



Clearfield Station Area Plan

Market & Housing Existing Conditions

May 2023



ZIONS PUBLIC FINANCE, INC.

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Background

During the 2022 General Session, the Utah Legislature approved House Bill 462, which required “certain municipalities to develop and adopt station area plans for specified areas surrounding public transit stations.”¹ As Clearfield (“City”) contains a FrontRunner station, the City, to meet the statutory requirements, has begun the process to create a station area plan. In 2019, the City adopted the Clearfield Station Master Development Plan (“MDP”) for this area, and therefore is amending that plan to comply with the new State Code requirements.

As adopted, Utah Code 10-9a-403.1, requires the City to create a plan that promotes the following objectives:

- Increasing the availability and affordability of housing, including moderate income housing;
- Promoting sustainable environmental conditions;
- Enhancing access to opportunities; and
- Increasing transportation choices and connections.

The plan is required to promote these objectives within a 0.5-mile radius around the station area, including any parcel that is partially or completely contained within the radius.

Executive Summary

In total, there are approximately 844 acres of land contained within the proscribed boundary of the station area plan, and the majority of that land is currently developed.

The map and table on the following page show the proposed Clearfield Station Area and a breakdown of the land within the boundary.

¹ <https://le.utah.gov/~2022/bills/hbillenr/HB0462.pdf>

FIGURE 1: PROPOSED STATION AREA BOUNDARY

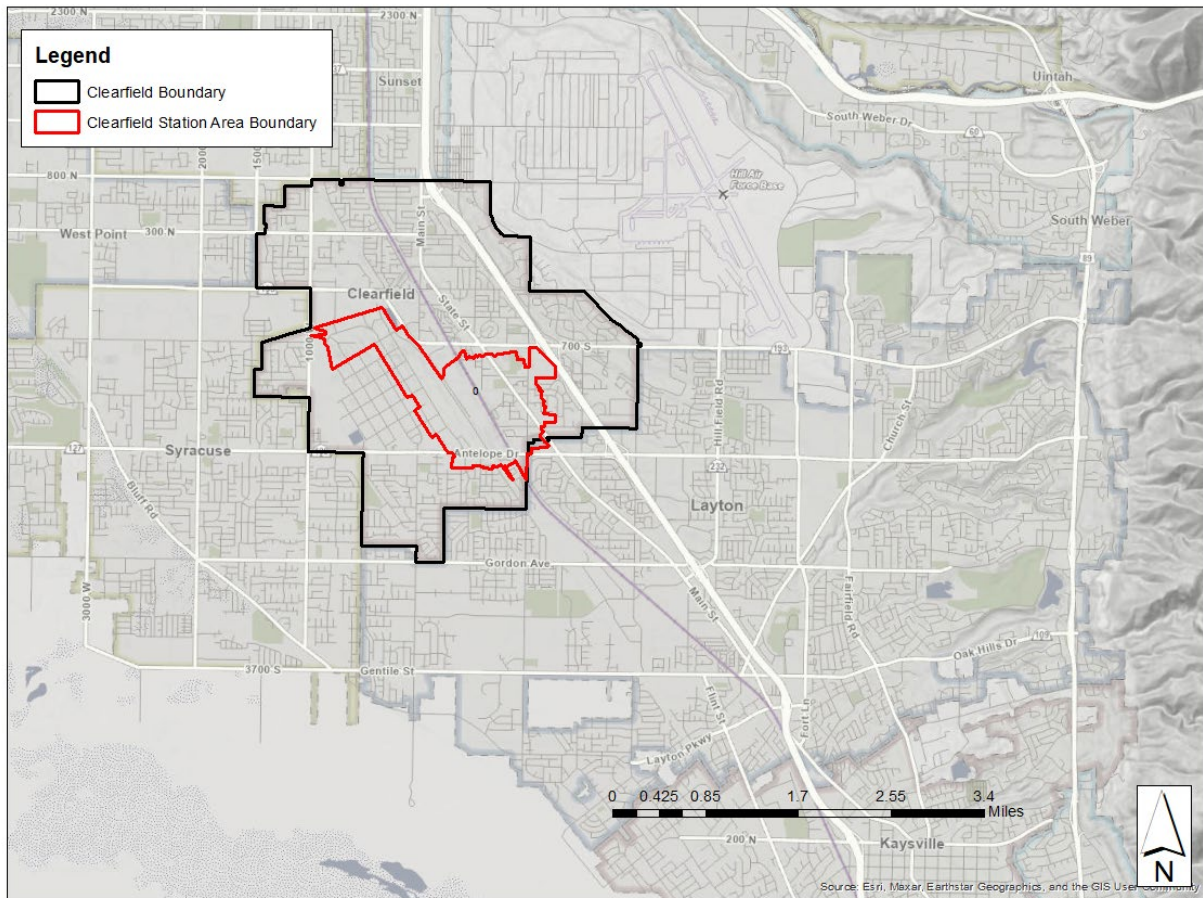


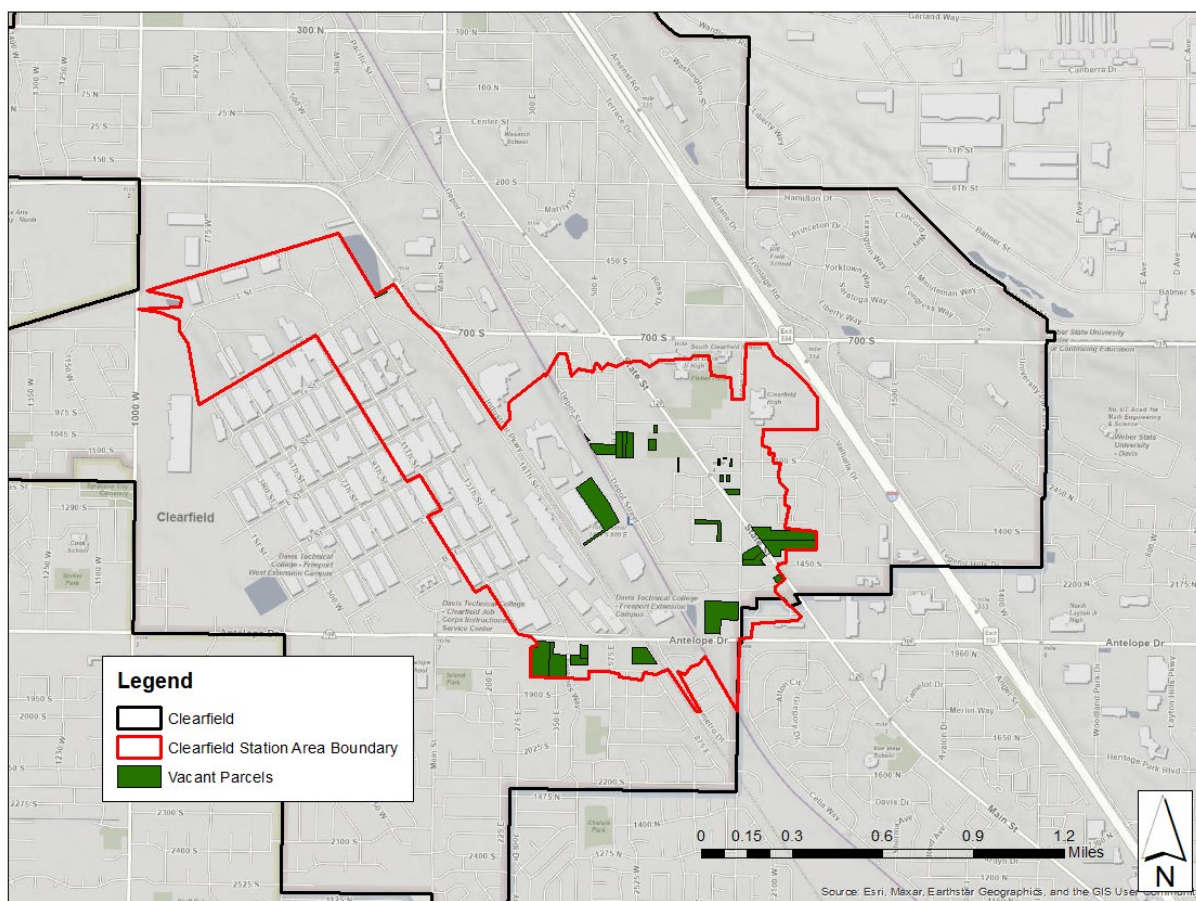
TABLE 1: SUMMARY OF LAND USE

Land Use	Acres
Developed	801.63
Vacant	42.35
Total	843.98

Source: Davis County Assessor's Office

The vacant land in the station area boundary is primarily located on the east or south of the station area boundary, along State Street and Antelope Drive. There is also some available vacant land in the Freeport Center. Some of the parcels that are identified as vacant are not viable for development as they are a part of City's cemetery or are private streets in residential development.

FIGURE 2: VACANT LAND



Strengths of the site include:

- Regional employment center
- Adopted MDP guiding development of east side of study area, providing for increased opportunities in the area across multiple development types
- Proximity to Freeport Center and Falcon Hill National Aerospace Research Park
- Redevelopment opportunities due to age and value of some commercial developments
- Active redevelopment project areas that can be utilized, or expanded, to encourage high-quality development in the area
- Utah Transit Authority (“UTA”) owns major parcels immediately adjacent to FrontRunner Station, thereby aiding a master planning process rather than piecemeal development
- Continued population growth in north Davis County, with anticipated growth of over 56,000 people by 2050. Clearfield is expected to grow by an anticipated 8,000 people.

