

TOTAL COST:  
**\$364,155,000**

STABILIZED VALUE:  
**\$491,000,000**

IRR:  
**15.3%**

MOIC:  
**2.32**

STAB. CASH ON CASH:  
**5.0%**

YIELD ON COST:  
**6.8**

LIFE SCIENCE SF:  
**132,000**

LEASEABLE RETAIL SF  
**36,000**

HOTEL ROOMS:  
**360**

MULTIFAMILY UNITS:  
**105**

# THE ZENITH

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A COMPREHENSIVE CONNECTION CENTER

A PROJECT OF





# A BOLD VISION FOR SALT LAKE CITY

Downtown Salt Lake City is experiencing an unprecedented transformation. The Depot District is emerging as an exciting entryway into downtown Salt Lake.

The Zenith maximizes the opportunities of this site by incorporating Life Sciences, Hospitality, Retail, Multi Family, and community spaces for a true mixed-use TOD site. It connects the west side of Salt Lake to downtown and Utah's biggest transportation hub.

STATION  
CENTER  
INNOVATION  
DISTRICT

SITES OF THE  
RFP VISION

TRANSIT  
STATIONS

## VISION CONCEPTS

### CITY-DEFINING TRANSIT HUB

ARCH's vision has built upon the 'Rio Grande Plan', a proposal by landscape architect Cameron Blakely and transportation engineer Christian Lenhart. The plan calls for relocating the Frontrunner line to the immediate west side of the Rio Grande and incorporates underground transit that ties in with the Trax system. ARCH's vision, along with this plan, breaks down barriers to the westside and creates a vibrant TOD hub.

