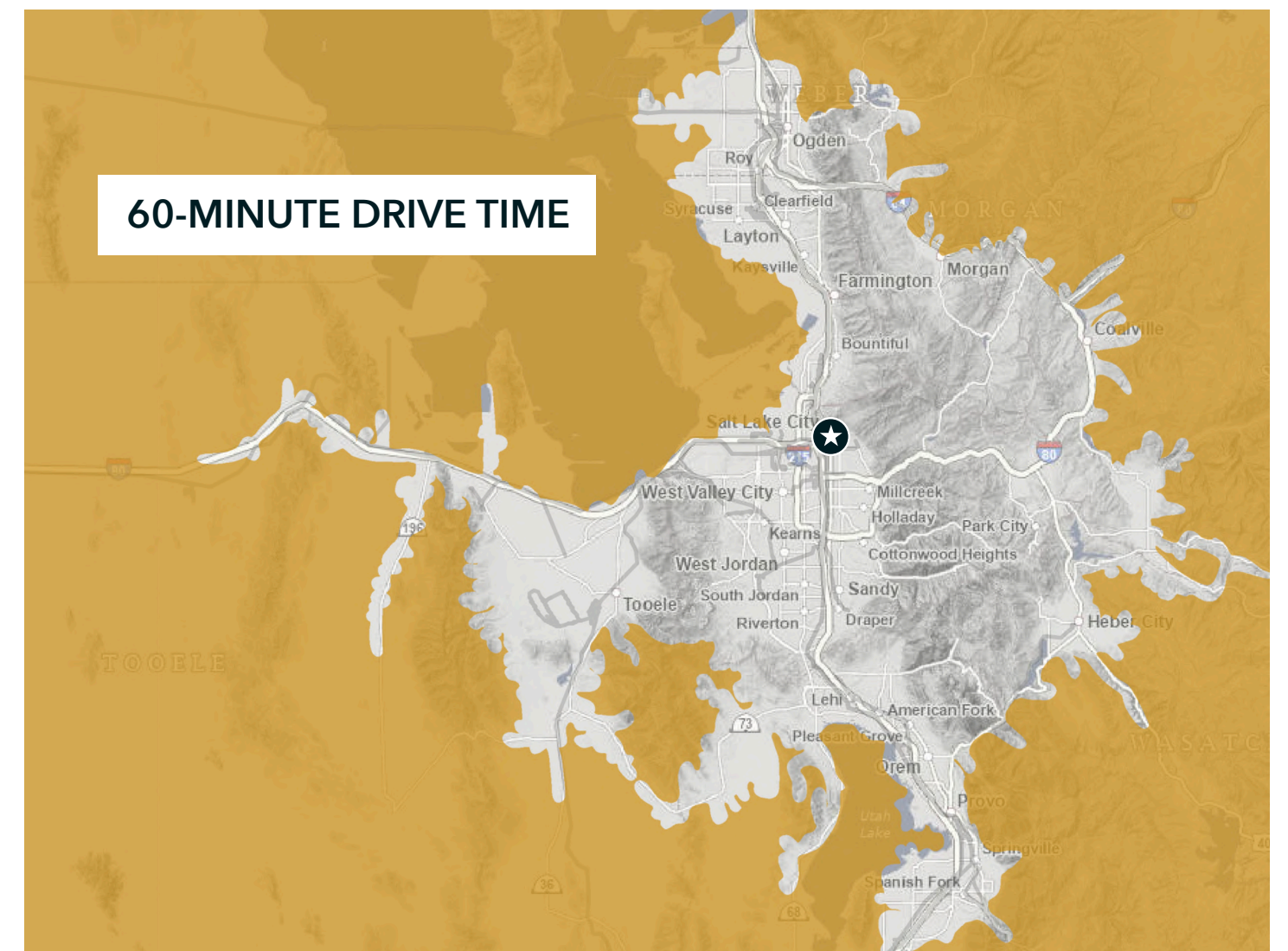
<sup>1</sup> Utah Department of Workforce Services.

Finally, we filtered out most industries that create high air pollution or consume large amounts of water. This was a policy choice—our region has enough options that we can choose to pursue only those that maintain quality of life.

## Site Selection Scoring

GLS used this information to simulate a site selection process with the Salt Lake Region competing against other key regions for projects in target industries. This analysis did not consider site-specific factors, which are critical in any site-selection process and will vary depending on location.

Some recommendations might not be feasible in the short term, given market conditions, but can still inform short-term planning strategy while we wait for the market to normalize long-term. Just like with site selection, the scoring is meant to inform decision making and begin the more detailed strategic discussion contained in this document.





# SUSTAINABILITY

All Utahns feel a sense of pride about the beauty of the natural environment and the easy accessibility of diverse landscapes from urban and suburban centers. Many in the Salt Lake Region and beyond have expressed a desire for sustainable growth of these population centers by managing water consumption and air quality. In the State's recent Guiding Our Growth survey, more than 70% of urban Utahns expressed a preference for increased conservation. As such, this research specifically evaluates industries that minimize strain on the environment.

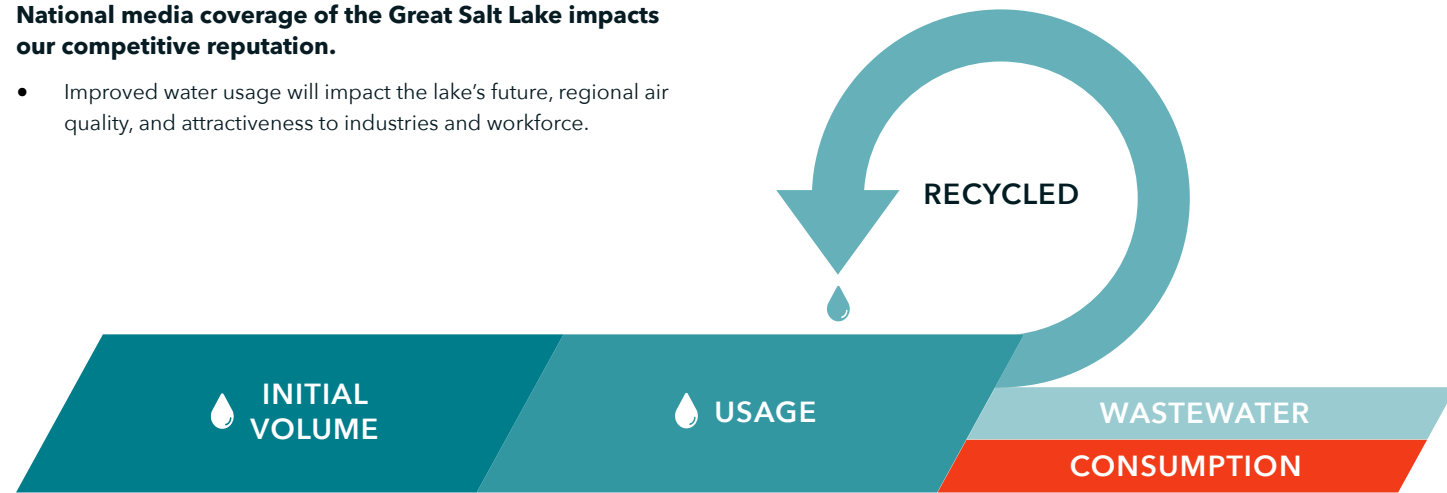
## Primary Water Consideration: Focus on Net Water Consumption

### We initially filtered target industries for total water and wastewater consumption.

- Salt Lake City currently limits users to no more than 200,000 gallons per day.
- This policy could become more nuanced by considering the reduced environmental impact produced by wastewater recycling programs.
- Stakeholders would benefit from regional expertise to advise on strategies to reduce net water consumption for new and existing users, noting that retrofitting is substantially more expensive.

### National media coverage of the Great Salt Lake impacts our competitive reputation.

- Improved water usage will impact the lake's future, regional air quality, and attractiveness to industries and workforce.



## Primary Air Quality Consideration: Limit High Emitters

### While air quality has improved over time, this research eliminated high air emitters from target industries to continue that progress.