Obstacles to site development include:

- Lack of vacant land within the station area boundaries
- Redevelopment costs may make redevelopment of older or lower value areas difficult
- Current office market is uncertain with high vacancy rates and negative absorption rates in recent quarters, although some speculative office developments are currently being developed in the City

- Connectivity of west side of site (Freeport Center) to station area and visibility from I-15 potentially limits some development opportunities

Potential Development Scenarios

- Additional commercial growth could occur along State Street and Antelope Drive with filling of vacant land and redevelopment of lower value parcels on the west side of the study area. The current MDP shows 67,500 square feet of retail space located in the interior of the eastern portion of the study area. Retail development would potentially receive greater visibility and access along on State Street rather than inside the MDP, although planned retail inside the development would provide support retail to the planned office development. The City currently has significant retail leakage and would benefit greatly from additional retail development.
- Neighborhood support retail is the most likely retail development type for the eastern portion of the site, especially retail that would complement the housing in the area such as eateries and other convenience shopping. Regional retail does not benefit from transit as large purchases of goods are not easily carried on public transit.
- Adopted MPD anticipates build-out by 2030, with development occurring at approximately 7-10 acres per year. However, this plan identifies 550,000 square feet of office space which may not be feasible in the current market. During the past year, absorption rates in the Davis-Weber office market have been fairly low. In fact, the third and fourth quarters of 2022 saw negative absorption of 186,000 square feet. While the office space planned for and shown in the MDP serves as a good buffer and is a desirable use between the station itself and the planned residential development, it may be difficult to achieve in the near term.
- The western portion of the study area is currently defined primarily by industrial space, which is likely to continue in the future. There is also some office space in that western area. There are not good connections between the west and east sides of the study area and therefore the west side of the study area may not realize all the benefits it otherwise would from the transit stop (i.e., easy access to transit and retail options).

This remainder of this report will explore the following:

- I. Demographics
- II. Economic Opportunities
- III. Housing Opportunities

I. Demographics

The following are key demographics for the City, Davis County, and the State at large.

TABLE 2: DEMOGRAPHICS

Demographic Category	Clearfield	Davis County	State of Utah
Median Age	29.3	32.3	30.7
Average Household Size	3.05	3.24	3.08
Median Household Income	\$64,689	\$92,765	\$79,133
Median Home Value	\$241,300	\$351,400	\$339,700
Median Monthly Housing Costs	\$1,321	\$1,709	\$1,682
Median Gross Rent	\$1,196	\$1,238	\$1,171

Demographic Category	Clearfield	Davis County	State of Utah
Persons in Poverty ²	11.6%	6.4%	8.6%

Source: 2021 ACS 5-Year Estimates

Between 2020 and 2050, this region is expected to grow by over 56,000 people, with Clearfield growing by an anticipated 8,000 people.

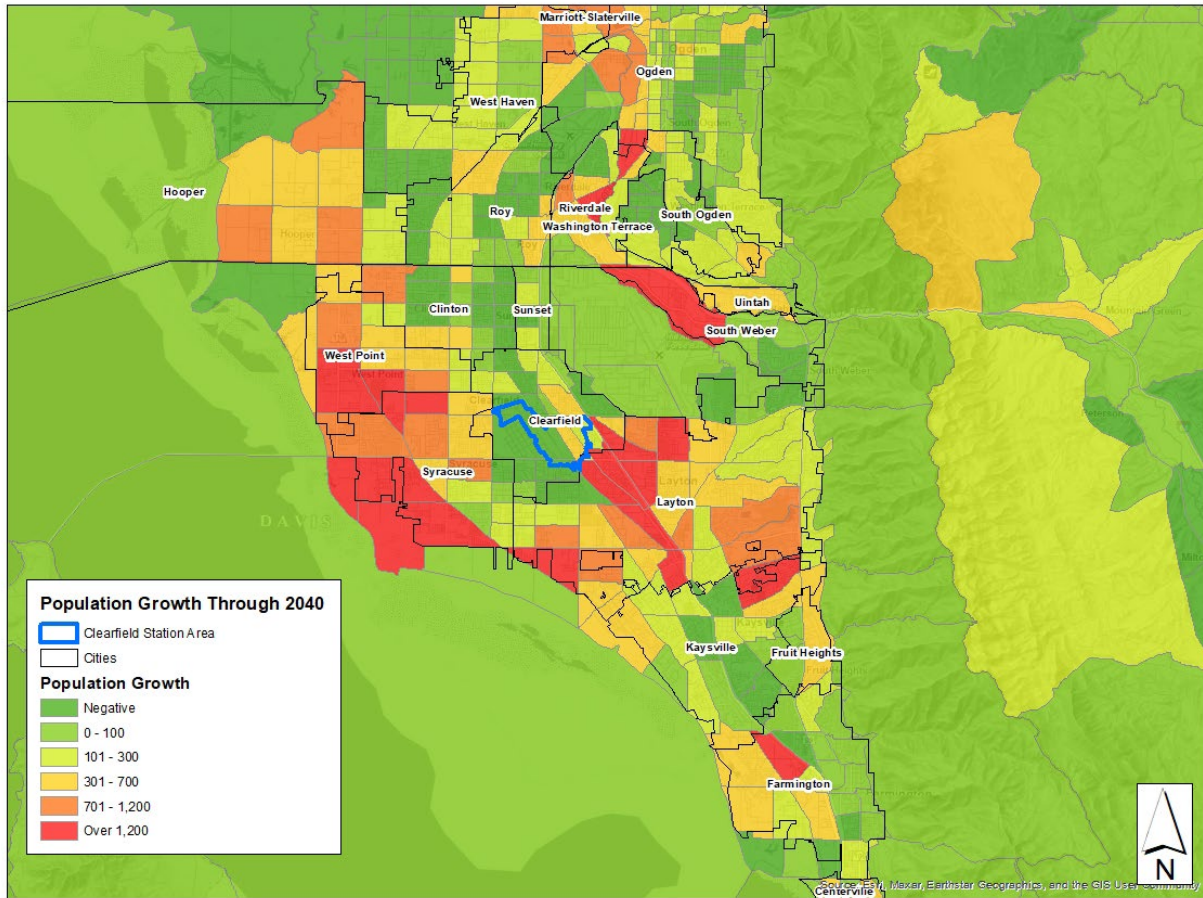
TABLE 3: REGIONAL POPULATION GROWTH PROJECTIONS

City	2020	2030	2040	2050
Clearfield	31,909	33,432	35,999	39,774
Clinton	23,386	23,499	24,824	25,914
Hooper	9,087	12,528	15,470	17,386
Roy	39,306	39,431	40,529	41,826
Syracuse	32,141	39,018	46,682	51,203
West Haven	16,739	22,060	24,598	26,331
West Point	10,963	11,953	14,895	17,341
Total	163,531	181,921	202,997	219,775
Growth from Prior Period		18,390	21,076	16,778
Cumulative Growth		18,390	39,466	56,244

Source: Wasatch Front Regional Council

² The Census Bureau determines persons in poverty by measuring family income against income thresholds based on family size.

FIGURE 3: POPULATION GROWTH PROJECTIONS



II. Economic Opportunities

Utah Code 10-9a-403.1 (7) (a) (iii)

Current Conditions

Workforce

Both the City and Davis County have similar labor force participation rates, although the City does experience slightly higher levels of unemployment. Several of the top industries are shared among the two, but the City, with Freeport Center and Falcon Hill National Aerospace Research Park, sees higher labor force participation in manufacturing than the County as a whole.

TABLE 4: WORKFORCE CHARACTERISTICS

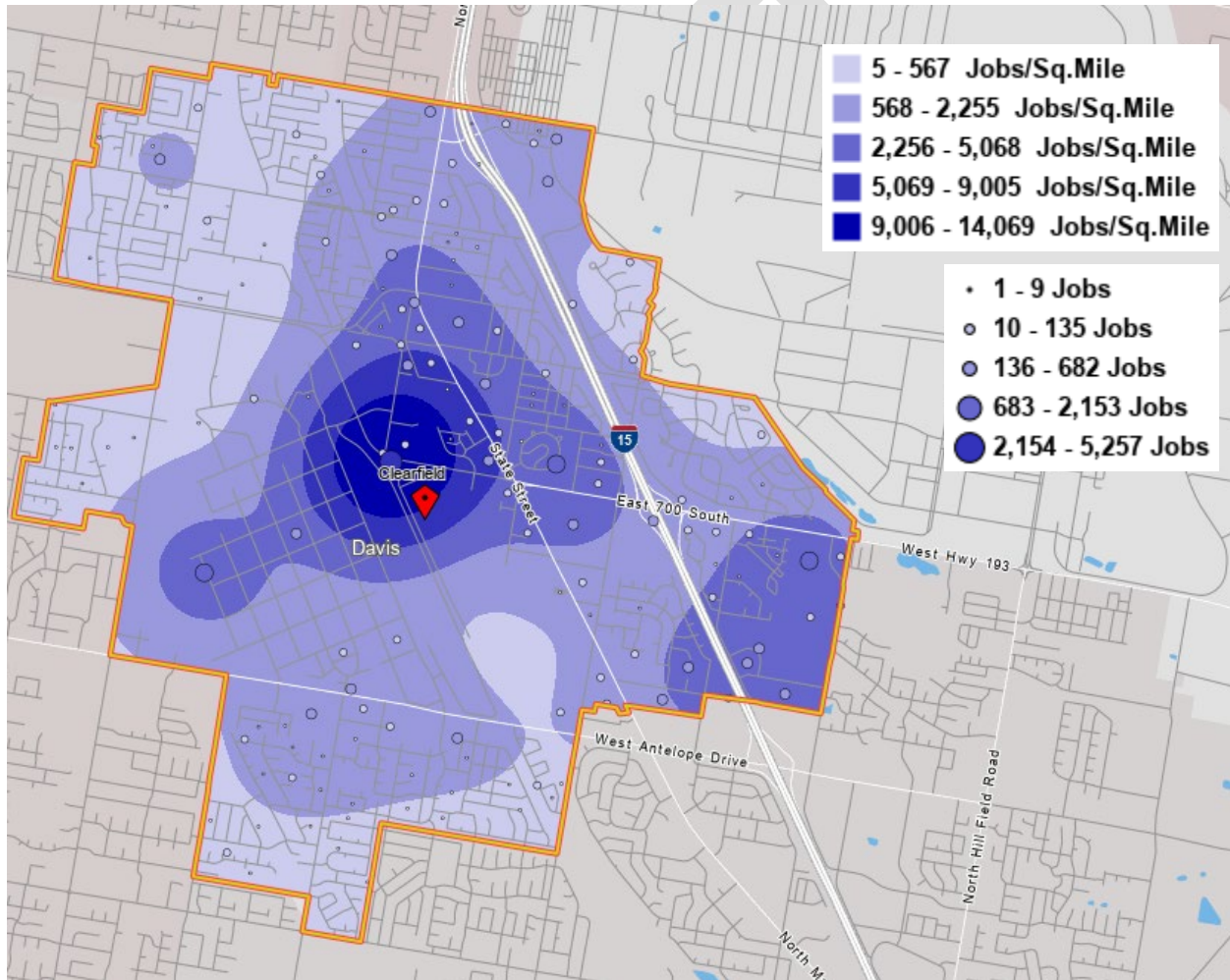
	Clearfield	Davis County
Total Labor Force	15,875	181,737
Labor Force Participation Rate	70.1%	70.6%
Unemployment Rate	2.7%	2.4%
Average Wage	\$3,941	\$4,332
Top Industries	Education & Health Care – 21.0%	Education & Health Care – 21.3%
	Manufacturing – 12.7%	Professional, Scientific, and Management – 12.2%