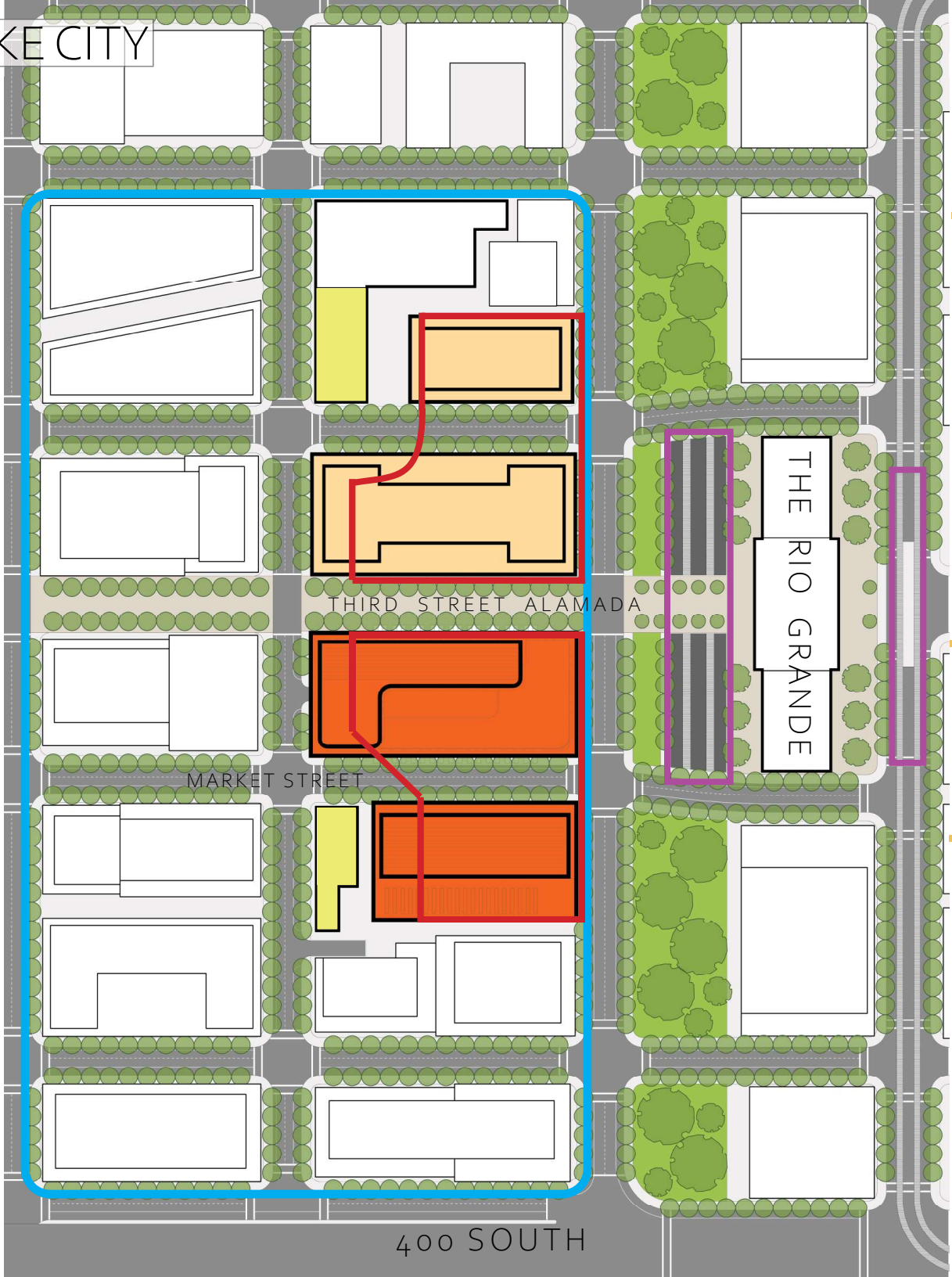
### URBAN DESIGN

Proper urban design is more than aesthetics and uses infrastructure to address large scale issues, ensuring inclusive and engaging cities that connect people. The vision set forth by ARCH maximizes the potential of the Innovation District with small orthogonal blocks in a street grid that fosters buildings scaled to the pedestrian and mid-block walkways. The Zenith is designed in a way to be the catalyst of this vision by bringing together many uses that can serve the larger area in an extremely walkable community.

The Zenith is poised to be highly successful as a fundamental anchor to the Innovation District and transforming area.

PROPOSED SITE  
'B' TO BE UNDER-  
WRITTEN

HISTORIC BUILD-  
INGS TO BE PRE-  
SERVED





# DESIGN DRIVEN PRINCIPLES



The Zenith has a unique open retail market space on the ground floor, with a reconfigurable interior space for restaurants and boutique local vendors. Usable year round, it is designed with large opening glass doors to become an extension to the pedestrian-only Third Street Alameda (300 South) for warmer seasonal markets or events.

ARCH is advancing a proposal that properly responds to the complexities of this area by utilizing the following as fundamental design principles:

## PEDESTRIAN EXPERIENCE

Paramount to the ability of a city to cultivate a vibrant urban space is the experience of the pedestrian as they transverse through the space. A vibrant area that has engagement for people throughout the day into the evening invites people to engage more, exponentially creating interest as the space itself is a positive experience instead of a necessary, fatiguing passage.

## COMMUNITY ENGAGEMENT

Carrying from ARCH's vision for the entire Innovation District, The Zenith is designed from the ground up to engage with the surrounding community and those who experience it more transitionally. In addition to traditional retail, fundamental to the design is a unique ground level space that will court dining from a variety of the area's best eateries along with year-round and indoor street-market style spaces.

## SUSTAINABILITY

To achieve Net Zero, three strategies will be implemented: 1) A highly efficient thermal envelope, 2) On site photovoltaics (PV), and 3) Credits purchased through RMP's Blue Sky Renewable Energy Program. Extensive energy modeling will optimize the Energy Use Intensity (EUI). The Zenith will utilize principles of Biophilic Design; resulting in healthy public/private spaces and a greater connection to nature.



# PROJECT METHODOLOGY

## MAXIMALLY PRODUCTIVE

To maximize this project, ARCH is to implement several asset classes: specialized life science, residential (affordable for-rent & for sale), hospitality, and retail. Through multiple asset classes, a true mixed-use site will maximize each use. ARCH has proposed to realign the street grid, to create the most efficient buildable parcels.

## LEGALLY PERMISSIBLE

As property that has been sold to the University of Utah, it is exempt from Salt Lake City zoning regulations and must only meet the building code and use requirements of the city, state, and the University.

## PHYSICALLY POSSIBLE

The main structures will consist of Type IVA construction (Mass Timber) and will precisely follow requirements from Building, Fire, & Seismic Codes. Mass timber construction allows major components to be prefabricated, resulting in faster construction schedules and optimal material efficiency for less construction waste.