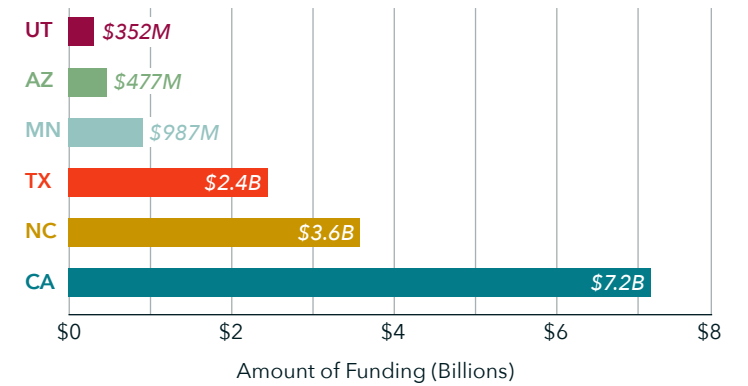
- **Urban planning should include sustainability standards.**
  - Use of public transportation can reduce automobile emissions.
  - Higher sustainability standards for buildings can also substantially reduce emissions.

# SUPPORTING REGIONAL BUSINESSES

This research methodology relies primarily on a site selector evaluation that considers the attraction of new businesses to the region. However, Team Utah is relentlessly committed to developing and maintaining existing regional businesses, especially those that create net new jobs. While restaurants and hospitals are important parts of the economy and create jobs, they typically grow or shrink as a function of population size.

Site selector scoring considers indicators for existing cluster activity, such as National Institutes of Health (NIH) funding for Research and Development (R&D). Comparatively, the Salt Lake Region ranks relatively low to our peer regions in relevant NIH funding. The University of Utah has worked hard in recent years to increase R&D funding from the NIH and multiple other federal agencies, going from \$500 million total in 2017 to \$768 million in 2022, with a goal of reaching \$1.5 billion by 2027.

TOTAL AMOUNT OF NIH FUNDING BY STATE



## STRENGTHENING A VIBRANT REGIONAL SUPPORT ECOSYSTEM

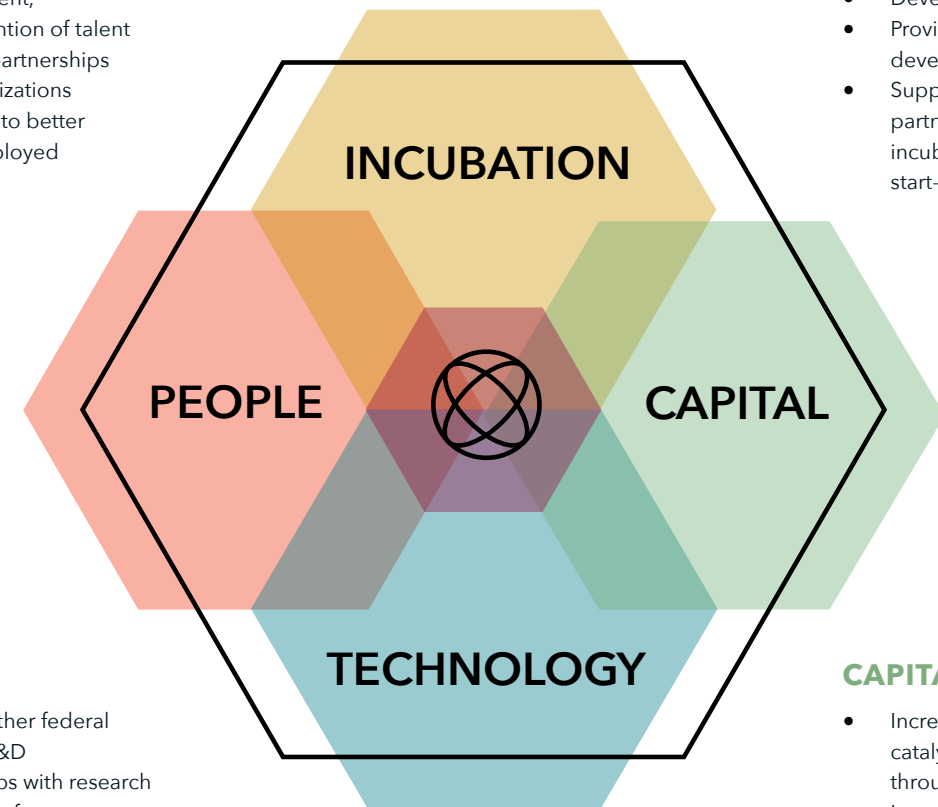
### CURRENT NEEDS IN THE ENVIRONMENT

#### PEOPLE

- Increase development, attraction, and retention of talent
- Develop stronger partnerships with industry organizations
- Enhance strategies to better leverage underemployed populations

#### INCUBATION

- Develop wet lab space
- Provide incentives for real estate developers to build on spec
- Support public-private partnerships for dedicated incubation spaces that reduce start-up costs



#### TECHNOLOGY

- Increase NIH and other federal grant funding for R&D
- Support partnerships with research institutions applying for grants

#### CAPITAL

- Increase programs providing catalytic capital, potentially through Utah Innovation Lab
- Increase capacity to locally fund past Series A
- Support to help companies better leverage debt and equity



# COLLABORATIVE OPPORTUNITIES

To Support Economic Competitiveness

By aligning regional investments in workforce development, site preparation, and urban planning, the Salt Lake Region can boost its competitive profile for generations to come. Our research informed an updated perspective on some of these regional development factors, allowing us to identify themes that apply across industry clusters.

## WORKFORCE DEVELOPMENT

### New Perspective: Specific Data Compared to Peers



The Salt Lake Region now competes with major cities across the United States. By comparing available workforce to peer metros, GLS identified trends in workforce needs across target industries based on how the region compares to its peers. These needs include additional training, inclusiveness, and mitigating K-12 education concerns.

### Key Findings

The region has a relatively robust high school graduation rate but has low attainment of postsecondary degrees when compared to peer metros across all sectors.

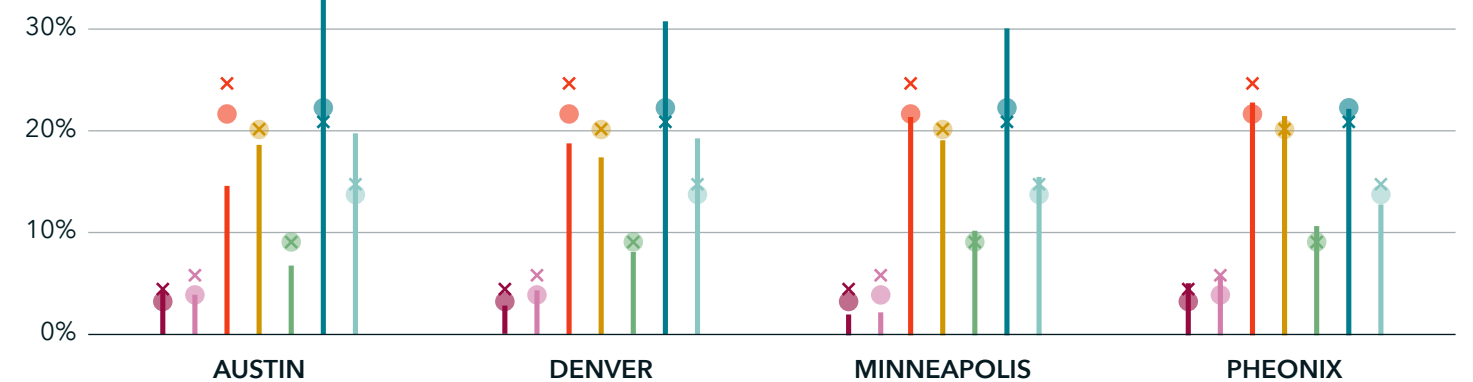
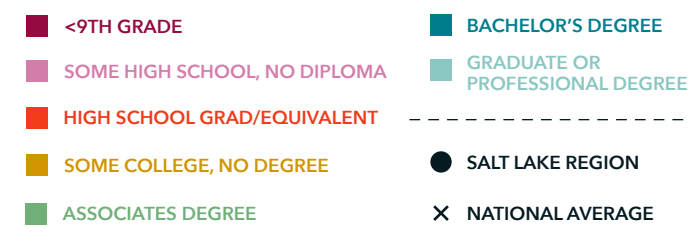
For all industries, the region needs to increase access, completion, and job placement for women and people of color.<sup>2</sup>

For all industries, the region scores low in the K-12 category. This is evaluated based on student-teacher ratio and spending per student, where Utah typically ranks last. Even with those unfavorable metrics, Utah consistently ranks as average or above-average for test scores and achievement. However, an existing achievement gap in communities facing economic challenges and among racially and ethnically diverse backgrounds could widen as the region expands. Site selectors and major employers will likely continue to look at our K-12 spending metrics, and we need to understand how this affects our overall recruiting efforts. This raises questions about how or whether additional investment in education could reduce student-teacher ratios, increase per-student funding, and lift achievement to more competitive levels.