	Clearfield	Davis County
	Professional Services – 11.1%	Retail Trade – 11.5%
Average Commute	22.1 minutes	22.2 minutes

Source: 2021 ACS 5-Year Estimates

The City has several major areas of job concentration, most notably at the center of the City in proximity to the Freeport Center, and the eastern edge of the City around 1400 South and I-15. The employment center around the Freeport Center is the location of the proposed station area boundary and creates opportunities for additional employment capture in that area. Additionally, as a regional employment center, the City should be able to attract new businesses to the area due to the relatively strong labor market.

FIGURE 4: JOB CONCENTRATION & EMPLOYMENT CENTERS



Currently, the City is a regional employment center, with 16,656 total jobs reported in the City as of 2020. Manufacturing represents over 43 percent of the total jobs held within the City.

TABLE 5: JOB COUNTS BY NAICS INDUSTRY SECTOR IN 2020

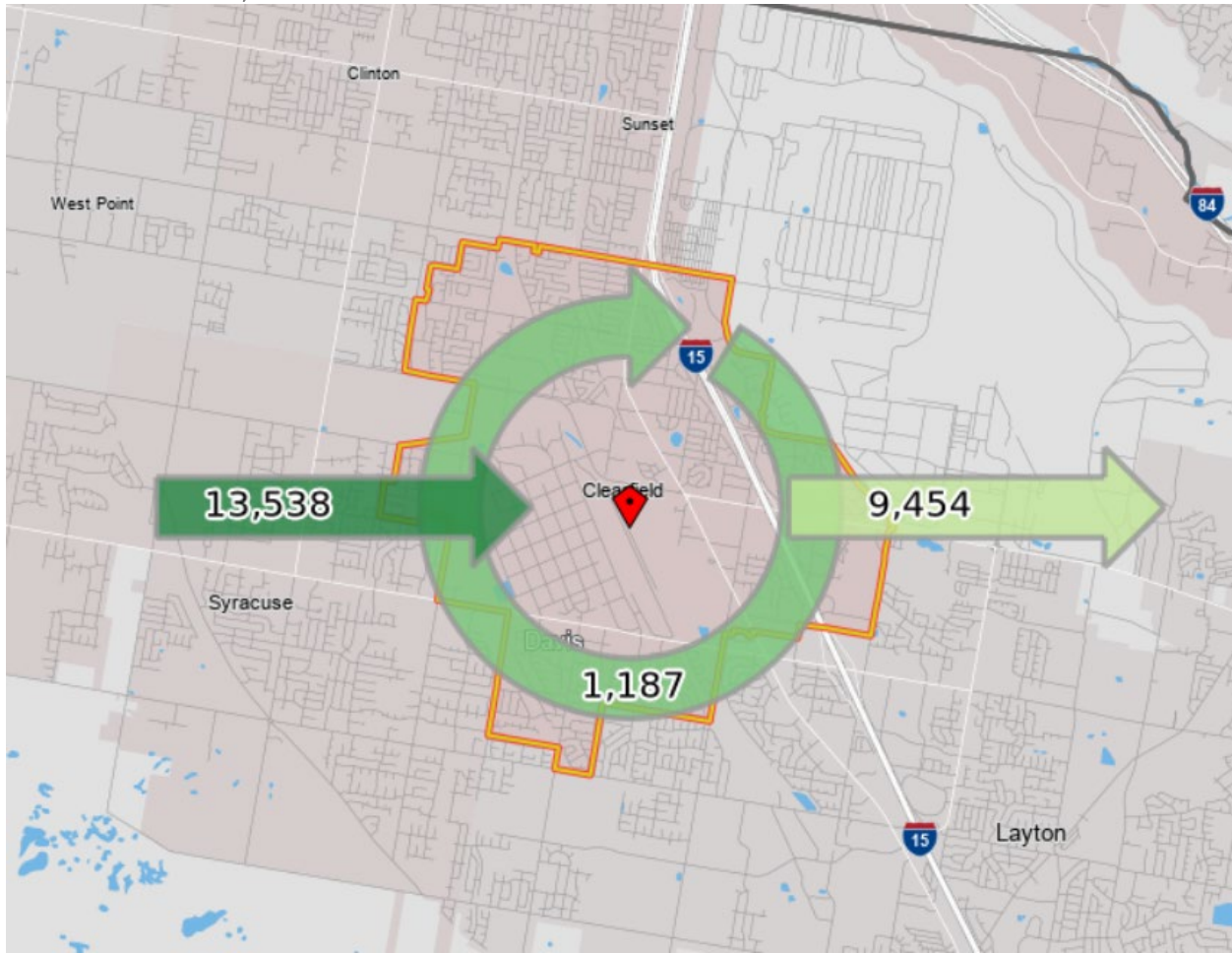
Industry	Count of Jobs	Percent of Total Jobs
Manufacturing	7,218	43.30%
Professional, Scientific, and Technical Services	1,590	9.50%
Administration & Support, Waste Management and Remediation	1,381	8.30%
Health Care and Social Assistance	1,242	7.50%
Educational Services	1,125	6.80%
Retail Trade	727	4.40%
Accommodation and Food Services	687	4.10%
Public Administration	509	3.10%
Finance and Insurance	496	3.00%
Transportation and Warehousing	438	2.60%
Construction	421	2.50%
Real Estate and Rental and Leasing	229	1.40%
Arts, Entertainment, and Recreation	204	1.20%
Wholesale Trade	162	1.00%
Other Services (excluding Public Administration)	147	0.90%
Information	66	0.40%
Management of Companies and Enterprises	13	0.10%
Mining, Quarrying, and Oil and Gas Extraction	1	0.00%
Total Jobs	14,725	100.00%

Source: US Census Bureau

The City is also considered a regional employment center due to the number of people commuting into the City for work, while living elsewhere. One benefit of this inflow of labor is the additional taxable sales that are generated by these individuals. These workers, while not making the majority of their purchases in their work community, will usually generate some taxable sales in close proximity to where they work, generally gasoline and convenience store or other food purchases. This allows the City to experience additional fiscal benefits to companies locating within the City.

In total, approximately 13,500 individuals commute to Clearfield from other communities. This presents opportunities for the City to capture additional sales tax revenue from individuals coming to the area and shopping in the City, and by locating retail along major traffic corridors, the City will be better able to realize the benefits of this inflow of labor.

FIGURE 5: LABOR FLOWS, 2020



There are a variety of employment types within the City’s top employers. Due to the proximity of the City to Hill Air Force Base (“Hill”), there are many businesses that are associated with the defense industry. Additionally, various manufacturers have found success by locating in the City.

TABLE 6: CLEARFIELD TOP EMPLOYERS

Employer	Number of Employees	Industry
Air Force Materiel Command (Hill AFB) ³	10,000-14,999	National Security
Lifetime Products Inc.	2,000-2,999	Sporting & Athletic Goods Manufacturing
Northrop Grumman Corp	1,250-2,498	Guided Missile & Space Vehicle Propulsion Manufacturing
AAA	500-999	Telemarketing Bureaus
Utility Trailer Manufacturing Company	500-999	Truck Trailer Manufacturing
Bonnell Aluminum	250-499	Aluminum Rolling, Drawing & Extruding

³ Although outside of the City’s boundaries, Hill Air Force Base is attached to Clearfield by the Utah Department of Workforce Service’s FirmFind data. The US Census Bureau does not count these numbers in Clearfield’s labor pool.