## FINANCIALLY FEASIBLE

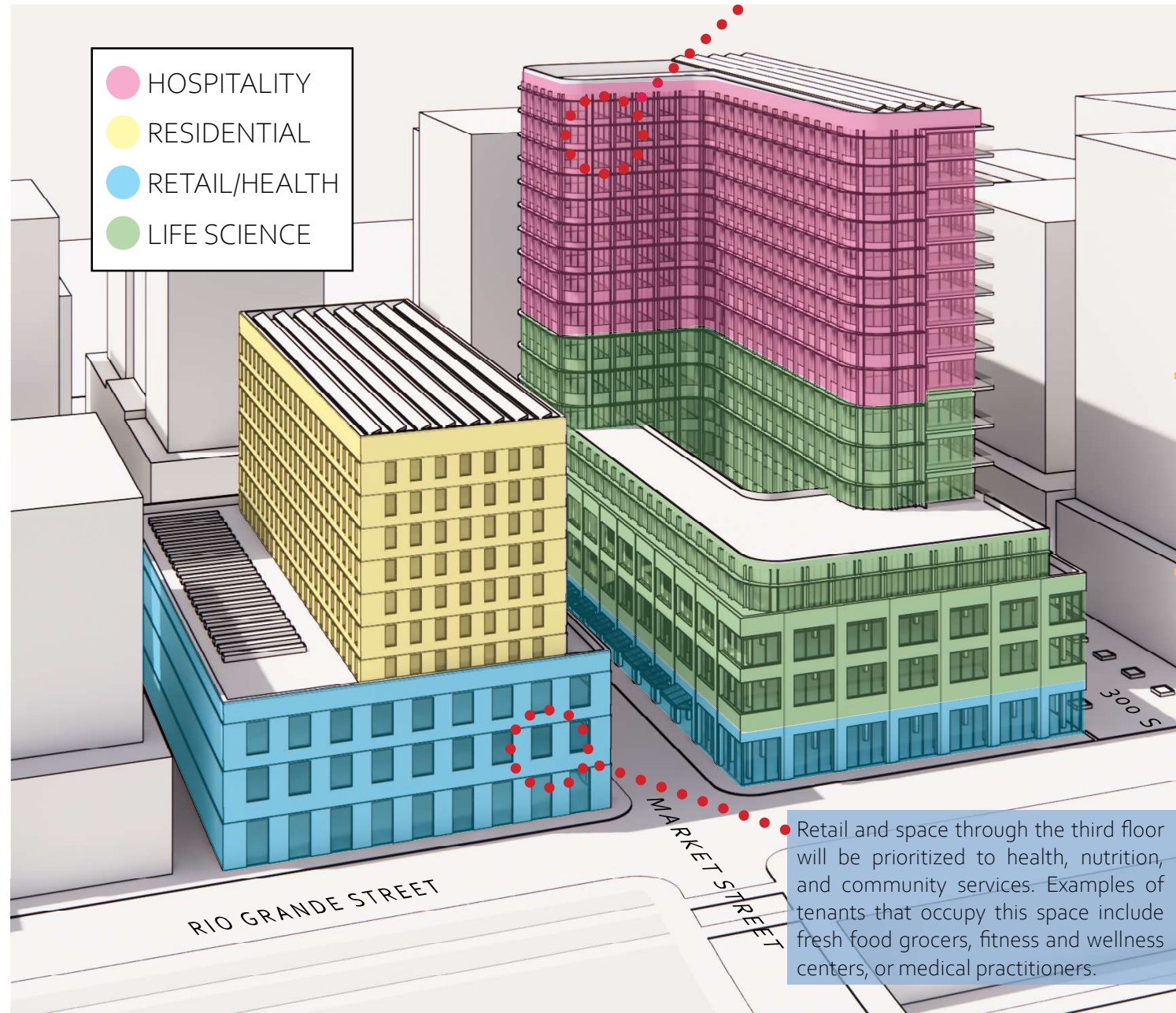
The financial feasibility of the project relies on hospitality income along with the ground lease. The life science component and retail space create acceptable returns. Hospitality contributes to 69% of effective gross income, life science brings 24%, retail 3%, and multifamily at 4%. ARCH proposes conventional debt, public/private mezzanine debt, and equity from multiple sources to fund this project.

## BUILDING DETAILS:

There will be two levels of underground parking that will be utilized amongst all uses of the project - hospitality, life science, residential, and retail. The life science has a large rooftop courtyard

that can be used by the life science center. The Residential building has a courtyard that includes a community garden. There are conference rooms able to be shared between the hotel and life sciences.

Cross Laminated Timber (CLT), commonly called as Mass-Timber, has enabled innovative designs with open space and quality interiors. It is a visionary construction method that is being quickly adopted by Developers. It is not only extremely efficient for sustainable operations after stabilization, but has a much more eco-friendly construction phase compared to concrete or steel.



Retail and space through the third floor will be prioritized to health, nutrition, and community services. Examples of tenants that occupy this space include fresh food grocers, fitness and wellness centers, or medical practitioners.