<sup>2</sup> Diversity in Utah Data Book, from Kem C. Gardner Policy Institute.

### LEVELS OF EDUCATION: SALT LAKE AND PEERS

The region has a relatively low proportion of Bachelors Degrees and Post-Grad Degrees



### Workforce Pipeline Needs by Industry

#### Advanced Materials and Aerospace Parts

- Technical certificates. Currently primarily offered by Salt Lake Community College, Davis Technical College, and Ogden-Weber Technical College.
- Bachelor's and Master's in Engineering. Currently primarily offered by University of Utah.
- Continue supporting supply-demand match through Talent Ready Utah, Utah Aerospace and Defense Alliance (UADA), Utah Manufacturers Association (UMA), Utah Advanced Materials and Manufacturing Alliance Initiative (UAMMI), and others.

#### Financial Services

- Bolster retention strategies, especially related to diversity, equity, and inclusion initiatives (DEI).

#### Medical Device Manufacturing and Therapeutics and Diagnostics R&D (both have the same need)

- Increased quantity of Master's and PhDs in Biology, Pharmacy, Neuroscience, Biochemistry, Biotechnology.
  - The most competitive metros are net exporters of these degrees and can select among the best talent.
- Maintain quantity of Specialized Production and Automation Technicians.

#### Software Services

- Increase certificates and two-year awards related to computer programming.
  - This can broadly support other industries with IT needs, such as Healthcare and Finance.



# SITE PREPARATION

## New Perspective: Specific Criteria to Win Projects

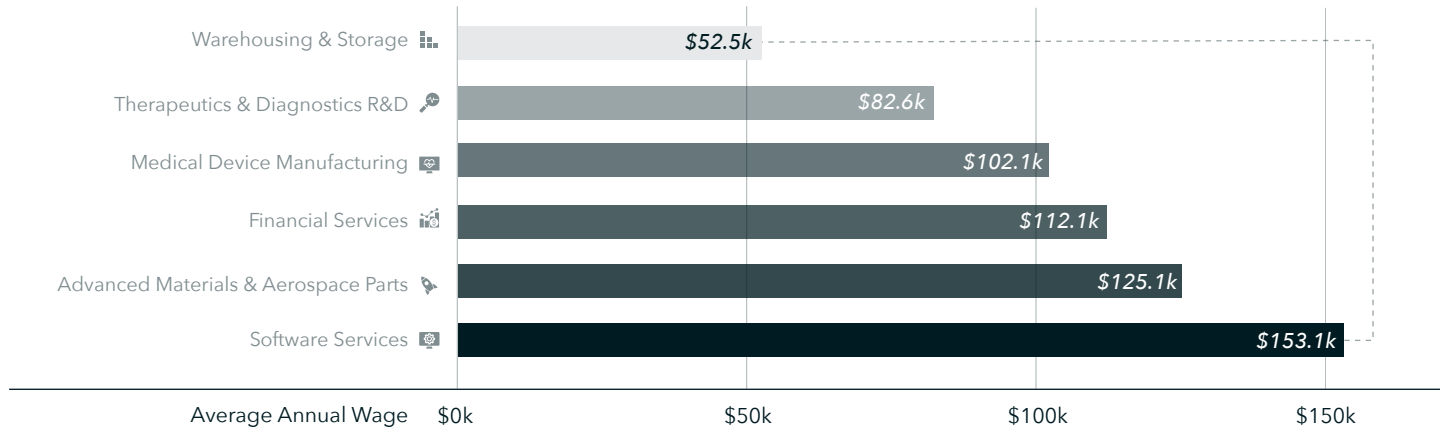


Talent availability and speed-to-market have become primary drivers for a site's competitive positioning. This research provides a clear template for site requirements and competitiveness criteria, which can inform planning efforts and infrastructure development.

## Key Findings

Opportunities to develop in the valley are now limited. Many projects require 20+ acre sites, which are in short supply. Stakeholders might have to figure out how to utilize and market 10+ acre sites. In the meantime, if the region fills its remaining sites with lower-paying industries, this will be a loss. For example, average annual wages for warehousing and storage employees hover around \$50,000 per year, while the average regional industry annual wages across prioritized industries exceeds \$100,000 per year.

### THE OPPORTUNITY COST OF FILLING LIMITED SITES WITH DISTRIBUTION CENTERS IN THE SALT LAKE REGION



Source: JobsEQ

## Site Preparation Needs

**Zoning should be in place for the contemplated use.**

**Access should be in place - some sites need rail, others need enhanced roads.**

**Utilities should be installed at site. If not at full capacity, then have a plan for achieving full capacity.**

- Sites should have a developed plan on how to accommodate varying requirements for utilities (electricity, natural gas, water, and wastewater). If possible, natural gas, water, and wastewater lines should be extended to the site location to reduce the investment and time required by the company to prepare the site for operations.

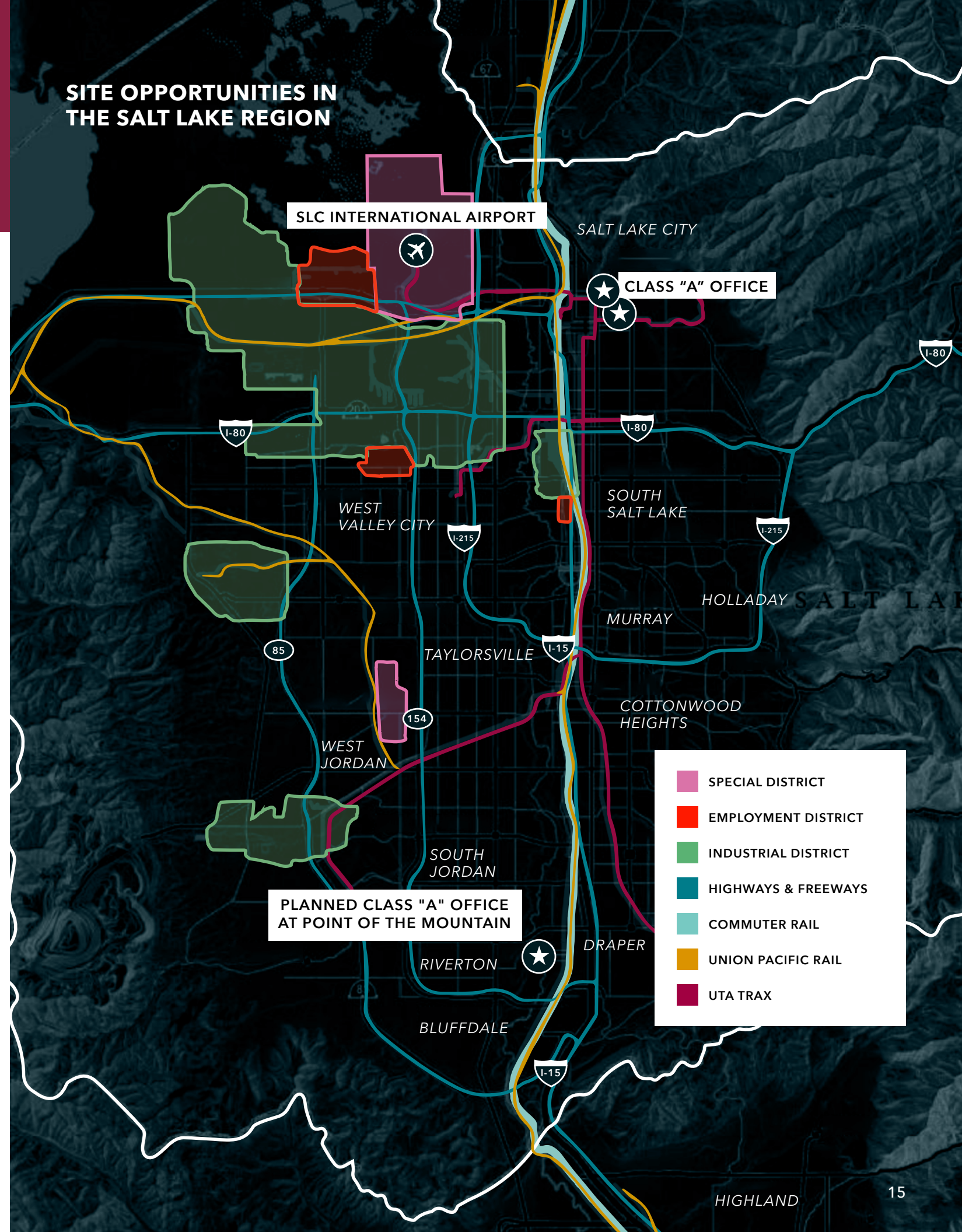
**Complete environmental reports on greenfield sites, include Phase Is and IIs, geotechnical studies, and/or wetlands delineations.**

**Plan for an efficient tenant improvement process for office users.**

**Preserve sites to avoid costly retrofits.**

- Lab space requires precise specifications that are difficult to retrofit into lower-grade industrial buildings. This product is more expensive to build, but commands higher rents. Preserving sites for this use requires planning and collaboration between cities, developers, and users.
- Further study is needed to identify strategies to offset risk for developers, including the potential for incentives.