Employer	Number of Employees	Industry
Clearfield Job Corps Center	250-499	Technical & Trade Schools
A Step Forward Home Health	100-249	Home Health Care Services
Americold Logistics, LLC	100-249	Refrigerated Warehousing & Storage
Malnove Incorporates of Utah	100-249	Folding Paperboard Box Manufacturing
North Davis Cabinet, Inc.	100-249	Wood Kitchen Cabinet & Countertop Manufacturing
Parc Community Partnership Foundation	100-249	Vocational Rehabilitation Services
Recommended Building Maintenance LLC	100-249	Janitorial Services
RMC – Clearfield Operating, LLC	100-249	Nursing Care Facilities
Smith Manufacturing	100-249	Sporting & Athletic Goods Manufacturing
Wyle Laboratories, Inc.	100-249	Engineering Services

Source: Utah Department of Workforce Services

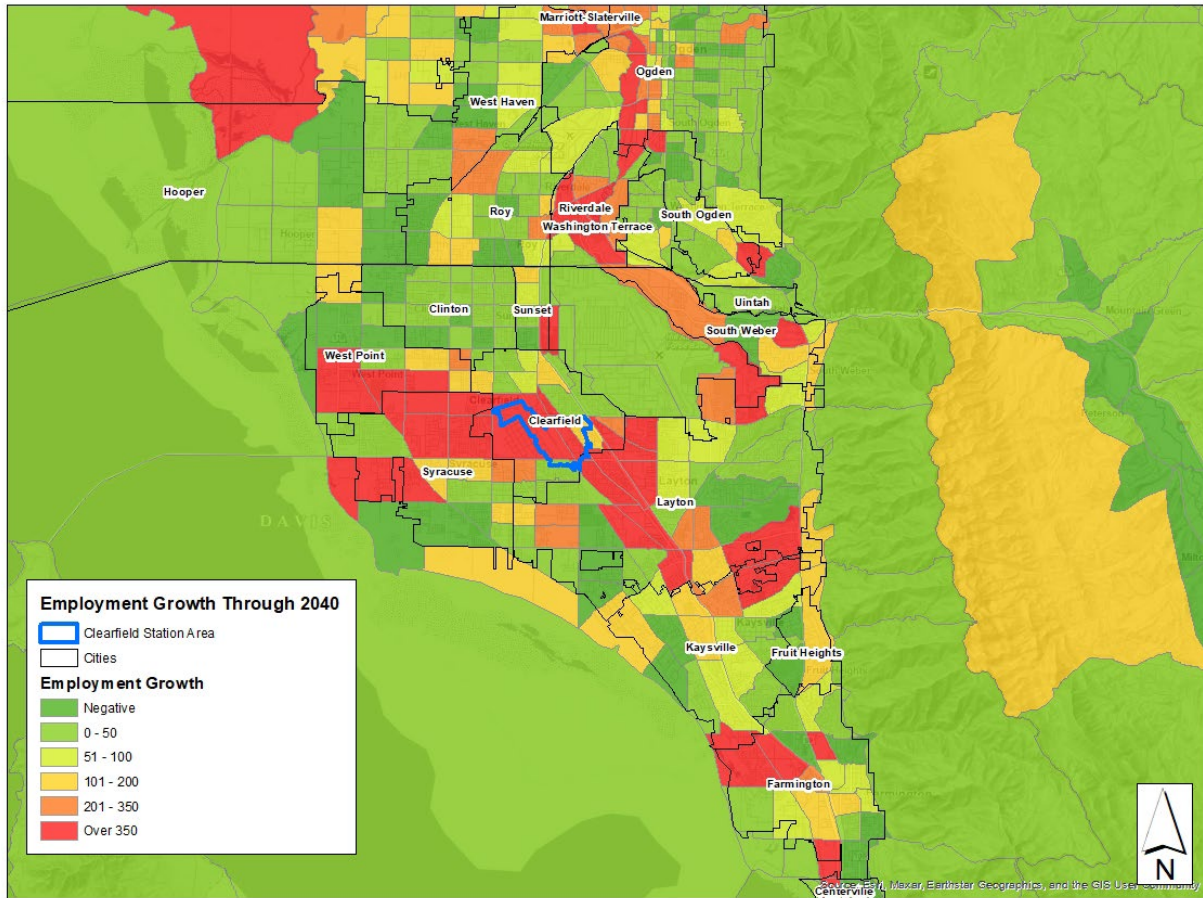
Significant employment growth is also projected for the region, with an increase of over 20,000 jobs by 2040.

TABLE 7: REGIONAL EMPLOYMENT GROWTH PROJECTIONS

City	2020	2030	2040	2050
Clearfield	14,951	17,349	19,754	22,075
Clinton	1,823	1,966	2,135	2,275
Hooper	287	318	310	308
Roy	5,787	6,850	7,404	7,828
Syracuse	2,749	7,243	11,376	14,187
West Haven	2,978	5,595	7,139	8,267
West Point	533	841	1,147	1,590
Total	29,108	40,162	49,265	56,530
Growth from Prior Period		11,054	9,103	7,265
Cumulative Growth		11,054	20,157	27,422

Source: Wasatch Front Regional Council

FIGURE 6: REGIONAL EMPLOYMENT GROWTH PROJECTIONS



Redevelopment Agency

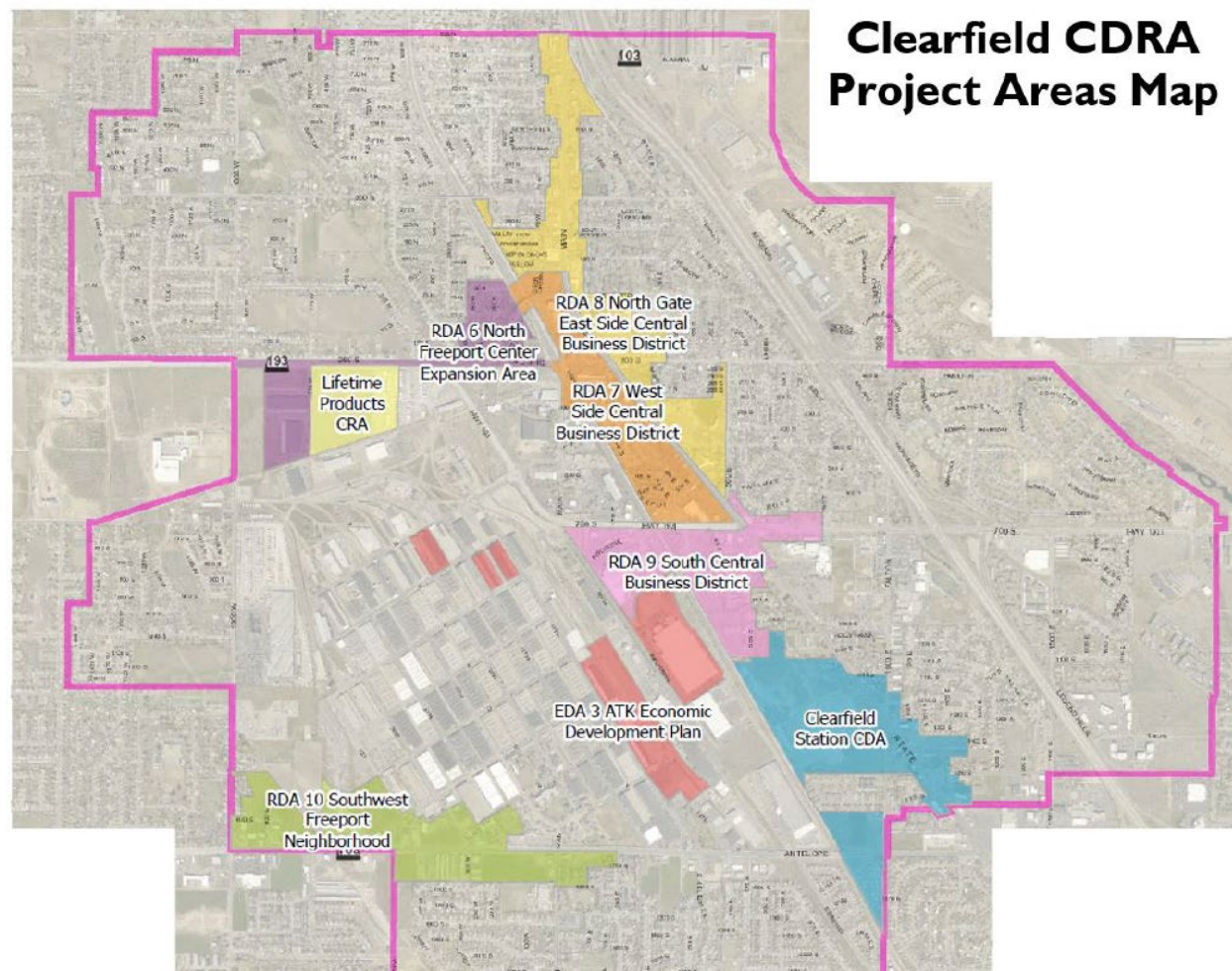
The City currently operates a community development and renewal agency (“CDRA”) that has active project areas within the boundaries of the station area. Of the City’s eight active project areas, three fall within the boundaries of the station area. A summary of these three project areas is provided below:

TABLE 8: ACTIVE RDA PROJECT AREAS

Category	RDA 9 South Central Business District	EDA 3 ATK Economic Development Plan	Clearfield Station CDA
Base Year	1992	2011	2013
Project End Date	2027	2032	2052
Percentage of Tax Increment	60%	82%	75%
Base Year Value	\$11,786,915	\$78,168,767	\$0
Current Assessed Value	\$71,628,571	\$168,192,702	\$19,470,764
Developed Acreage	75.00	96.00	48.10
Undeveloped Acreage	11.00	96.00	77.90
Total Funds Received	\$5,196,143	\$8,788,671	\$554,533
Total Funds Remaining	\$2,174,848	\$8,284,499	\$24,246,035

Source: Utah Governor’s Office of Economic Opportunity RDA Database, 2022 Annual Report

FIGURE 7: CLEARFIELD REDEVELOPMENT AGENCY PROJECT AREAS



Each of these areas may be impacted by development within the station area boundaries. Each area has both time and funds remaining, which, depending on current agreements and obligations, can be utilized to support the development of projects within the station area boundaries.

There are approximate 500 acres of the station area boundaries that are not currently included within a project area. This allows for potential expansion of current project area boundaries, or potential new project areas, to support development in the area. Depending on current agreements with project area participants, there may be available funding within the current areas to help support high-quality development within the station area.

Sales Tax Leakage

Sales tax is one of the City's most important revenue sources. A sales tax leakage model looks at the taxable sales within a community and compares it to expected taxable sales based on average per capita spending statewide and the population of a given community. Capture rates exceeding 100% indicate that consumers are coming to a city from the larger regional area (i.e., outside of the City boundaries) to make retail purchases. A capture rate under 100% indicates that a city has a gap between what it could collect and what it currently is collecting. This is referred to as "leakage" and identifies opportunities for future retail development.

