

Utah Construction & Design

August 2015

Bulls-Eye

Midvale City's Bingham Junction area is a lightning rod of activity in the center of Salt Lake Valley.



Also:

Top Utah Engineering Firm Rankings
Local Firms; National Presence
Labor Trends



Overstock.com's new corporate headquarters is the next state-of-the-art building at the Bingham Junction development in Midvale City. (photos by Dana Sohm)



Bulls-Eye!



High-tech development projects at the 350-acre Bingham Junction site highlight Midvale City's emergence as a key economic driver located in the heart of the Salt Lake Valley. *By Brad Fullmer*

At virtually the same time the nation's economy was tanking – leading to the worst recession in decades throughout most states in the U.S. – Midvale City was beginning its transformation into a thriving hub of high-tech development and economic growth, thanks primarily to the 350-acre Bingham Junction area.

This prime property located just west of I-15 off 7200 South – the virtual 'heart' of the Salt Lake Valley – was formerly the location of both Midvale Slag and Sharon Steel, which operated from 1871 until 1958 and left the area unsafe with high levels of lead, arsenic and other contaminants. From 1959-86, South Valley Reclamation District operated a wastewater treatment plant, and

by 1991 the land was placed on the EPA's National Priorities List (NPL) and deemed a Superfund site. Midvale City ultimately established the Bingham Junction zone in 2001 and remediation efforts began in 2004. The \$17 million, 17-month cleanup project was completed by August 2006, and the site was officially taken off the NPL.

Developers immediately saw the vast potential of the site, which former Utah Governor Jon Huntsman Jr. once called the "epicenter of our population along the Wasatch Front". Salt Lake-based Gardner Company (Gardner), along with development partner Arbor Commercial, ultimately bought 220 acres in November 2007, while Draper-based Wadsworth Development Group (WDG) acquired 13

acres in 2009 and another 25 acres in 2010.

According to Christopher Butte, Economic Development Director for Midvale City since 2004, development activities at Bingham Junction – which accounts for nearly 20% of Midvale – have been an overwhelming success for all parties involved.

"Right now we have \$400 million being invested in our city – we broke all (development) records in 2014-15 on all fronts, including retail, commercial office, and residential projects," said Butte. "It's been great for our city. We really did the opposite of most cities in that in 2007-08 our permitting accelerated. It's all about the location – we're in the middle of everything." >>



Savage's 80,000 SF corporate headquarters was completed last year. (photo by Dana Sohm)



Rendering of the Overstock.com project. (courtesy EDA)

Attracting Cutting-Edge Companies

Right out of the gate, developers were able to attract several high profile, technologically progressive firms and other brand new businesses to Bingham Junction. FLSmidth, a global engineering/construction firm based in Copenhagen, Denmark, was Gardner's first major commercial project (August 2008 groundbreaking), a 280,000 SF campus (three buildings) that houses the firm's U.S. headquarters and 800 employees.

Gardner followed that up with a flurry of commercial development activity. Among the major firms it sold property to included:

- Savage, a major construction/mining/manufacturing supplier, for its 80,000 SF corporate headquarters that finished in 2014 (the firm owns property to add another 50,000 SF building in the future)
- Intermountain Healthcare, which built the Kem C. Gardner Intermountain Supply Chain Center, a 335,000 SF facility on 24 acres that was completed in 2013 and serves as the main distribution hub for the healthcare giant.
- Overstock.com, the Utah-based online retailer, is currently in the midst of building its stunning new 231,000 SF

corporate headquarters – which is being dubbed the 'Peace Coliseum'. The circular-shaped, three-story project is slated to open in Summer 2016.

- CHG Healthcare recently announced that it is building a new 400,000 SF headquarters, housing an estimated 2,300 employees. Gardner is also developing the 125,000 SF View 8 office building for multiple tenants, including 50,000 SF of space for ZAGG's headquarters. The project will complete in Spring 2016.

Mark Murdock, who handles business development and marketing for Gardner, said the firm's development activity will be virtually completed once the Overstock.com and CHG projects are finished. All in all, the various projects have come off with nary a hitch, despite much of the design and construction activity happening during the recession.