# SITE OPPORTUNITIES IN THE SALT LAKE REGION



- SPECIAL DISTRICT
- EMPLOYMENT DISTRICT
- INDUSTRIAL DISTRICT
- HIGHWAYS & FREEWAYS
- COMMUTER RAIL
- UNION PACIFIC RAIL
- UTA TRAX



# URBAN PLANNING

## New Perspective: Specifics on How Planning Affects Competitiveness



This research shows the connection between Economic Competitiveness and the already robust conversation around Housing. Housing affordability and vibrant communities not only affect quality of life, they affect the ability to attract and retain businesses.

## Key Findings

The Salt Lake Region has an opportunity to thread the needle with its collective, near-future urban planning efforts. It needs to plan for and create a diversity of neighborhood types to accommodate growth while maintaining our exceptional quality of life.

Due to land, water, and other environmental constraints, the region's primary option for growth is through densification. If it wants to create high-quality housing and community for its kids, it needs to create denser options that complement and blend with single-family home neighborhoods. To build positive public consensus around density and counteract negative stereotypes, it needs vibrant, attractive neighborhoods.

There is a substantial opportunity to densify around transit infrastructure through Transit-Oriented Communities (TOCs). A vibrant TOC requires extensive planning, coordination, and connectivity so that it genuinely integrates with the area around it. High-density development without this critical integration risks failure and is a lost opportunity for the highest and best use of scarce real estate. Currently, high hurdle rates make most TOC projects unfeasible—some of this is due to current market conditions and some could be market failure. While the region waits for market conditions to stabilize, it can support smart planning and smart incentives to prepare for future projects. Not all neighborhoods in the region are good candidates for TOCs, but cities and developers can prioritize access to opportunities in order to maintain quality of life in a denser urban environment.

## Urban Planning Needs

The region has a relatively low inventory of true Class A office and low vacancy rates.

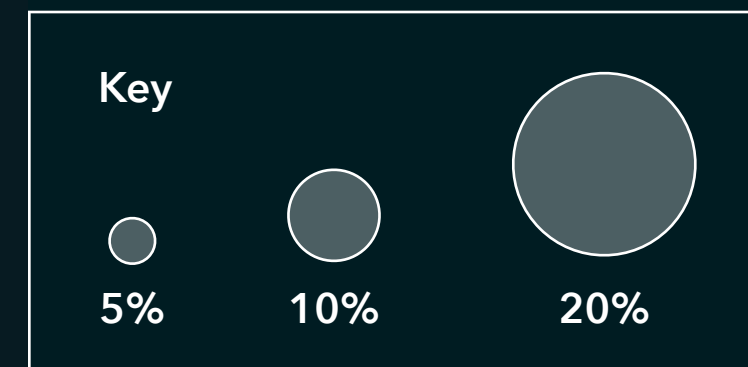
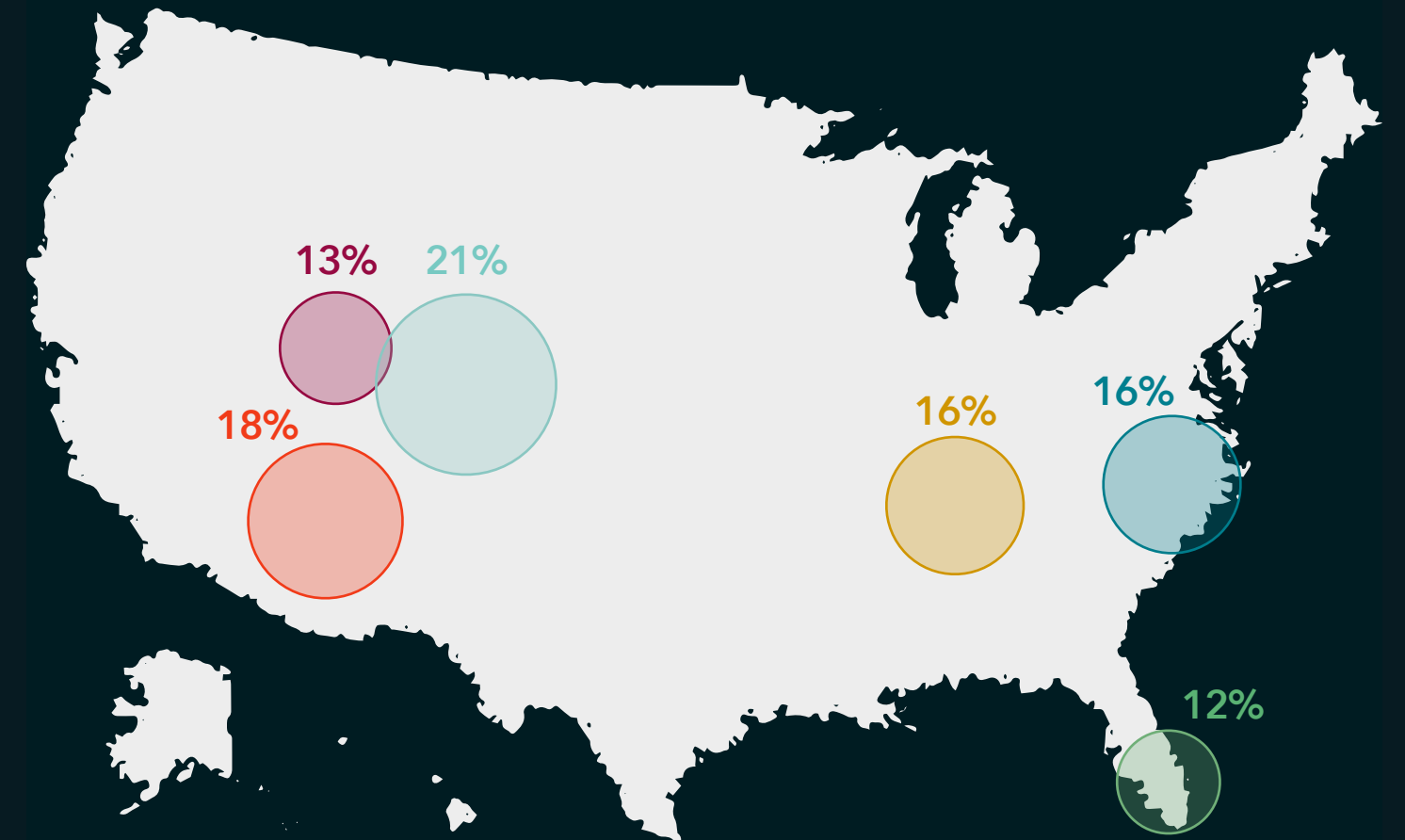
- Though Class A standards vary from city to city, we are now competing with the nicest offices in Austin, Denver, and Seattle. These offices have beautiful lobbies, retail and restaurants; other attractive amenities; and the highest quality infrastructure/utilities. In our market, similar spaces can be found at 95 S State and 650 S Main.

With high vacancy rates of approximately 23% in the Salt Lake-Provo Market as of Q2 2023,<sup>3</sup> there is looming uncertainty for Class B office. Few, if any, new office projects are feasible in the current market, but the delayed launch of new projects can be used to plan and zone for future mixed-use projects. Additional Class A lab and other light lab space should be included in select mixed-use neighborhoods, with heavy lab space in more industrial-zoned areas.

For industrial projects in Northwest Salt Lake City, West Valley City, and West Jordan, we should ensure connectivity to the labor force, affordable housing, and workforce training.

<sup>3</sup> CBRE (August 2023), [Salt Lake-Provo Office Figures Q2 2023](#).