Overall, the City is capturing a total of 41% of the expected taxable sales for its population, indicating that residents are making sales tax purchases in other communities in some retail categories. In total, the City is leaking over \$297 million annually in taxable sales.

The following table shows the sales tax leakage and capture rates for the various sales tax categories. Positive leakage amounts indicate that the City is capturing sales from the larger regional area, based on average per capita spending. Negative leakage amounts, with capture rates less than 100 percent, indicate that the City is leaking taxable sales in a given category.

TABLE 9: SALES TAX LEAKAGE

Sales Tax Category	Leakage Amount	Percent Captured
Gasoline Stations	\$7,335,691	150%
Miscellaneous Store Retailers	(\$1,866,296)	90%
Other Services	(\$4,199,041)	76%
Health and Personal Care Stores	(\$4,498,143)	28%
Arts, Entertainment, and Recreation	(\$4,614,936)	37%
Nonstore Retailers	(\$8,366,645)	85%
Electronics and Appliance Stores	(\$9,276,065)	26%
Sporting Goods, Hobby, Book, and Music Stores	(\$10,228,303)	25%
Furniture and Home Furnishings Stores	(\$11,634,187)	4%
Clothing and Clothing Accessories Stores	(\$13,409,216)	25%
Accommodation	(\$15,212,772)	6%
Food Services and Drinking Places	(\$20,308,730)	59%
Food and Beverage Stores	(\$37,888,344)	35%
Building Material and Garden Equipment and Supplies Dealers	(\$41,222,938)	16%
Motor Vehicle and Parts Dealers	(\$57,060,697)	32%
General Merchandise Stores	(\$64,921,222)	7%
Total	(\$297,371,845)	41%

Source: Utah State Tax Commission, ZPFI

The City currently has only one category (Gasoline Stations) where it is capturing at least its fair share of taxable sales. The other categories, especially those with the highest leakage dollar amount, represent possible areas for the City to specifically focus on to generate the greatest return in the form of increased sales tax revenues.

Opportunities Under Current Conditions

Utah Code 10-9a-403.1 (8) (a) (ii) (A)

Currently, there is little vacant land within the boundaries of the station area plan. Existing development consists of some residential neighborhoods, the Freeport Center on the west side of the FrontRunner tracks, and the currently developing Clearfield Station.

It is likely that, under current conditions, the site will see some measure of residential development mixed with support retail, and business park/industrial development. Because of the City’s role as an employment center, there are strong opportunities for increased job growth in the area, and within the boundaries of the station area. It is likely that this will mainly occur within the Freeport Center and the office components of the Clearfield Station, but with commercially viable land on the southern borders of the station area, and along State Street, there may be additional job growth in those areas.

Clearfield Station

In 2019, the City approved a master development plan for land owned by UTA at the Clearfield FrontRunner Station. The area currently consists of parking lots and vacant land. This project, covering 56 acres, is planned to bring a variety of uses to the area. The approved plan calls for approximately 67,500 square feet of commercial space and 550,000 square feet of office space. In addition, there are around 1,000 residential units (townhomes and apartments) planned for Clearfield Station. This is a critical site of development for the City. It allows for better connection to the regional economy and prepares the City to capture benefits of regional growth. In 2022, construction began on required infrastructure such as roads and utilities. It is anticipated that vertical construction will commence in 2023 or 2024.

FIGURE 8: CLEARFIELD STATION MASTER DEVELOPMENT PLAN



This development will provide a significant increase in value to the City as well as bring new residents and businesses to the area.

With current market conditions, there are opportunities to explore possible adjustments to the current plan. This could include relocating or adding additional retail space along State Street to potentially capture additional business traffic and take advantage of the higher visibility roadway. There currently are compatible commercial uses currently along State Street.

Freeport Center

To the west of the FrontRunner Station lies the Freeport Center. This is a key industrial center for northern Utah. This area has four major entities managing the area: Freeport Center Associates, Freeport West, Clearfield Job Corps Center, and Davis School District. The total area encompasses over 1,000 acres of land. The Freeport Center Associates are the majority owner in the area and manage 680 acres and have 7 million square feet of industrial space spread across 78 total buildings.⁴ This rail-served site, is home to seven of Clearfield's top 17 employers. With a mix of manufacturing, distribution, and warehouse users this area is a strength to the area. While it is mostly developed, there may be opportunities to redevelop areas of this property.

Some of the users of the Freeport Center have both manufacturing and office needs and with the planned office space at the Clearfield Station development, there may be opportunities for those users to find office space nearby. Depending on the development of retail uses, there could also be opportunities for additional sales tax capture from employees at the center.

FIGURE 9: FREEPORT CENTER



⁴ <https://www.freeportcenter.com/about-us/>

Falcon Hill National Aerospace Research Park

Hill AFB is a major economic driver for northern Utah, and especially Davis County. One aspect of this is a public-private partnership between the United States Air Force, the State of Utah's Military Installation Development Authority (MIDA), and private developers. The Falcon Hill National Aerospace Research Park is a 550-acre development containing 3.5 miles of I-15 frontage. The first phase alone will contain over 2 million square feet of office space.⁵ The development is planned to contain a mix of Class A commercial office space, research and development space, as well as some small support retail.

Although this park is outside of the station area boundaries, it presents an opportunity for the City to capture some of the overflow or related uses in the station area development.

FIGURE 10: FALCON HILL AEROSPACE RESEARCH PARK



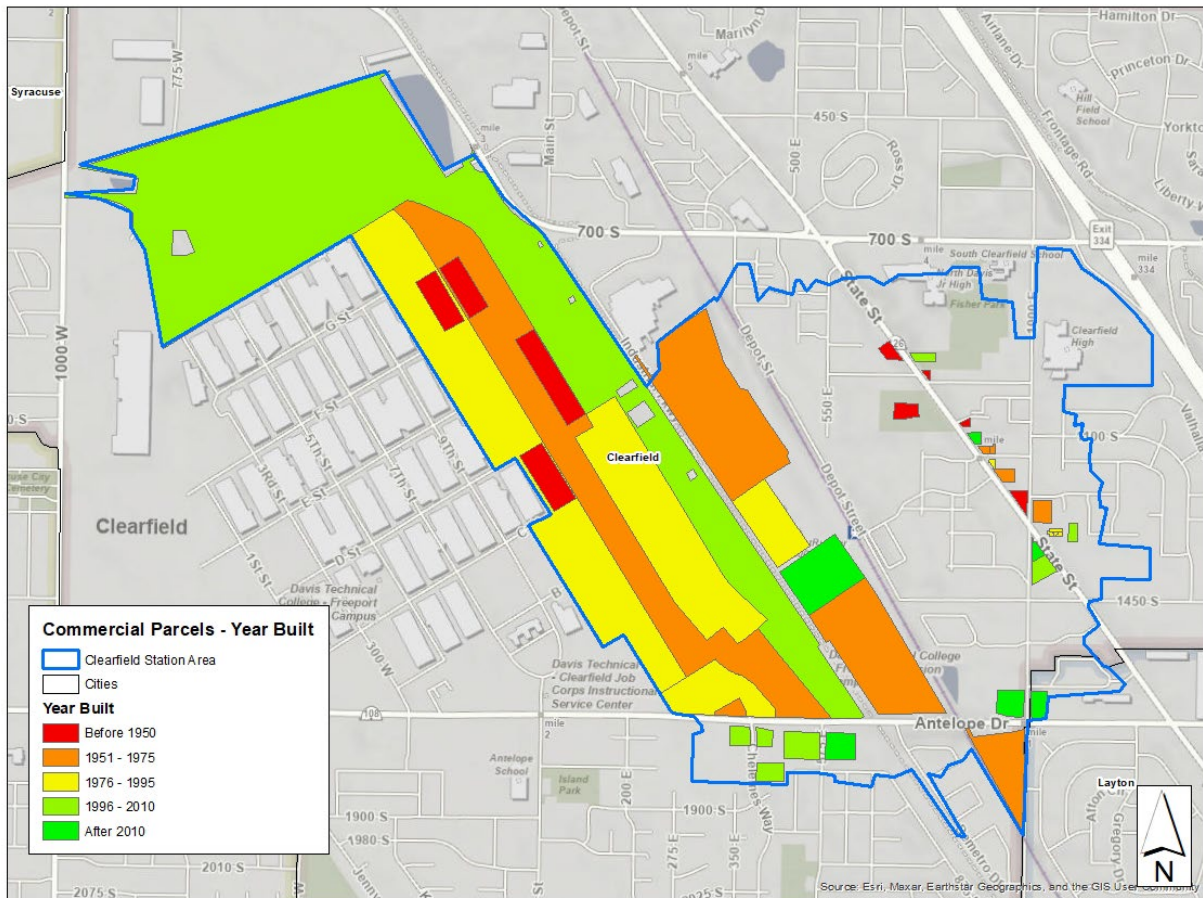
Redevelopment

Although there is little vacant land remaining in the station area boundary, there may be opportunities for the City to explore redevelopment of key areas. This is due to the age of buildings, or low value per square foot of development. This would allow for higher value development to take place.

Within the Freeport Center, there are a number of older buildings that may present opportunities for redevelopment as business needs arise. Additionally, there are a number of commercial buildings along State Street that were built before 1975 that may be candidates for future redevelopment.