PERFORMANCE | **FEASIBILITY** | METHODOLOGY | DESIGN | VISION

## MARKET COMPARISONS:



Average Daily Rate (ADR): \$255

Tier 1	\$203
Tier 2	\$255
Tier 3	\$309



Price per sf: \$48



For Rent:

1 Bedroom:	\$1,735
2 Bedroom:	\$2,010



Retail Rates: \$30 per sf

COST PER SF		ANNUAL	
Annual Ground Rent (YR 1-5)	\$ 6.19	\$ (458,197)	Hospitality ADR: \$ 255
Life Science - Stab EGI	50.00	10,622,909	Retail per SF: \$ 30
Retail - Stab EGI	28.80	1,311,962	Retail 20% Disc: \$ 24
Hospitality - Stab EGI	145.95	30,095,627	Multifamily:
Multifamily - Stab EGI	17.77	1,667,813	MF Market Rent: \$1,950
Condo Sales	434.00	5,820,000	60% AMI: \$1,170
			40% AMI: \$ 780
			Condo Sale Price @ 80% AMI: \$400,000



# FINANCIAL PERFORMANCE

## PROJECT CASHFLOW

Period Phase	1	2	3	4	5	6	7	8	9	10	Total
	Construction			Lease Up / Operations	Stabilized Operations						
Effective Gross Income (EGI)	-1,684,800	-1,684,800	-1,684,800	39,064,567	43,698,311	45,227,752	46,584,584	47,982,122	49,421,585	50,904,233	317,828,753
Operating Expenses	-	-	-	-16,969,553	-18,235,681	-18,753,864	-19,175,726	-19,610,244	-20,438,948	-20,518,778	-133,702,794
Net Operating Income	-1,684,800	-1,684,800	-1,684,800	22,095,014	25,462,630	26,473,887	27,408,858	28,371,877	28,982,638	30,385,455	184,125,959
Debt Service	-	-	-	-15,282,375	-19,965,781	-19,965,781	-19,965,781	-19,965,781	-19,965,781	-19,965,781	-135,077,064
Free Cash Flow	-1,684,800	-1,684,800	-1,684,800	6,812,639	5,496,848	6,508,106	7,443,076	8,406,096	9,016,856	10,419,674	49,048,896
DSCR				1.45	1.28	1.33	1.37	1.42	1.45	1.52	
<b>SALE ASSUMPTIONS</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
Sale price at 5.5% Cap Rate				6,000,000						552,462,821	558,462,821
Cost of Sale				-180,000						-4,143,471	-4,323,471
<b>Net Sales Proceeds</b>				<b>5,820,000</b>						<b>548,319,350</b>	<b>554,139,350</b>
<b>EQUITY</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
Equity	36,868,086	72,376,749									<b>109,244,836</b>
<b>DEBT SERVICE</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
<b>Construction</b>											
Construction Draws	-	91,843,665	163,066,335	-	-	-	-	-	-	-	254,910,000
Debt Repayment	-	-	-	-263,481,557	-	-	-	-	-	-	-263,481,557
<b>Permanent Loan</b>											
Loan Takedown	-	-	-	368,250,000	-	-	-	-	-	-	368,250,000
Debt Repayment	-	-	-	-	-	-	-	-	-	337,067,716	337,067,716
<b>RETURNS</b>	<b>-3</b>	<b>-2</b>	<b>-1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
<b>5.5% Cap Rate</b>											
Total Project Costs	-36,868,086	-164,220,414	-163,066,335	-	-	-	-	-	-	-	-364,154,836
Net Operating Income	-1,684,800	-1,684,800	-1,684,800	22,095,014	25,462,630	26,473,887	27,408,858	28,371,877	28,982,638	30,385,455	184,125,959
Net Sales Proceeds	-	-	-	110,588,443	-	-	-	-	-	548,319,350	658,907,793
<b>Total</b>	<b>-38,552,886</b>	<b>-165,905,214</b>	<b>-164,751,135</b>	<b>132,683,458</b>	<b>25,462,630</b>	<b>26,473,887</b>	<b>27,408,858</b>	<b>28,371,877</b>	<b>28,982,638</b>	<b>578,704,805</b>	<b>478,878,917</b>

## KEY METRICS

## 5.5% Cap Rate

Total Project 10 YR Profit	\$ 478,879,000	Site 'B' Acres	1.7 acres
10 Year IRR	15.30%	Land SF	74,052
MOIC	2.32	Land Value PSF	\$ 165
Sales Price @ 5.5% Cap	\$ 552,462,821	Current Land Value	\$ 12,218,580
Yield on Cost	6.77%	Land Rent Inc. Every 5 YR	10.00%
Stabilized Cash on Cash	5.00%	Land Lease Cap Rate	3.75%