# CLASS "A" OFFICE AVAILABILITY RATE



- Salt Lake-Ogden-Provo, UT
- Phoenix-Mesa-Chandler, AZ
- Denver-Aurora-Lakewood, CO
- Nashville, TN
- Charlotte-Concord-Gastonia, NC
- Miami, FL

Source: Aggregated averages from public sources. Original data used by GLS was from Costar and not licensed to share.





# INDUSTRY IDENTIFICATION

## How the Evaluation Works

### Why focus on the entire region and compare it to other regions?

Economies are regional (not local or statewide) based on the commuting patterns of workers.

The Salt Lake Region competes globally.

The region has different competitor regions for different industries.

Regions have different strengths and weaknesses based on:

- Relative availability of talent, wages, and unionization rates
- Relative cost of utilities or availability of resources
- Co-location with similar industries

In the future, this work will need to account for site-specific factors including:

- Shovel readiness (permitting, utilities, etc.)
- Incentives (layered at the local, regional, and state level)

### Scoring Synthesis

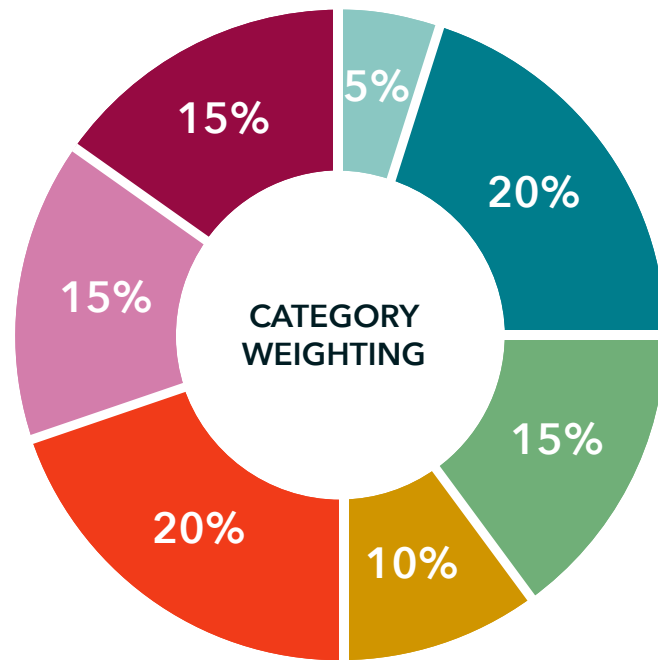
In this report, we share just a snapshot of the very extensive scoring provided by GLS. The final reports from GLS include 350 pages of data and analysis—these insights are a synthesis of that information. To access the full reports, see [Phase 1](#) and [Phase 2](#).

Scores should be viewed as one factor contributing to competitiveness. In addition to reams of quantitative data, qualitative factors—such as the geographical preferences of senior leadership or demonstrated willingness to partner by local communities—can have significant impact on site location decisions.

For each category, there are multiple layers of subcategories that aggregate to the eventual score.

## Quality Scores

Categories and weighting for the factors contributing to an overall quality score can be seen in the Category Weighting graph. Once scored, Metropolitan Statistical Areas (MSAs) can be compared accordingly (see Quality Analysis Results for an example comparison). The highest scoring MSA sets the criteria for a 15% cut-off. MSAs that do not score within 15% of the max score receive less favorable consideration.



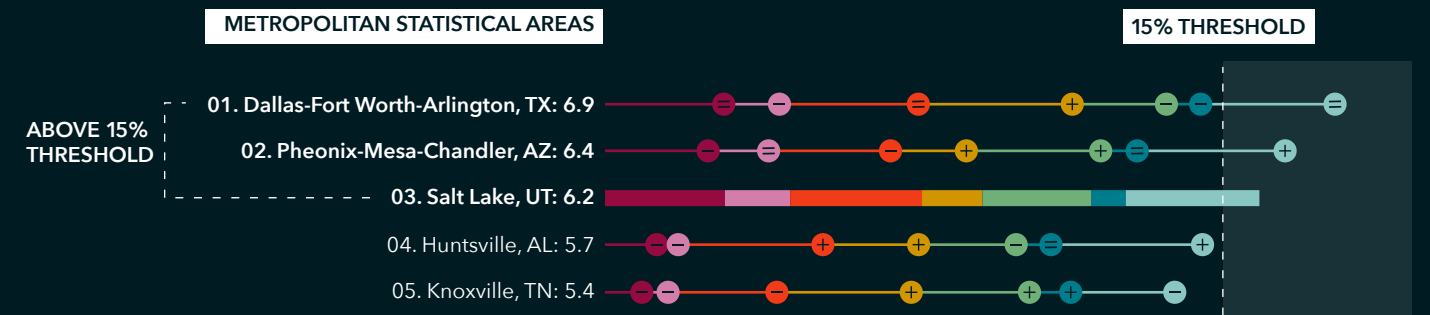
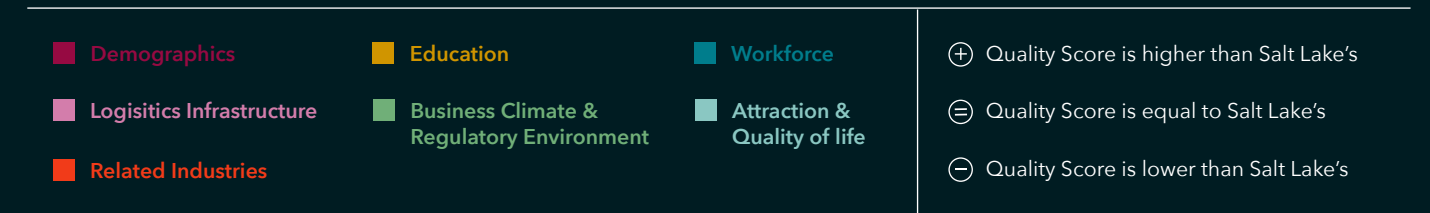
- DEMOGRAPHICS
- LOGISTICS INFRASTRUCTURE
- RELATED INDUSTRIES
- EDUCATION
- BUSINESS CLIMATE & REGULATORY ENVIRONMENT
- WORKFORCE
- ATTRACTION & QUALITY OF LIFE

## Cost Scores

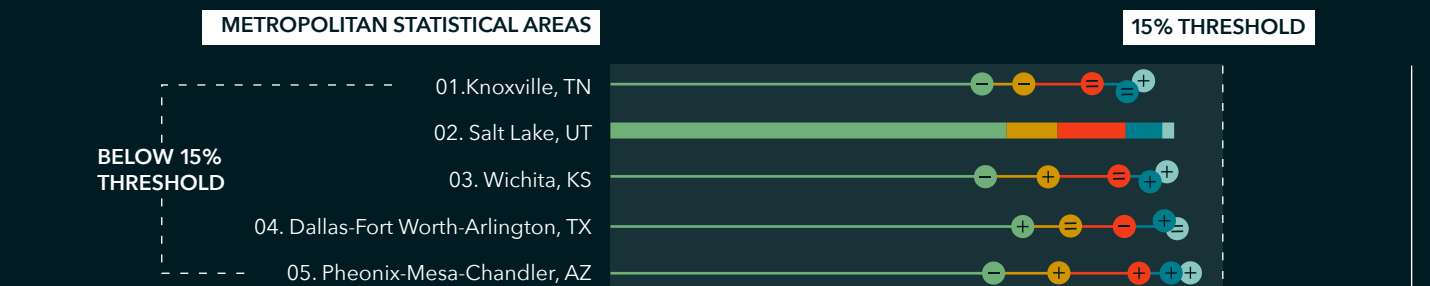
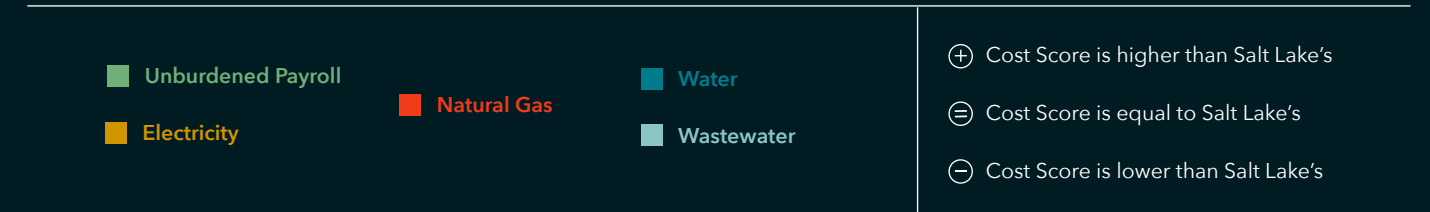
Location-dependent operating costs result in a separate score that represents the total estimated cost including unburdened payroll, electricity, natural gas, water, and wastewater (see Operating Costs for an example comparison). Once scored, MSAs are ranked relative to cost, with the lowest cost ranked first. MSAs that do not score within 15% of the lowest costing are receive less favorable consideration.