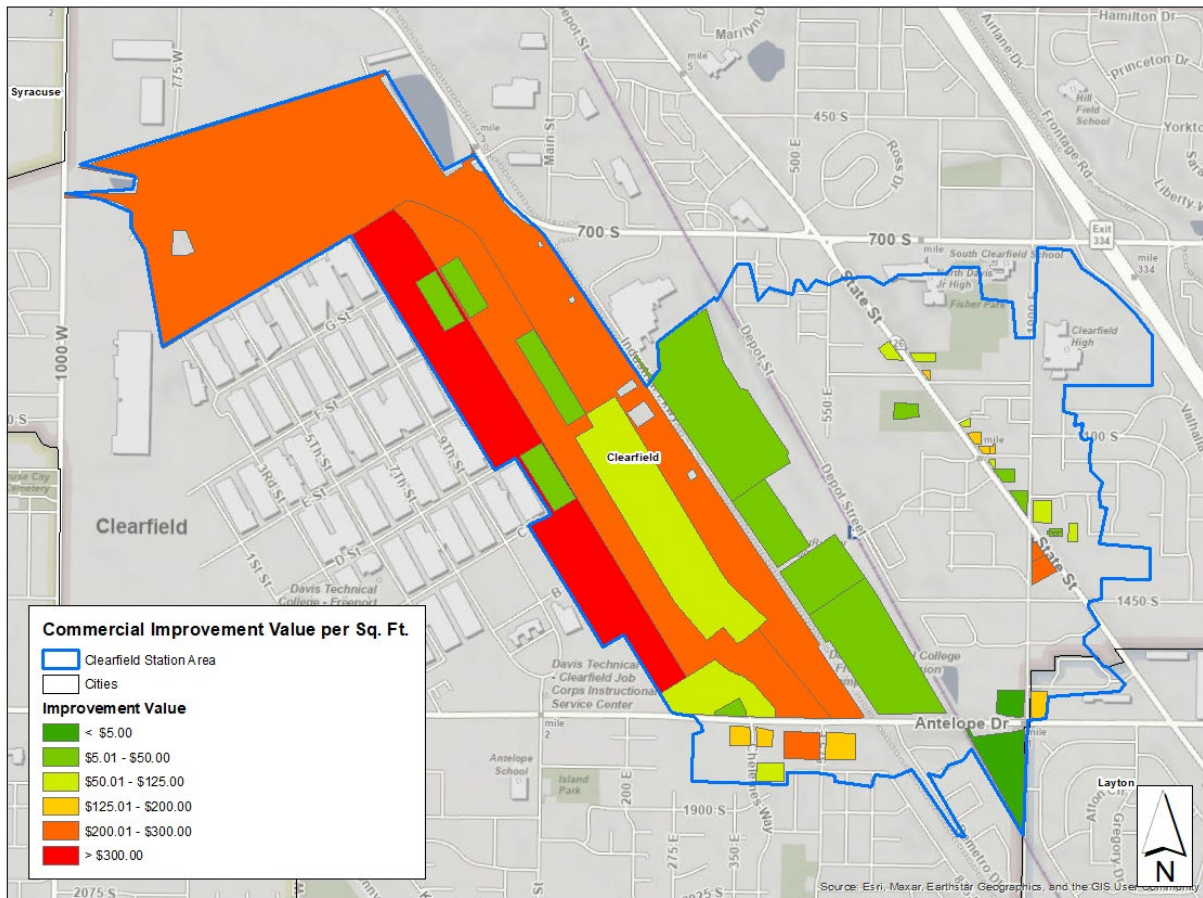
⁵ <https://business.utah.gov/articles/falcon-hill-aerospace-research-park-invests-over-250-million-into-utahs-economy/>

FIGURE 11: COMMERCIAL PARCELS - YEAR BUILT



Some of those same areas have lower improvement values per square foot of development and would bring a higher return to the City if they were redeveloped. Areas on Figure 12 that are designated in green shades indicate that those property currently have low improvement values compared to others in the area. Through redevelopment of those properties, the City could experience higher improvement values, and therefore greater property tax revenues.

FIGURE 12: COMMERCIAL IMPROVEMENT VALUES



Constraints Under Current Conditions

Utah Code 10-9a-403.1 (8) (a) (ii) (B)

There are a number of constraints on development in the area that could impact the possibilities in the station area.

Vacant Land

Approximately 95% of the land contained within the station area boundary is currently developed, thus constraining the available options for development.

Office Market

Within Davis and Weber Counties, the office market is currently experiencing a slowdown, similar to other areas. Vacancy rates have been rising since the end of 2021. At that time, vacancy rates were approximately 5% and they have risen to over 8%. Throughout the Davis-Weber office market, absorption rates have been fairly low. The third and fourth quarters of 2022 saw negative absorption rates, with -186,000 square feet being absorbed.⁶ With negative absorption rates in the area, it may be difficult to attract office development to the area at the levels anticipated in the Clearfield Station Plan.

⁶ Newmark Davis and Weber Counties Office Report, Q4 2022.

The location of the Clearfield station area may also constrain office development in the area, due to the distance and lack of visibility from I-15. Within the County, there are locations directly adjacent to the Interstate that will likely be more attractive to office users.

Redevelopment

While there is potential for redevelopment in areas throughout the station area boundaries, this is often cost prohibitive.

Access

While the Freeport Center is a major employment center in the area, and could serve as an economic driver, access to the center from the FrontRunner Station is limited. FrontRunner riders would need to walk one and a half miles to reach the entrance to the Freeport Center. This could limit the desire for businesses located in the center to acquire office space at the Clearfield Station. It is possible that some form of crossing over the train tracks would help alleviate this concern.

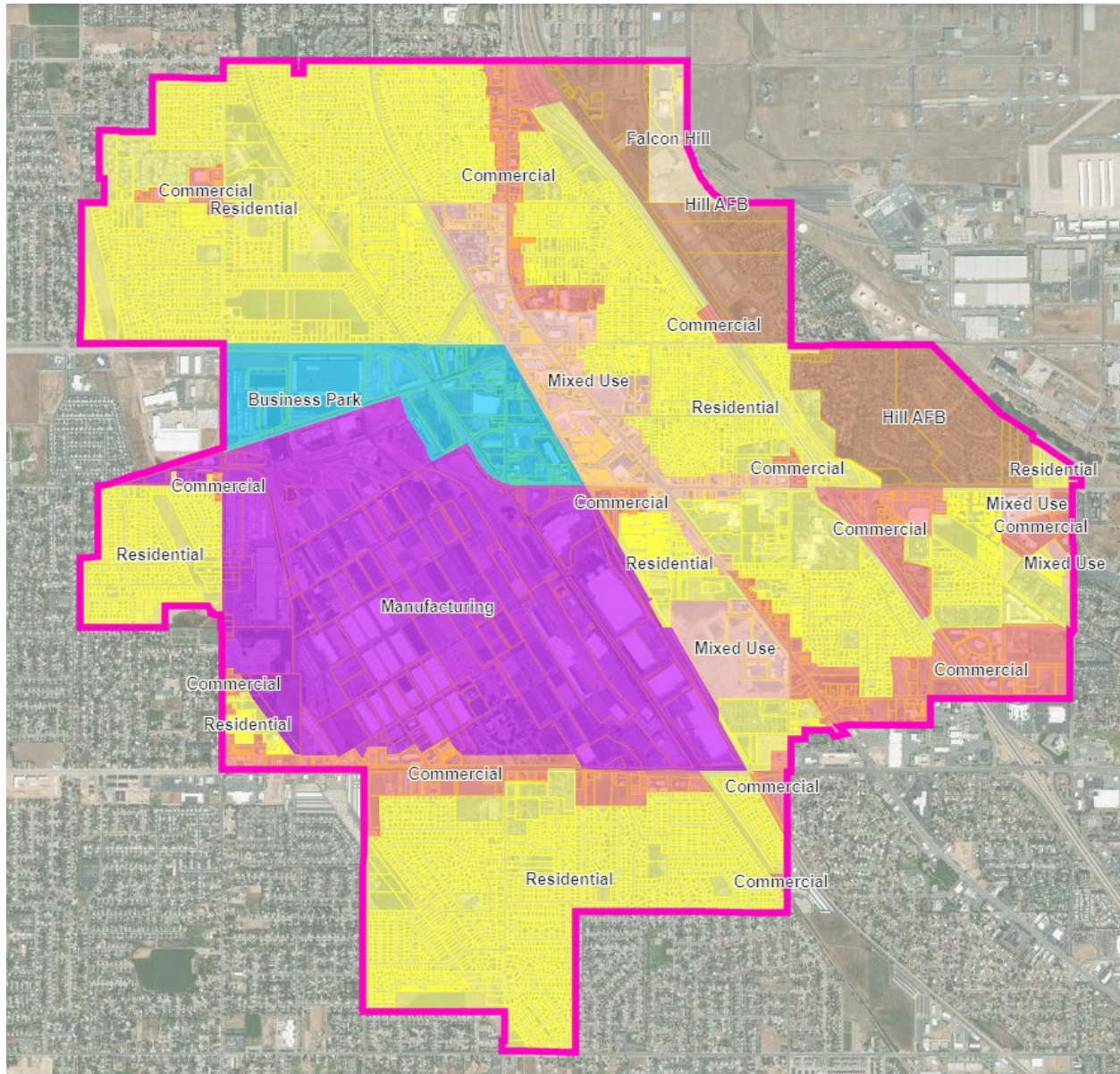
Municipality's Objectives

Utah Code 10-9a-403.1 (8) (a) (ii) (D)

The City's adopted 2017 General Plan contemplates a variety of uses in and surrounding the station area. These include manufacturing, residential, and mixed-use development.

DRAFT

FIGURE 13: CLEARFIELD GENERAL PLAN



The Clearfield Station Plan (discussed previously) is the approved development plan for much of the vacant land in the station area boundaries. The other vacant areas in the boundaries will likely be developed according to the City's General Plan.