"We went through a bad economic downturn but we were still fortunate to get it done," said Murdock. "It's been a very successful development for us."

"FLSmidth started it off and they helped attract Savage, IHC...if you think about it, how many spots in the Salt Lake Valley can you build large office campuses of this size?" added Ryan Bevan, Gardner's

Construction Manager who spent nine years as an estimator for Salt Lake-based Okland Construction, which is currently constructing Overstock.com and View 8.

Gardner sold a sizeable chunk of land – around 70 acres – to The Wasatch Group, which has developed a host of single- and multi-family units, effectively making the area an important TOD (transit-oriented development) with some 1,300-plus apartments, more than 800 townhomes/condos, and more than 190 planned single-family units, all conveniently located by a TRAX station.

Boise-based WinCo Foods was lured to build its first store in Utah in 2009 as part of WDG's Riverwalk Development, which also includes new-to-Utah national chain restaurants like Culver's and Popeye's. WDG CEO Kip Wadsworth said his firm knew the property was valuable – it was just a matter of having faith that Utah's market would quickly rebound from the recession.

"We could see (in 2008) that it was the last big chunk of land in the valley with great access to I-15 and a Trax station," said Wadsworth, whose firm teamed up with two partners to develop the now-completed Riverwalk retail project and its new developments to the west,

including Top Golf, a 65,000 SF mixed-use entertainment facility, along with a couple of office buildings. "It was a no-brainer – it was just having enough cojones to do it during the downturn. We think (the developments) will be key assets for a long time to come."

Infrastructure Proves Key

Butte alluded to Midvale's infrastructure development the past decade as being a key asset in helping attract these progressive companies to Bingham Junction – particularly UTOPIA, the much-maligned, state-of-the-art fiber optic network that can offer firms redundant, symmetrical Internet speeds up to 10 gigabits. Such lightning-fast data transfer speeds are crucial to firms like FLSmidth and Overstock.com, which operate internationally.

"As a city we're heavily invested in UTOPIA," said Butte. "I've sat in meetings with the top executives and IT directors from these firms, and they absolutely depend on technology. We also did a bunch of water capacity infrastructure improvements – we've made those investments, and we're going to be reaping major benefits. We don't have impact fees, we have an aggressive city council that

BINGHAM JUNCTION BY THE NUMBERS

Commercial Developments

- 280,000 SF for FL Smidth's U.S. Corporate HQ (800 employees)
- 80,000 SF for Savage Services HQ (200 employees)
- 125,000 SF View 8 office building (ZAGG HQ will take 50,000 SF)
- 231,000 SF for Overstock.com HQ (1,500 employees)
- 400,000 SF for CHG HQ (2,300 employees)
- 25,000 SF for Progressive Insurance Claim Center (60+ employees)
- 95,000 SF for future IHC Care Building
- 335,000 SF IHC Distribution Center (300 employees)
- 71,000 SF Cascade Rehab Center (100 employees)
- 100,000 SF WinCo Foods (185 employees)
- 65,000 SF Top Golf entertainment facility
- 93-room Staybridge Hotel
- 90-room Marriott Fairfield Inn
- Various restaurants, including Culver's, Popeye's, Freddy's, Zaxby's, Dunkin' Donuts, Player's Sports Bar
- Total development: 1.76 million SF of commercial office; 300,000 SF of retail; two hotels, 5,000+ employees

(understands development), and we have great partnerships and relationships with developers like Gardner and (WDG)."

Butte added that Bingham Junction is already considered by other cities and municipalities as one of the most savvy, forward-thinking developments in the entire state, and that its model is attractive to firms looking to move to the Beehive state.

"The advantages of Utah over

surrounding states are obvious," he said, alluding to great access for technology, an amazing quality of life, unparalleled outdoor recreations opportunities, low wages and operating costs, and a highly educated workforce.

"We've been fortunate to attract these high-tech companies to Midvale," he said. "It's been a huge benefit for us, and it's providing great employment opportunities for a lot of people." ■