# QUALITY ANALYSIS RESULTS

These stacked bar charts show how GLS compares the Salt Lake Region to other regions. For Quality, higher is better. For Cost, lower is better. These graphs include indicators "+", "=", and "-" to show how peers compared to the Salt Lake Region in each subcategory.



## ESTIMATED LOCATION-DEPENDENT OPERATING COSTS





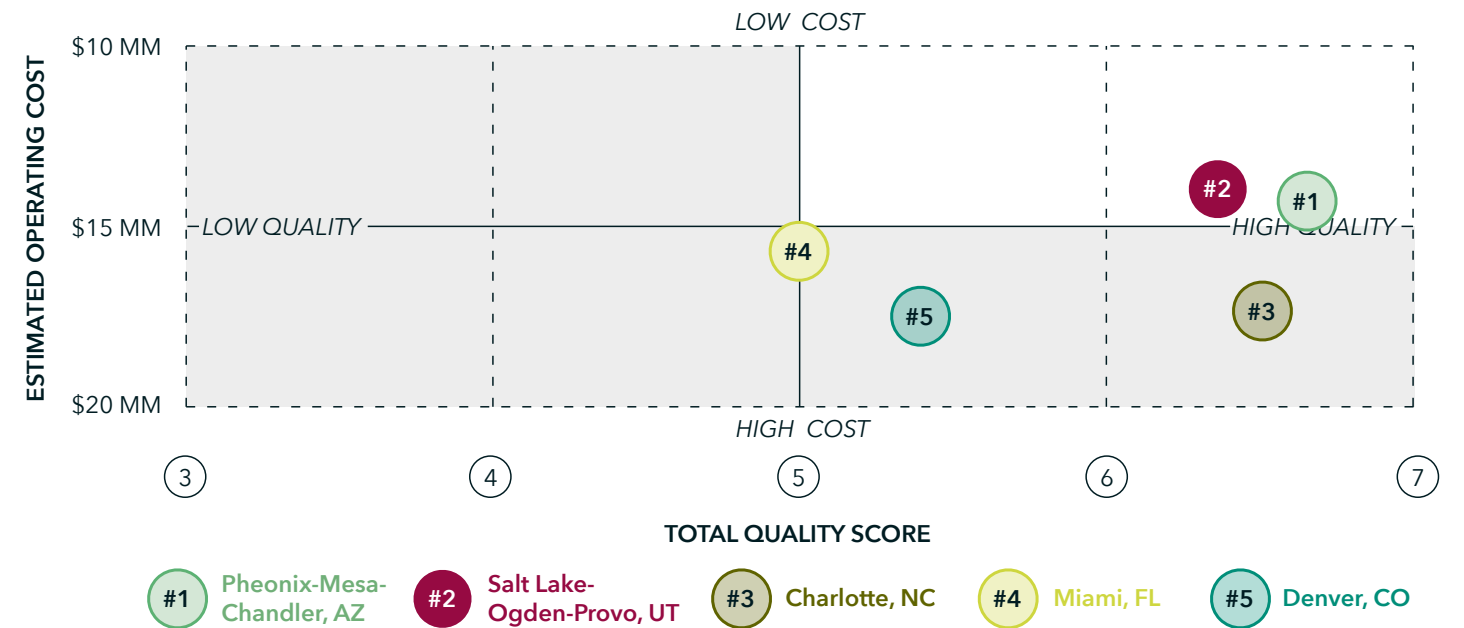


# INDUSTRY ANALYSIS

This research features five specific industries within the identified clusters that highlight our regional competitiveness according to site selector methodology. We dive into wage data; recommendations, opportunities, and threats; rankings; and important decision drivers to consider.

Quality scores are subject to change based on project-specific factors that may be included during the site selection process. Estimated costs include labor cost, electricity, natural gas, water, and wastewater and utilize assumptions based on average project requirements. Cost will vary across projects and when considering site-specific factors. Employment data source: Lightcast, 2023. Region is all zip codes within 60-minute drivetime of Salt Lake City. NAICS codes: 5132 and 5415. Growth trend is 10 years from 2022 to 2032.

## FINANCIAL SERVICES



- REAL ESTATE:** 25,000-50,000 sq ft Class A office
- AVERAGE INITIAL EMPLOYMENT:** 50-100 employees
- AVERAGE INITIAL INVESTMENT:** \$10-\$35M capital investment
- UTILITY DEMANDS:**
  - Minimal Electric
  - Connection to Natural Gas
  - Minimal Water
  - Sanitary-Only Wastewater

**WASATCH FRONT DATA:** 20,838 Current Employees | \$112,114 Avg Wage  
**NATIONAL TREND:** 27% Projected Employment Growth

**EXAMPLE COMPANIES:**



**RECOMMENDATIONS, OPPORTUNITIES, & THREATS:**

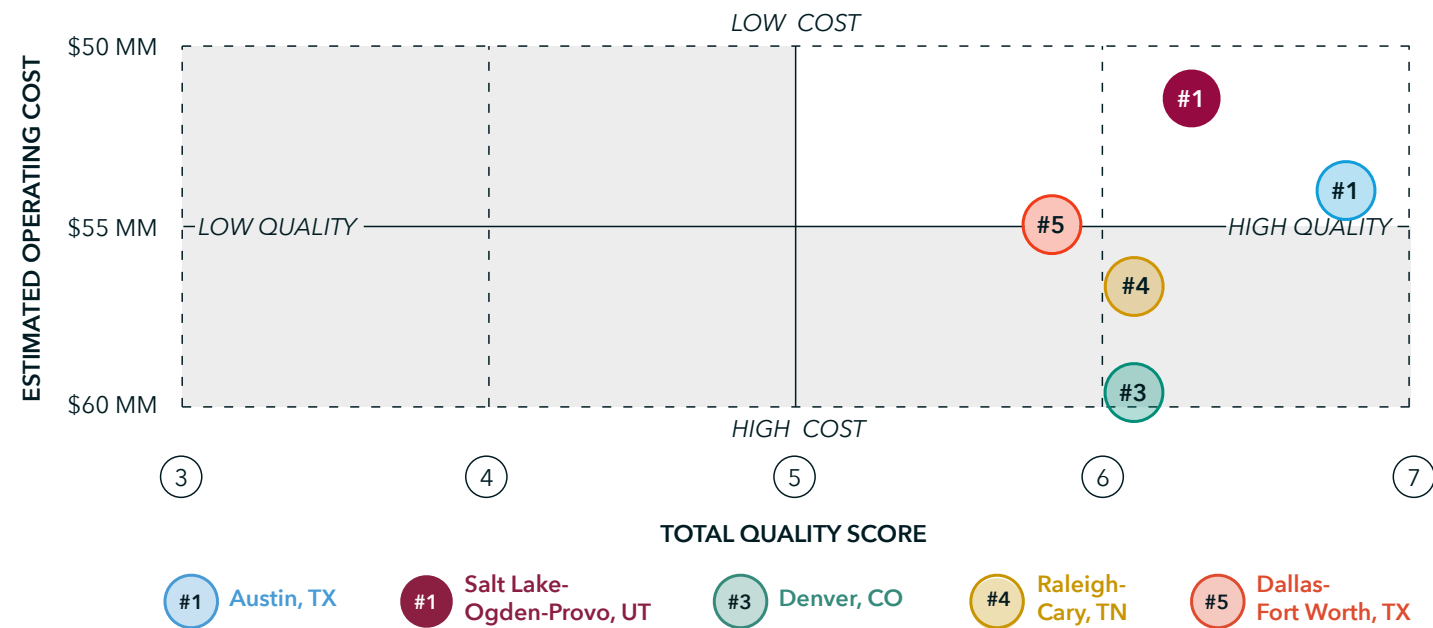
- Opportunity to further support diversity & belonging initiatives
- Opportunity to increase inventory of Class A office to boost market availability
- Opportunity to boost competitiveness of state regulatory environment
- Threats due to K-12 system concerns, low diversity, high turnover, low housing availability, and high cost of living