Economic Opportunities

Utah Code 10-9a-403.1 (7) (a) (iii)

Highest and Best Use

The purpose of this section is to evaluate the highest-and-best use of the property from the perspective of a developer and the fiscal impacts and benefits to the City from various types of development. It is important to understand how highest and best use works, and, more importantly, how desired development can be achieved. Historically, highest and best use has only been considered as what creates

the greatest return on the land. This is a developer-centric model for highest and best use and relies on an understanding of developer figures and intentions. A wider implementation of highest and best use should consider the following:

- Highest and best use to the developer. This scenario considers the greatest return to the land and has historically been all that has been considered by most municipalities; and
- Highest and best use to the City (fiscal). This consideration addresses the proposed fiscal impacts of development and what revenue and expenses are generated for the City. The impacts may include, but are not limited to, property taxes, sales taxes, municipal energy fees, Class B/C road funds, retail buying power, and costs of services to be provided; and
- Highest and best use to the citizens. This scenario is often less quantitative and relies upon feedback from citizens of what amenities are lacking in the area. This process also requires notable education, as residents will oft resort to desires that are not market feasible. Data is necessary to show, for example, that a certain retailer will not occupy a site until surrounding demographics hit specific metrics. Or residents may be unaware that their transportation costs are higher than those of other communities due to a lack of employment centers, and that adding jobs at a site (instead of an alternative, publicly desired use) may result in notable community benefits.

CAP rates, which are a measure of net operating income (NOI) divided by valuation vary considerably based on location, presumed risk of a project (i.e., vacancy rates, etc.). Lower CAP rates are generally indicative of a more optimistic market with CAP rates rising as market outlooks decline. Generally speaking, developers could see the greatest profit margins with apartments, flex office, and some retail development. It is important to note that profit margins are a general estimate only and are dependent on many factors for the developer such as land costs, interest rates and financing costs, varying construction costs, achievable rents, etc.

TABLE 10: DEVELOPMENT CAP RATES

	Cap Rates	Profit Margins
Apartments		
	4.00%	29%
	4.25%	22%
	4.50%	15%
	5.00%	3%
Office		
	6.00%	1%
	6.50%	-6%
Retail		
	5.00%	15%
	5.50%	5%
Flex Office		
	4.50%	28%
	5.00%	20%
	5.50%	12%

Source: ZPFI

From the perspective of the City, property tax revenues, sales tax revenues and other revenue sources are the best measure of highest-and-best use. Because of the point-of-sale distribution formula in Utah, retail

is the highest revenue generator, on a per acre basis, for cities. However, retail only thrives in certain locations and the supportable amount of retail is dependent on the population and employment in a given area.

TABLE 11: HIGHEST AND BEST USE ANALYSIS– CITY PERSPECTIVE

Summary Comparison	Office	Retail	Multi-Family - 20 units per acre	Multi- Family - 8 units per acre	Flex Office
Property Taxes	\$5,409	\$3,131	\$2,875	\$1,265	\$3,921
Sales Taxes		\$21,780	\$6,690	\$2,676	
Municipal Energy	\$2,086	\$1,372	\$1,177	\$471	\$2,086
Class B/C Road Funds			\$1,803	\$721	
Total Annual Revenue per Acre	\$7,494	\$26,283	\$12,546	\$5,133	\$6,007

Source: ZPFI

Ultimately, these studies show what the market can build, what impacts the City should expect, and what property types are currently not feasible. If the non-feasible (in the market) uses are still desired by the City, various economic development tools may need to be implemented to see that use to fruition.

Market Overview and Opportunities

Industrial Development

There is currently remarkably high demand for industrial space within Davis and Weber Counties, with approximately 2.2 million square feet absorbed in 2022. The industrial vacancy rate also is extremely low at 1.3%, compared with the national average of 4.1%. As of the fourth quarter of 2022, direct vacancy has remained below 2.0% for fourteen straight quarters. Due to the current lack of projects in the construction pipeline, those rates are expected to remain low. Brokers anticipate that Hill AFB will continue to be a major driver of additional industrial space needs in the area.⁷

Because of the Freeport Center, this type of development would likely be able to be developed within the station area boundaries. Industrial flex space is also an area of interest for this area that is popular currently and may be able to fit into the station area, although it may require reworking some of the Clearfield Station Plan.

Office Development

Similar to other areas along the Wasatch Front, the office market in Davis and Weber Counties is struggling. In 2022, there was a negative absorption rate, with approximately -186,000 square feet being absorbed. This means that more commercial space was vacated in the area than what was absorbed by users. Office vacancy rates hit 8.1% throughout the area at the end of 2022.⁸

There is a sizable amount of this development planned for the Clearfield Station Area. Because of the uncertainty of the office market, there is a possibility that this type of development would struggle in the

⁷ Newmark Davis and Weber Counties Industrial Report, Q4 2022.

⁸ Newmark Davis and Weber Counties Office Report, Q4 2022.

near term in the station area. However, there are smaller speculative developments being developed in the City that may show an indication of a need in this area.⁹

Retail Development

Although this area is not planned to be a major commercial center, there are still opportunities to capture some of this growth. Strong population and employment growth are fueling the need for additional retail throughout the County. Slightly offsetting, however, are trends for more online shopping, fueled partially by the COVID pandemic, which has had a significant effect on retail brick-and-mortar space needs per capita. Average retail space needs averaged between 20 and 25 square feet per capita over 10 years ago. Today, Price Waterhouse Coopers suggests that this number has decreased to about 16 square feet.¹⁰ Based on regional growth projections, there could be demand for between 900 thousand – 1.1 million additional square feet of retail space by 2050. There is potential for the station area to capture a portion of this retail growth, both within the Clearfield Station MDP area as well as other areas throughout the boundaries of the station area.

TABLE 12: GROWTH IN RETAIL DEMAND

	2020	2030	2040	2050
Regional Population	163,531	181,921	202,997	219,775
Population Growth from Prior Period		18,390	21,076	16,778
Cumulative Growth		18,390	39,466	56,244
16 sf per capita		294,240	631,456	899,904
20 sf per capita		367,800	789,320	1,124,880

Source: ZPFI

Based on sales tax leakage data, the City has additional capacity to capture a variety of sales tax generating businesses. Although transit is not a major driver for retail, the City's position as a regional employment center creates opportunities to provide retail that supports these use types.

In Utah, the following trends are seen in retail establishments:

- Doing well – Grocery stores, automobile services, eateries, “concept” stores
- Faring poorly – Clothing stores, toy stores, jewelry stores, department stores, anything struggling with competing with online shopping

III. Housing Opportunities

Utah Code 10-9a-403.1 (7) (a) (i)

Current Conditions

Currently, the City has a varied mix of housing types, with increased construction of multi-family housing over the past several years. The following table summarizes residential units built since 2006.

⁹ Newmark Davis and Weber Counties Office Report, Q4 2022.

¹⁰ Byron Carlock, head of U.S. real estate development, Price Waterhouse Coopers

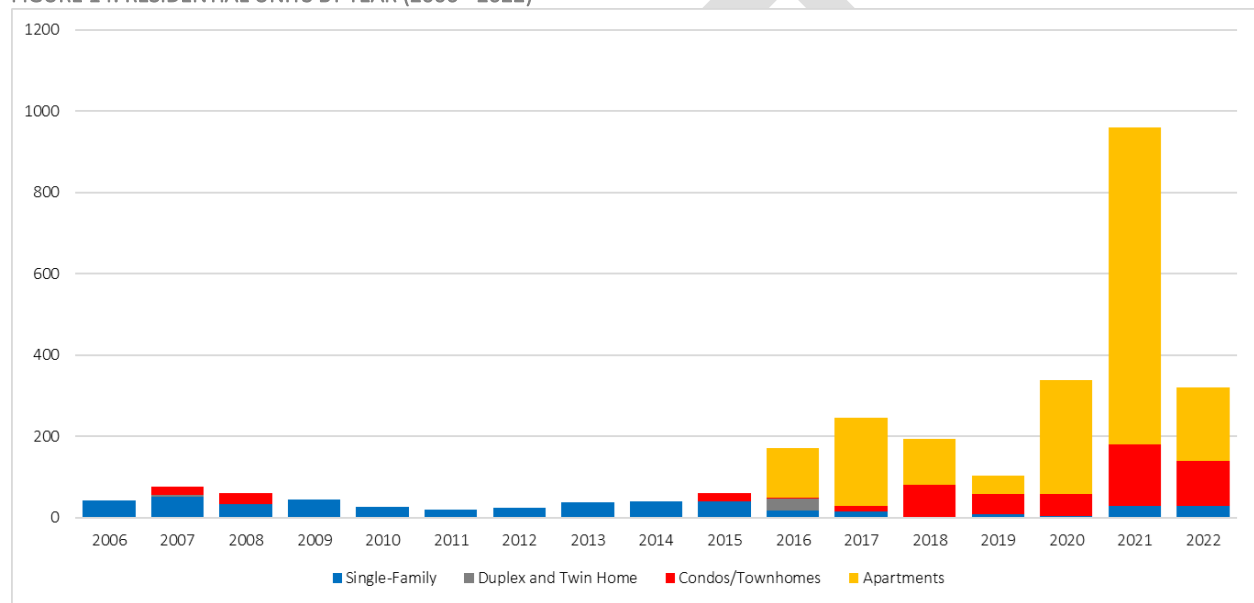
TABLE 13: RESIDENTIAL UNITS PERMITTED SINCE 2006

Building Category	Units Built
Single Family Units	461
Duplex & Twin Home Units	32
Condo & Townhome Units	532
Apartment Units	1,738
Total	2,763

Source: Ivory-Boyer Construction Database

Since 2018, the City has seen large increases in the number of units that are built in the City, with an average of around 383 units per year built in the last five years.

FIGURE 14: RESIDENTIAL UNITS BY YEAR (2006 - 2022)



Affordable Housing

Utah Code 10-9a-403.1 (7) (a) and (b)

One aspect of the station area plans is to assist in efforts to provide for or support affordable housing in the area. To determine how the station area plan may assist in these efforts, it is necessary to understand what affordability levels exist in the City. The following table provides a breakdown of the affordable monthly rent and home value for the “Low-Income” parameters set by HUD.

TABLE 14: AFFORDABLE HOUSING COSTS

	Clearfield	Davis County
Median Household Income	\$64,689	\$93,182
80% Affordability	\$51,751	\$74,546
Rent Affordable after Utilities	\$1,050	\$1,600
Affordable Home Value	\$217,000	\$335,000

Source: 2021 ACS 5-Year Estimates, ZPFI

Based on the City’s median household income, a monthly rent of \$1,050 is considered affordable for “Low-Income” households. Homes that are at a price point of \$217,000 are likewise considered affordable for this group. As shown in Tables 2 and 13 above, Clearfield is more affordable than most areas in Davis County and the State.

The City has a number of rental apartment and townhome developments available within the City. According to the U.S. Census Bureau, the City has a total of 11,866 renter occupied units in the City, or approximately 38 percent of the total units in the City.¹¹

Throughout the City, there is variability in the rental rates for these units. On average, throughout the City, the median gross rent is \$1,196. On average, only the 2 bedroom and no bedroom units are considered affordable for “Low-Income” households.

TABLE 15: AVERAGE RENTAL RATES

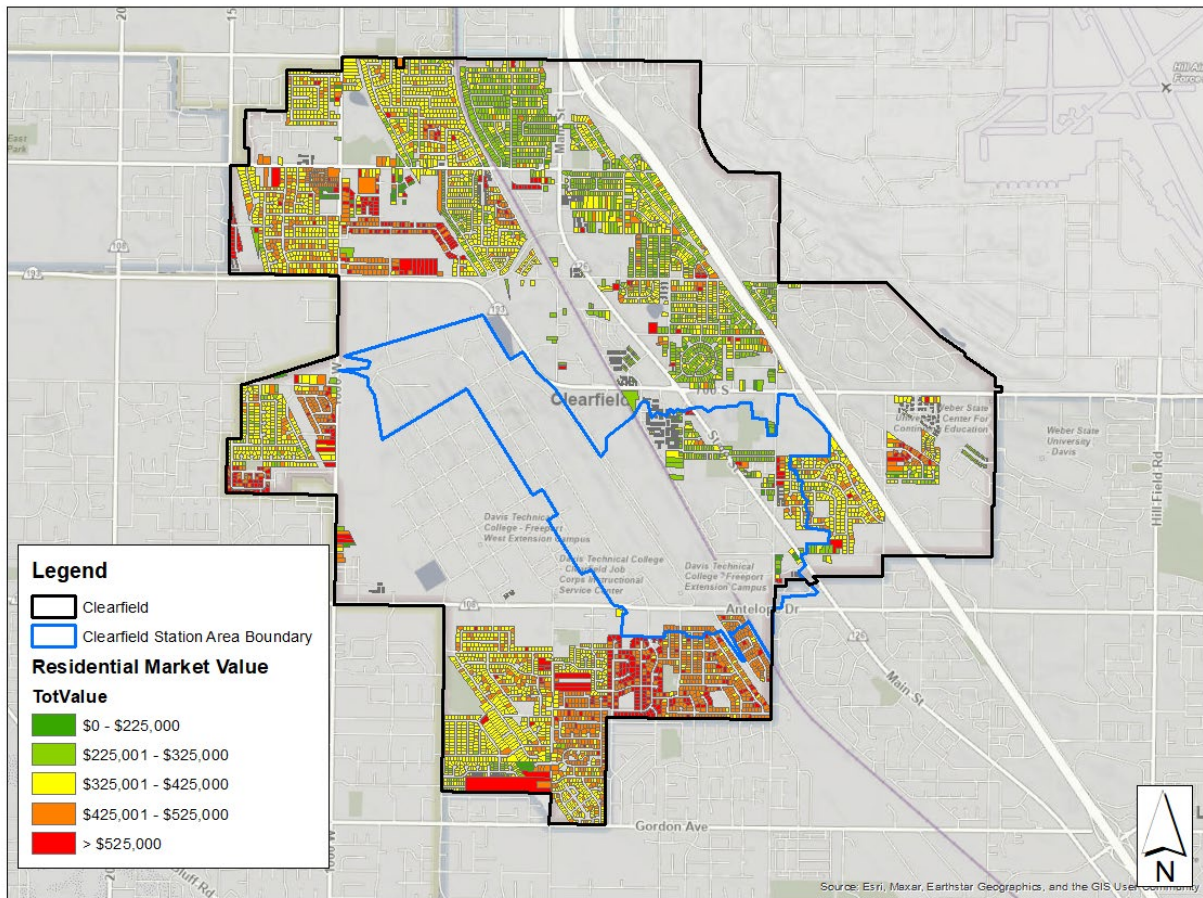
Number of Bedrooms	Median Gross Rent
No bedroom	\$866
1 bedroom	\$1,060
2 bedrooms	\$982
3 bedrooms	\$1,361
4 bedrooms	\$1,477
5 or more bedrooms	\$1,715
Median Gross Rent	\$1,196

Source: 2021 ACS 5-Year Estimates

The City has a varied mix of homes across the affordability spectrum. According to data from the Davis County Assessor’s Office, areas in the northeast of the City have lower market value than homes in the south or west areas of the City.

¹¹ 2021 ACS 5-Year Estimates

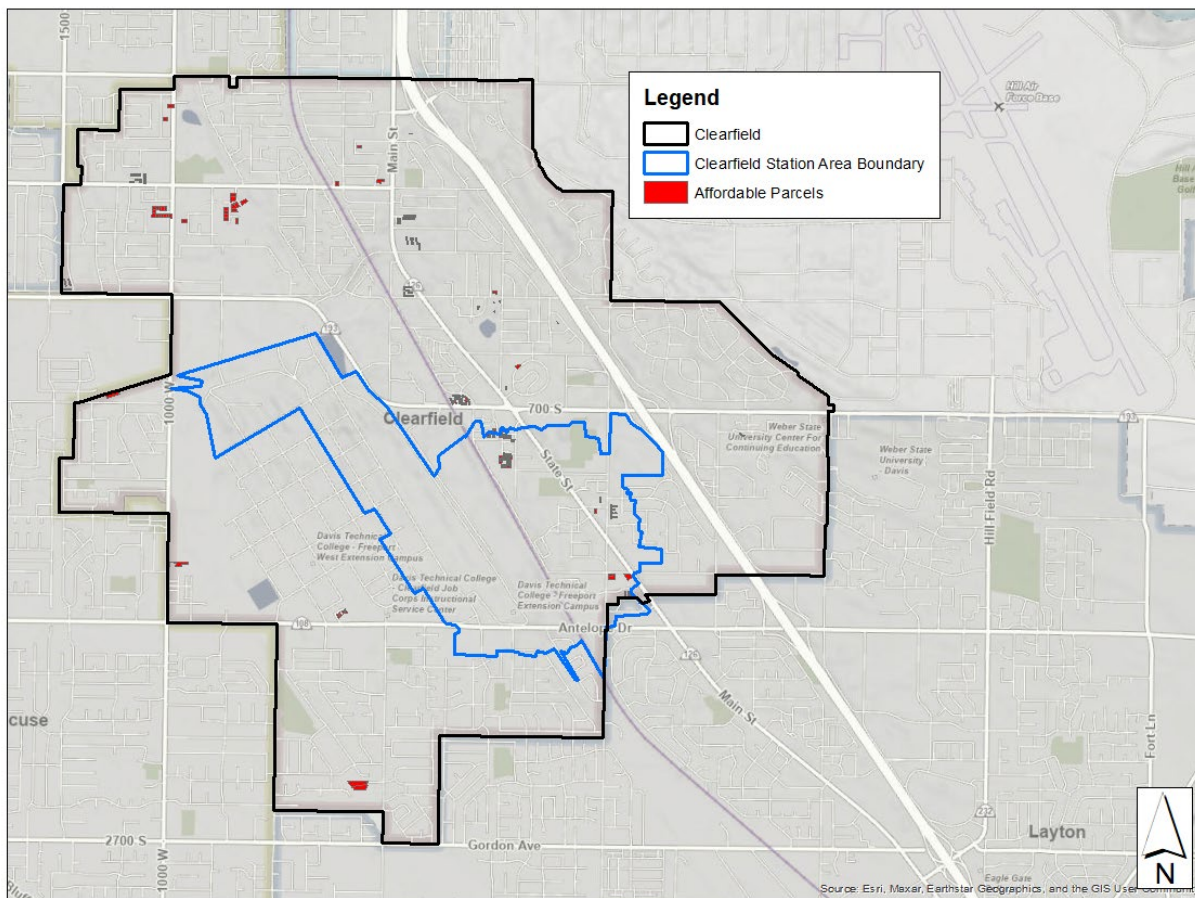
FIGURE 15: RESIDENTIAL MARKET VALUE



Based on HUD thresholds, a total of 433 parcels within the City would likewise be considered affordable. These units are primarily condominiums and townhomes, but there are a total of ten single family homes in the City that are considered affordable.¹²

¹² Based on Davis County Assessor's data

FIGURE 16: AFFORDABLE PARCELS



Currently under development, the Clearfield Station development will bring in additional residential units to the City, and potentially provide for affordable options for “Low Income” households.

Moderate Income Housing Plan

Utah Code 10-9a-403.1 (7) (b) (i) (A)

Each station area plan is required to demonstrate how it aligns with the municipality’s moderate-income housing element of the general plan.

In 2022, the City adopted an update to its Moderate-Income Housing Plan. Three of the City’s strategies relate to efforts within the station area:

- *Action Item #2: Clearfield City will ensure zoning designations allow for higher density and/or moderate-income housing development in the mixed-use Downtown, near Clearfield Station, and adjacent to commercial and employment centers.*
- *Action Item #4: Clearfield City will implement goals and objectives from creating Clearfield Downtown Small Area plan to implement centers and create areas of focus along major transit corridors which include the Downtown Form Based Code area and the Clearfield Station site.*
- *Action Item #11: Clearfield City will update the Station Area Plan for Clearfield Station*

Additionally, the City has a demonstrated commitment to a variety of housing types. Since 2016, the City has approved 464 condo/townhome units and 1,738 apartment units, far outpacing the number of single-family units built.

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