**DECISION DRIVERS:**

- Class A building space that requires minimal upfits
- Proximity to an urban area
- Access to amenities and favorable quality of life
- Access to high-skill labor
- Minimal utilities required
- Proximity to a regional and/or major airport hub
- Existing DEI and environmental, social, and governance (ESG) strategies in community



# SOFTWARE SERVICES



**REAL ESTATE:** 25,000-125,000 sq ft building Class A office

**AVERAGE INITIAL EMPLOYMENT:** 100-500 employees

**AVERAGE INITIAL INVESTMENT:** \$15-\$50M capital investment

**UTILITY DEMANDS:** ⚡ 2-5 MW Electric (Unless network operating center) 🔥 Connection to Natural Gas 💧 Minimal Water 🚰 Sanitary-Only Wastewater

**WASATCH FRONT DATA:** 51,805 Current Employees | \$153,167 Avg Wage

**NATIONAL TREND:** 44% Projected Employment Growth

**EXAMPLE COMPANIES:** Adobe, entrata, ebay, Lucid

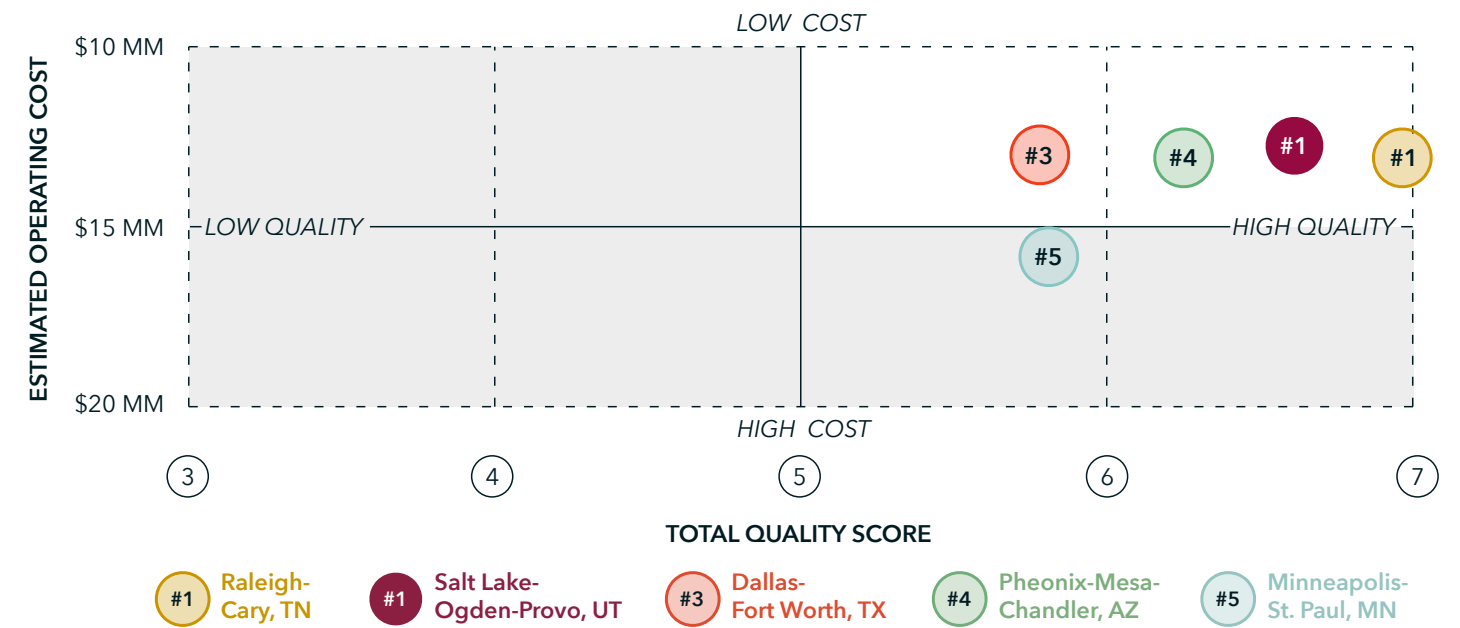
## RECOMMENDATIONS, OPPORTUNITIES, & THREATS:

- Opportunity to attract more talent and increase workforce training, especially for software developers and shorter-term training (two years or less) for entry-level jobs
- Opportunity to further support diversity & belonging initiatives
- Opportunity to increase availability of Class A office
- Opportunity to recruit more related industries, though many are high water users
- Threats due to low diversity, K-12 system concerns, low housing scores, high wage increases

## DECISION DRIVERS:

- Class A building space
- Proximity to an urban area
- Access to amenities and favorable quality of life
- Access to high-skilled labor
- Existing DEI and environmental, social, and governance (ESG) strategies in community
- Minimal utilities required
- Proximity to a regional and/or major airport hub

# THERAPEUTICS & DIAGNOSTICS R&D



**REAL ESTATE:** 25,000-50,000 sq ft Class A office

**AVERAGE INITIAL EMPLOYMENT:** 50-100 employees

**AVERAGE INITIAL INVESTMENT:** \$10-\$35M capital investment

**UTILITY DEMANDS:** ⚡ Minimal Electric 🔥 Connection to Natural Gas 💧 Minimal Water 🚰 Sanitary-Only Wastewater

**WASATCH FRONT DATA:** 6,235 Current Employees | \$82,613 Avg Wage

**NATIONAL TREND:** 38% Projected Employment Growth

**EXAMPLE COMPANIES:** BIOMERIEUX, ARUP LABORATORIES, teva, RECURSION

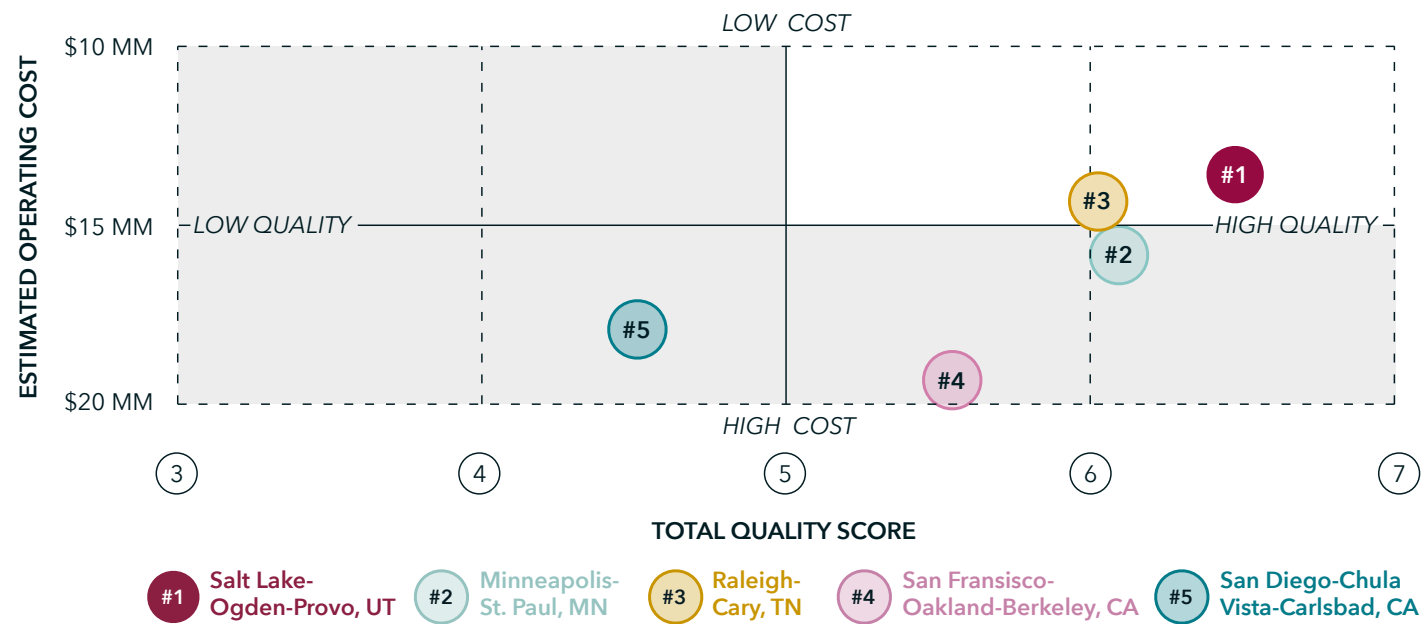
## RECOMMENDATIONS, OPPORTUNITIES, & THREATS:

- Opportunity to increase NIH funding and other R&D to levels similar to competitor
- Opportunity to continue increasing concentration of skilled talent
- Opportunity to increase availability and accessibility of lab space, especially for startups
- Threats due to high turnover rates, construction costs, cost of living, and housing affordability/availability

## DECISION DRIVERS:

- Greenfield sites or existing buildings
- Existing buildings can be multi-tenant or multi-floor
- Ability to be zoned for biosafety level 2 preferred
- Proximity to industry clusters
- Proximity to institutions supporting life science research
- Access to skilled workforce
- Access to clean room space
- Utilities at site; if not, a clear plan to achieve capacity including estimated cost and timeline strongly preferred
- Sites not within proximity of rail due to vibration

# MEDICAL DEVICE MANUFACTURING



**REAL ESTATE:** 150,000-500,000 sq ft building (50-100 acres minimum)

**AVERAGE INITIAL EMPLOYMENT:** 100 employees

**AVERAGE INITIAL INVESTMENT:** \$50-\$150M capital investment

**UTILITY DEMANDS:** ⚡ 3-5 MW Electric (Dependent on type of equipment) 🔥 40 MCFPH Natural Gas 💧 50,000 GPD+ Water Usage 🚰 50,000 GPD+ Wastewater Usage

**WASATCH FRONT DATA:** 12,401 Current Employees | \$102,138 Avg Wage

**NATIONAL TREND:** 21% Projected Employment Growth

EXAMPLE COMPANIES:



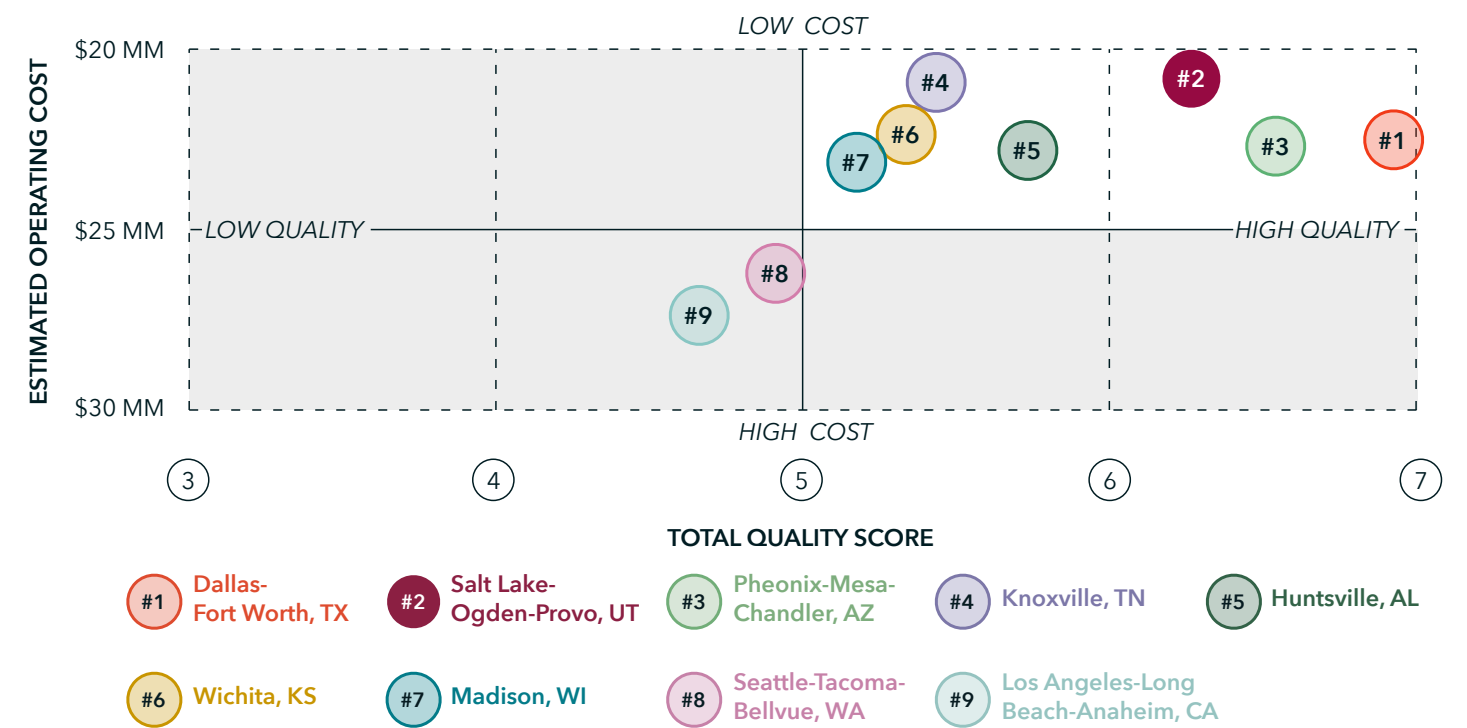
## RECOMMENDATIONS, OPPORTUNITIES, & THREATS:

- Opportunity to continue developing targeted workforce training at all levels, but specifically targeting four-year and post-graduate programs
- Opportunity to continue supporting industries where Salt Lake Region clearly excels
- Threats due to K-12 system concerns, housing affordability, wage stability, and high water usage

## DECISION DRIVERS:

- Greenfield sites (50-100 acres) or speculative buildings with room to expand (150,000 - 500,000 sf)
- Existing buildings recommended to have loading docks and drive-ins
- Existing buildings recommended to have 28' clear minimum
- Access to medium- to high-skill labor
- Proximity to research universities and access to key training programs
- Proximity to industry clusters
- Requires FDA certification and clean room space
- Utilities at site; if not, a clear plan to achieve capacity including estimated cost and timeline strongly preferred

# ADVANCED MATERIALS & AEROSPACE PARTS



**REAL ESTATE:** 100,000-500,000 sq ft building (25-50 acres minimum)

**AVERAGE INITIAL EMPLOYMENT:** 200-500 employees

**AVERAGE INITIAL INVESTMENT:** \$50-\$150M capital investment

**UTILITY DEMANDS:** ⚡ 1-5 MW Electric 🔥 30-50 MCFPH Natural Gas 💧 Minimal Water for assembly-Fabrication can be higher water use. 🚰 Minimal Wastewater for assembly-Fabrication can be higher water use.

**WASATCH FRONT DATA:** 9,768 Current Employees | \$125,107 Avg Wage

**NATIONAL TREND:** 39% Projected Employment Growth

EXAMPLE COMPANIES:



## RECOMMENDATIONS, OPPORTUNITIES, & THREATS:

- Opportunity to increase activity in Related & Support Industries (supply chain inputs)
- Opportunity to continue the development of targeted workforce training programs
- Threat due to high turnover, high construction costs, and decreased housing affordability
- Threat due to low scores for K-12 student:teacher ratio and per-student spending

## DECISION DRIVERS:

- Greenfield sites (25-50 acres)
- Speed to market (investment-ready sites)
- Low cost of doing business
- Proximity to regional and/or major air hub
- Access to high-skill labor
- Proximity to suppliers and industry clusters preferred
- Utilities at site; if not, a clear plan to achieve capacity including estimated cost and timeline strongly preferred





## CONCLUSION & NEXT STEPS

- The Salt Lake Region's economy is dynamic and growing—but it can still do better. Regional stakeholders can make investments to continue this success.
- Site preparation and preservation can make the best of what the region has.
- Targeted workforce development programs can strengthen the labor market by increasing enrollment, completion, employment, and job/employee retention. This is more than program/curriculum development. It also involves supporting student/employee success and awareness of programs.
- The region needs very thoughtful urban planning to create a diversity of neighborhood types. This can build a positive consensus supporting dense mixed-use and transit-oriented communities and thereby increase housing availability and affordability. It can also make the region more competitive by increasing the inventory of market-rate Class A office and lab spaces.
- This requires a Team Utah approach with diverse stakeholders at different geographical levels of the private and public sectors.
- It would be valuable to find more opportunities for quantitative comparison to peer metros. The region can keep learning and keep doing better.

Have feedback or want to get involved? Contact Kersten Swinyard at [kswinyard@slco.org](mailto:kswinyard@slco.org) to participate in future economic competitiveness efforts or for more information about this research.

## ACKNOWLEDGMENTS

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**Hayley Swenson**, Castlewood Development

**Peter Trapa**, University of Utah

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## Have feedback or want to get involved?

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